



Milan, 29 June 2020

For the attention of Ms. Federica Lolli  
WeWorld – GVC Onlus  
Via Serio 6, 20139, Milan

**Ex-Ante Assessment of a Non-Governmental Organization applying to become a Humanitarian FPA Partner of the European Commission (as represented by DG ECHO)**

Dear Ms. Lolli,

As per our proposal dated 20 December 2019, with reference to the ex-ante assessment of WeWorld – GVC Onlus performed in accordance with the terms of reference issued by DG ECHO, we are pleased to send you our Assessment Report concerning the activities performed.

Thank you for your attention,

PricewaterhouseCoopers SpA

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Nicola Fierro  
(Partner)

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**PricewaterhouseCoopers SpA**

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**FINAL REPORT**  
**29 JUNE 2020**

**EX-ANTE ASSESSMENT OF**  
**A NON-GOVERNMENTAL ORGANISATION**  
**APPLYING TO BECOME A HUMANITARIAN FPA PARTNER**  
**OF THE EUROPEAN COMMISSION**  
**(AS REPRESENTED BY DG ECHO)**  
**APPLICATION FOR 2021 FPA**

**WeWorld – GVC Onlus**

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Organisation subject to Assessment:	<i>WeWorld – GVC Onlus</i>
Country:	<i>Italy</i>
Auditor:	<i>PricewaterhouseCoopers S.p.A.</i>
Period subject to assessment:	<i>20 April 2019 to 19 April 2020</i>
Dates of assessment fieldwork:	<i>20 April 2020 to 15 June 2020</i>
Place of the fieldwork	
(if different from country of establishment):	<i>N/A – Place of fieldwork is the same as country of establishment (Italy)</i>

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## I. INDEPENDENT ASSESSMENT REPORT

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### **EX-ANTE ASSESSMENT**

WeWorld – GVC Onlus

We have carried out an ex-ante assessment of WeWorld – GVC Onlus, the “Organisation” (hereafter also “WW-GVC”) in accordance with the terms of reference issued by DG ECHO. The **objective** of this assessment is to provide DG ECHO with independent reasonable assurance on the ability of the Organisation to fulfil the criteria and conditions for being awarded a FPA (or a provisional FPA, see section 3 below for the thresholds), and to express a conclusion on a reasonable assurance basis as to whether the Organisation:

- is an **EU NGO** entitled to receive EU funding, in accordance with Regulation 1257/96 and with the specific conditions determined by DG ECHO;
- is transparent and accountable when delivering aid;
- ensures that it complies with the **humanitarian principles**, observes the highest **ethical standards** and **deploys adequate and effective means** to address irregularities, fraud, corruption and misconduct of any sort;
- has a **suitable operational capacity** to design, implement and monitor EU-funded projects so as to meet relevant humanitarian needs by delivering aid in difficult circumstances;
- ensures compliance with rules, regulations, standards and contractual obligations for the areas specified by DG ECHO; and
- has a sound **internal control system** based on international best practices and in line with the criteria set by DG ECHO.

The scope of our work and our conclusions for each of the respective Blocks are set out below.

### **Respective responsibilities of the Organisation's management and the Auditor**

The Organisation's management are responsible for ensuring that the systems, controls, rules and procedures connected with the two Blocks are in accordance with internationally accepted standards and with the criteria set by the European Commission (as represented by DG ECHO) for each Block. The Organisation's management is also responsible for providing information, documents and access to systems and Organisation staff to the Auditor insofar this is necessary and relevant for the purpose of this assessment.

Our responsibility is to assess the systems put in place and the controls, rules and procedures applied by the Organisation for each Block to determine the overall minimum requirements and additional suitability requirements of the Organisation to enter into a FPA with DG ECHO based on the criteria defined for each Block and to report our findings in accordance with the Terms of Reference for this assurance engagement.

As required by the Terms of Reference for this assignment issued by DG ECHO, this ex-ante assessment was carried out in accordance with the *International Standard for Assurance Engagements 3000 – Assurance Engagements other than Audits or Reviews of Historical Financial*

*Information (Revised) issued by the International Assurance and Auditing Standards Board (IAASB).*

We comply with the quality control requirements of International Standard on Quality Control (ISQC 1) issued by the IAASB and the independence and other ethical requirements of the Code issued by the Independent Ethical Standards Board for Accountants.

### **Scope of work**

The scope of our engagement includes a review and assessment for each Block of the systems put in place and controls, rules and procedures applied by the Organisation.

Depending on the requirements for the Block concerned, our assessment has covered the design or the design and operating effectiveness of the relevant systems, controls, rules and procedures.

Our assessment involved comparing factual information and data relating to systems, controls, rules and procedures against the questions, criteria and guidance defined by the DG ECHO, as set out in the Annexes of our detailed report. The latter were taken into account for the purpose of determining what is a material weakness or deficiency in systems, controls, rules and procedures.

We have primarily looked into the systems, controls, rules and procedures which are in place for the Organisation's regular operations. The conclusions and scoring of this assessment do not relate to specific actions, projects, contracts or agreements, neither present nor future.

Because of their inherent limitations, internal control and other systems, controls, rules and procedures may not necessarily prevent or detect errors. In addition, projections of this historic assessment of the design and effectiveness of systems, controls, rules and procedures to future periods are subject to the risk that these systems, controls, rules and procedures may become inadequate because of changes in conditions, or that the degree of compliance with rules and procedures may deteriorate.

We have taken into account all the available evidence presented to us during our fieldwork which we finalised on 15 June 2020, including the subsequent comments and information of the Organisation up to the date of this report.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusions and scoring.

### **CONCLUSION FOR BLOCK 1 – MINIMUM REQUIREMENTS**

The scope of our engagement includes an assessment as to whether the Organisation is eligible to become a FPA Partner of DG ECHO, i.e. the Organisation:

- i) is an **EU NGO** entitled to receive EU funding, in accordance with Regulation 1257/96 and with the specific conditions determined by DG ECHO;
- ii) is transparent and accountable when delivering aid.

Our work was designed to concentrate on the minimum requirements components and controls, which DG ECHO considers fundamental and which are detailed in the 17 questions of Block 1 – Minimum requirements as set out in **Annex 3 Assessment Questionnaire**.

## **Conclusion**

Based on the procedures performed and the evidence obtained whereby the Organisation obtained a positive reply for the 17 questions assessed under Block 1 (and subject to the recommendations we have made in Section III of this report, if any), we have obtained reasonable assurance that the minimum requirements set by the Commission under Block 1 are fulfilled.

On this criterion, in our opinion the Organisation has demonstrated that it meets the minimum requirements to enter into a Framework Partnership Agreement with DG ECHO.

## **CONCLUSION FOR BLOCK 2 – ADDITIONAL SUITABILITY REQUIREMENTS**

The scope of our engagement includes an assessment as to whether the Organisation is suitable to become a FPA Partner of DG ECHO, i.e. the Organisation:

- i) ensures that it complies with the **humanitarian principles**, observes the highest **ethical standards** and **deploys adequate and effective means** to address irregularities, fraud, corruption and misconduct of any sort;
- ii) has a **suitable operational capacity** to design, implement and monitor EU-funded projects so as to meet relevant humanitarian needs by delivering aid in difficult circumstances;
- iii) ensures **compliance with rules, regulations, standards and contractual obligations** for the areas specified by DG ECHO; and
- iv) has a sound **internal control system** based on international best practices and in line with the criteria set by DG ECHO.

Our work was designed to concentrate on the additional suitability requirements components and controls, which DG ECHO considers essential and which are detailed in the 13 questions of Block 2 – Additional suitability requirements, as set out in **Annex 3 Assessment Questionnaire**.

## **Conclusion**

Based on the procedures performed and the evidence obtained whereby the Organisation secured an overall score equal or greater than 6/10 and no individual score under 4/10 for Block 2, (and subject to the recommendations we have made in Section III of this report, if any), we have obtained reasonable assurance that the controls and procedures, as described under Block 2, will enable the Organisation to fulfil the additional suitability requirements, set by the Commission under that Block, in all material respects if applied in practice.

On this criterion, we highlight that the Organisation secured an overall score equal or greater than 6/10 and no individual score under 4/10 for Block 2 and therefore is suitable to enter into a Framework Partnership Agreement with DG ECHO.

## **Distribution and Use**

The Organisation has requested this report for the information and use of the Organisation and DG ECHO. While the report is primarily intended to be used for the purpose of assessing the capacity of the Organisation to enter into a Framework Partnership Agreement with DG ECHO, the Organisation



and DG ECHO may agree to share the report with other donors, it being understood that the Auditors did not have any duty of care towards those donors when assessing the Organisation.

PricewaterhouseCoopers SpA

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Nicola Fierro  
(Partner)

Auditor's address: Via Monte Rosa, 91, 20149, Milan, Italy

Date of signature: 29 June 2020.

## II. EXECUTIVE SUMMARY

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### 1. SCORING AND OUTCOME

We provide below an overview of the individual scoring and for each of the questions of the two Blocks, as well as the outcome of our assessment.

<b>OVERALL RATING<sup>1</sup></b>	
<b>BLOCK 1 – MINIMUM REQUIREMENTS: YES</b>	
<b>BLOCK 2 – ADDITIONAL SUITABILITY REQUIREMENTS: 9.2 / 10</b>	
<b>OUTCOME OF THE ASSESSMENT</b>	
<input checked="" type="checkbox"/> <b>A. ACCEPTABLE as an FPA Partner</b>	
<input type="checkbox"/> <b>B. ACCEPTABLE as a provisional Partner with an Action Plan</b>	
<input type="checkbox"/> <b>C. INELIGIBLE / REJECTED</b>	
<b>BLOCK 1 - MINIMUM REQUIREMENTS</b>	<b>YES</b>
<b>BLOCK 2 - ADDITIONAL SUITABILITY REQUIREMENTS</b>	<b>9.2 / 10</b>
<b>PRINCIPLES</b>	
<b>18 Ethics</b>	<b>9 / 10</b>
<b>19 Anti-fraud and anti-corruption</b>	<b>9 / 10</b>
<b>20 Safeguarding</b>	<b>9 / 10</b>
<b>OPERATIONAL CAPACITY</b>	
<b>21 Planning, staffing and safety</b>	<b>10 / 10</b>
<b>22 Project design</b>	<b>10 / 10</b>
<b>23 Project management</b>	<b>9 / 10</b>
<b>COMPLIANCE WITH RULES, REGULATIONS, OBLIGATIONS AND STANDARDS</b>	
<b>24 Humanitarian</b>	<b>10 / 10</b>

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<sup>1</sup> This overall rating does not include the assessment to be made by the Commission on the acceptability of the level of accountability of the candidate NGO when the latter works with Implementing Partners in the situations covered by Annex 4A and 4B.



<b>25 Operational</b>	<b>7 / 10</b>
<b>26 Protection of personal data</b>	<b>10 / 10</b>
<b>INTERNAL CONTROL</b>	
<b>27 Governance, risk management and oversight</b>	<b>8 / 10</b>
<b>28 Human Resources</b>	<b>9 / 10</b>
<b>29 Budgeting, accounting and reporting</b>	<b>9 / 10</b>
<b>30 Audit trail and document management</b>	<b>10 / 10</b>

### III. FINDINGS AND RECOMMENDATIONS

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#### 1. MINIMUM REQUIREMENTS

##### 1.1. Summary of any additional work performed and criteria used for the assessment

*PwC, with reference to the reasonable assurance activity, in line with ISAE 3000 – Assurance Engagements Other Than Audits or Reviews of Historical Financial Information (Revised), conducted interviews with the Organization’s representatives, verified the elements and procedures present at the design level and, for the relevant aspects, carried out sample verification activities. It is specified that, for sampling purposes, PwC has followed its internal methodology as per the "PwC Audit Guide", based on International Standards on Auditing (ISAs), PwC policy and guidance. The approach adopted in sampling is of the "Accept-Reject" type: based on the population in scope a certain sample was selected on a random basis.*

*With specific reference to the verification activities carried out at the project level, PwC obtained evidence of the projects developed by WeWorld – GVC Onlus in the humanitarian field, falling within the time perimeter being analysed (20 April 2019 to 19 April 2020) and our conclusions specifically refer to the Organisation in this time frame. It is specified that the base population (humanitarian projects in the reference time period), from which the projects sample was selected, includes the following:*

<b>Project</b>	<b>Country</b>
<i>To strengthen the resilience of the most vulnerable populations and of displaced people in Mopti region</i>	Mali
<i>Projet d'assistance en santé primaire, nutrition, santé de la reproduction et VIH/SIDA des réfugiés dans les camps et en milieu urbain au Burundi</i>	Burundi
<i>Santé et Nutrition aux rapatriés burundais dans les CTs</i>	Burundi
<i>Distribution of micronutrient powders in the provinces of Bujumbura and Bubanza</i>	Burundi
<i>Emergency response to cholera in the Provinces of Bubanza, Cibitoke and Bujumbura rural</i>	Burundi
<i>Restoration of the productive capacity of families affected by cyclone Idai (Restauração da capacidade produtiva das famílias afectadas pelo ciclone Idai)</i>	Mozambique
<i>Food for Assets (FFA) - Distrito Namaacha</i>	Mozambique
<i>Support for migrants at Tarek El Sikka migrant centres and host communities - LIBIA/11242Icall/02</i>	Libya
<i>Humanitarian support to Palestinians at risk of forcible transfer in the West</i>	Palestine

<i>Bank - ECHO/PSE/BUD/2019/91004</i>	
<i>Improving access to safe WASH, sanitation and hygiene for vulnerable communities in the West Bank - OPT - 19/DDA - 3482/SA2 /WASH/INGO/13937</i>	Palestine
<i>Strengthening of WASH access, preparedness and response capacity for the most vulnerable families in North Gaza Governorate - OPT - 19/DDA - 3482/SA2/WASH/INGO/14106</i>	Palestine
<i>Gaza SAFE: Health, Water, Training end Emergency preparedness. Strengthen mechanisms and capacities for emergency preparedness in Gaza by the improvement of the access to emergency health service - AID11620_Gaza</i>	Palestine
<i>SUPER – Support to protection, emergency response and resilience of Palestinian people at risk of forced displacement in C area, East Jerusalem end Hebron H2 - AID11620_WB</i>	Palestine
<i>SCALE - Social Cohesion through Accessible Learning Environments</i>	Lebanon
<i>Lebanon Protection Consortium (LPC): Improving the overall aid effectiveness and accountability to better address the protection needs of the most vulnerable people affected by displacement in Lebanon – Phase II - ECHO/SYR/BUD/2019/91032</i>	Lebanon
<i>Right to education and protection for children at risk - CS/11214.3/01</i>	Syria
<i>Providing Non-Formal Education and Water services to the most affected communities in Deir - Ez - Zor and Rural Aleppo - ECHO/SYR/BUD/2019/91000</i>	Syria
<i>Mustakbalna: access to quality education services - CS/11214.1/03</i>	Syria
<i>CA - 4 Food Security: Humanitarian Response to the needs of the most vulnerable communities affected the protracted food crisis and recurrent droughts in the Central American Dry Corridor - ECHO/ - AM/BUD/2019/91000</i>	Guatemala, El salvador, Honduras, Nicaragua
<i>Response to food insecurity through food and nutritional assistance in the Nord – Ouest department and in the Haut Artibonite - ECHO/ - AM/BUD/2018/91000</i>	Haiti
<i>To prevent malnourishment through food and nutritional assistance and to improve the access to quality services for people in extremely vulnerable conditions in the region of Sahel in Burkina Faso - Echo/ -WF/BUD/2019/91012</i>	Burkina Faso
<i>Health and nutritional support project for refugees and asylum seekers living in Burundi</i>	Burundi
<i>Health assistance for returnees in Burundi</i>	Burundi

<i>Emergency response to tropical cyclone Idai and associated floods (Resposta emergencial ao ciclone tropical Idai e inundações associadas)</i>	Mozambique
<i>Coordinated Preposition of Life –Saving Non– Food Items and Shelter materials for Host - Community Emergency Responses in the Gaza Strip - OPT - 19/DDA - 3482/SA1/SNFI/NGO/12310</i>	Palestine
<i>Reinforce protection capacities of highly – vulnerable and deeply underserved Palestinian households from natural, man - made hazards and conflict escalation - OPT - 19/DDA - 3482/SA1/SNFI/INGO/12373</i>	Palestine
<i>Humanitarian Support to Protect Palestinians in the West Bank from Forcible Transfer - PJ/2018/31</i>	Palestine
<i>To Strengthen resilience and to improve life conditions of Palestinian communities in West Bank at risk of forced transfer - 11264/GVC/AREAC/06</i>	Palestine
<i>WASH assessment and surveillance system in health institutions in the Gaza Strip - PCA/SOP/190/114</i>	Palestine
<i>Provision of alternative energy sources (solar) to support desalinization plans to guarantee access to sustainable, adequate and safe drinking water for vulnerable population in Gaza Strip - OPT - 18/DDA - 3482/SA2/WASH/INGO/10724</i>	Palestine
<i>Lebanon Protection Consortium Improving the Overall Aid Effectiveness and Accountability: Provision of an Integrated Protection Response to Better Address the Protection Needs of the most vulnerable People Affected by Displacement in Lebanon - ECHO/SYR/BUD/2018/91018</i>	Lebanon
<i>Response to humanitarian needs in the most vulnerable communities in Guatemala Dry Corridor affected by recurrent food insecurity and by the weakness of institutional capacities in building resilience and providing social protection.</i>	Guatemala
<i>Wirwina: building communities' resilience to face hydro - meteorological hazards in South America (Bolivia, Perú and Paraguay), improving monitoring network and early warning tools - ECHO/ - AM/BUD/2018/91000</i>	Bolivia, Peru e Paraguay

## **2. ADDITIONAL SUITABILITY REQUIREMENTS**

### **2.1. Summary of any additional work performed and criteria used for the Assessment**

*PwC, with reference to the reasonable assurance activity, in line with ISAE 3000 – Assurance Engagements Other Than Audits or Reviews of Historical Financial Information (Revised), conducted interviews with the Organization's representatives, verified the elements and procedures present at the design level and, in relation to the questions on effectiveness, carried out sample checks. It is specified that, for sampling purposes, PwC has followed its internal methodology as per*

*the "PwC Audit Guide", based on International Standards on Auditing (ISAs), PwC policy and guidance. The approach adopted in sampling is of the "Accept-Reject" type: based on the population in scope a certain sample was selected on a random basis. Also, regarding controls, a sample method was adopted based on the specificities of the identified control.*

*With specific reference to the verification activities carried out at the project level, PwC obtained evidence of the projects developed by WeWorld – GVC Onlus in the humanitarian field, falling within the time perimeter being analysed (20 April 2019 to 19 April 2020) and our conclusions specifically refer to the Organisation in this time frame. It is specified that the base population (humanitarian projects in the reference time period), from which the projects sample was selected, is indicated in the section above "1.1. Summary of any additional work performed and criteria used for the assessment".*

*Concerning the scoring approach adopted for the "Additional suitability requirements" PwC has evaluated the questions that have obtained a "Yes" with a score equal to "1", the questions that have a "Partially" with a score equal to "0.5" while the questions that have obtained a "No" with a score equal to "0". The scores have been summed up for each section of Block 2 and have been parametrized on a scale from 0 to 10. At the start of our work activities, WeWorld - GVC Onlus has expressly declared that it will not proceed with the assessment of the questions provided in the "Additional criteria for PPs" section as it is not included in the list of possible Programmatic Partners pre-defined by DG ECHO. For this reason, we have indicated "N/A" in the questions relating to the "Additional criteria for PPs" section and have not counted these questions for the definition of the score.*

**2.2. Findings and Recommendations for questions which have obtained a score equal to or greater than 6/10.**

Our detailed findings and recommendations are set out below.

<b>Question n°:</b> 18, 19, 20	<b>Title:</b> Ethics, Anti-fraud and anti-corruption, Safeguarding
<b>Finding / Rec. n°:</b> 1	<b>Title:</b> Absence of training for local staff on updated "Code of Ethics and Conduct" and Policies "Antifraud & Anticorruption", "Child Protection" and "Safeguarding" (PSEAH – Prevention of sexual exploitation, abuse and harassment)

**Description of the finding:**

Following the merger between WeWorld Onlus and the GVC Association at the end of 2018 the Organisation set to unify its policies, procedures and management methods in 2019. The procedural body of the new Organisation was therefore updated including the "Code of Ethics and Conduct" (approved in December 2019), the "Antifraud & Anticorruption Policy" (February 2020) and the "Child Protection Policy" and "Safeguarding Policy" (PSEAH - Prevention of sexual exploitation, abuse and harassment) (February 2020). Following the approval of these documents the Organisation set about diffusing them to the staff, including performing training sessions to staff and employees at HQ. However, it has emerged that the local staff has not received training in this area yet; this delay in training is attributable to the limitations in relation to the global Covid-19 pandemic.

The impact of this findings is considered low risk as the policies in question have been recently updated, part of the Organisation has already received training, and the remaining

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local staff members will receive it as soon as it will be possible.

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**Description of the recommendation:**

It is suggested to plan training activities for local staff on the aforementioned documents as soon as possible or to implement procedures for the delivery of remote / distance training (Important).

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**Comments from the Organisation:**

The Organization agrees. However, we specify that the training programme on the aforementioned documents was in place, and already started with the first pilot training sessions on child safeguarding delivered in February 2020 in Burundi, which is one of the Country of operations with the highest number of local personnel. We also highlight that distance training programme - which has been designed after the Covid-19 outbreak - is in place and about to be implemented.

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**Further comments of the Auditor:** N/A

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<b>Question n°: 19</b>	<b>Title: Anti-fraud and anti-corruption</b>
<b>Finding / Rec. n°: 2</b>	<b>Title: Key staff involved in recruitment or in sensitive posts with risk of collusion</b>

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**Description of the finding:**

The WW-GVC Organisation has mapped its organisational structure within organisational charts and has prepared RACI (Responsibility Assignment) matrices for all departments within which all process activities are detailed, managers are identified and there is evidence of the segregation of the functions / activities. However, it is not clear from this mapping which "key staff" figures are in a "risk of collusion" situation.

A lack of a clear identification of the figures in a "risk of collusion" situation may lead to not always identifying such figures and therefore to a potential risk of not identifying sufficient mitigation measures to manage such situations.

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**Description of the recommendation:**

It is suggested to update the RACI (Responsibility Assignment) matrices and to clearly identify the "key staff" figures who are in a "risk of collusion" situation, defining specific control activities in order to mitigate such risk (Important).

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**Comments from the Organisation:**

The Organization agrees to update the RACI matrices by defining specific control activities, however we believe that key staff involved in recruitment or in sensitive posts with risk of collusion is clearly identified by both the organizational chart and job descriptions.

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**Further comments of the Auditor:** N/A

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<b>Question n°: 23</b>	<b>Title:</b> Project Management
<b>Finding / Rec. n°: 3</b>	<b>Title:</b> Absence of a procedure to ensure proper monitoring arrangements under a Remote Management context

**Description of the finding:**

Within the monitoring guidelines, the approach that should be used to carry out a context analysis should the need emerge to leave the country, suspend direct monitoring and activate a remote monitoring mechanism is explained. However, the Organisation has not developed a specific procedure setting the steps and management methods to be adopted, applicable in situations of Remote Management.

Although the Organisation has set guidelines that allow to assess and trigger the remote monitoring mechanism further indications on the management methods after such activation are not formalized. Therefore, the impact of the absence of an overall procedure may be that of an approach less uniform and set in stone on this matter.

**Description of the recommendation:**

It is suggested to develop a tailored procedure detailing the main steps and operative measures to be applied when "Remote Management" activities are rendered necessary, providing also detailed indications on how to ensure proper monitoring arrangements under a Remote Management context (Important).

**Comments from the Organisation:**

The Organization agrees. Although remote management is foreseen only when there are no other feasible options for delivering aid, and it was not applied till now, we will provide to design a tailored procedure detailing the main steps and operative measures to be applied when "Remote Management" activities are rendered necessary.

**Further comments of the Auditor:** N/A

<b>Question n°: 25</b>	<b>Title:</b> Operational
<b>Finding / Rec. n°: 4</b>	<b>Title:</b> Formalization of procedures on the management (specifically on acquisition, storage and disposal) of medical and food supplies

**Description of the finding:**

The Organisation expressly refers to ECHO's procedures for the procurement of food and medical devices. For the two projects undertaken in the reference period where food and medical supplies were distributed the Organisation effectively managed these activities demonstrating the respect of quality standards also in the selection of suppliers for medical supplies. For the project in which medical supplies were distributed the Organisation also

developed a Pharmacy Management Manual which contains guidelines on the control of medicines' quality and on their storage. Nevertheless, WW-GVC has not developed a high-level procedure providing standard guidelines on procurement, quality, storage and disposal of food and medical supplies.

The impact of the absence of an overall procedure setting out guidelines on food and medicine acquisition, storage and disposal may be that of an approach less uniform and set in stone on this matter.

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**Description of the recommendation:**

It is suggested to integrate existing procedures defining high-level standards / criteria for the acquisition, storage and disposal of food supplies and medicines. Implementing Partners should also be required to commit to the respect of such additional procedures (Very important).

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**Comments from the Organisation:**

The Organization agrees, and the operating procedures regarding food and medical supply will be integrated within the Procurement Procedures Manual adopted at higher level. Regarding the partners, we specify that the respect of these additional procedures is ensured through monitoring activities conducted by WeWorld-GVC towards IPs, however the collaboration with IPs in the framework of food and medical supply has been very limited in the framework of our programmes till nowadays.

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**Further comments of the Auditor:** N/A

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<b>Question n°:</b> 25	<b>Title:</b> Operational
<b>Finding / Rec. n°:</b> 5	<b>Title:</b> Override procedures

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**Description of the finding:**

The "Procurement Procedure" specifies the cases in which the need to derogate from its provisions may emerge and there are indications regarding the exceptional authorizations that must be requested. Within the "Safety, Prevention and Protection Policy" it is indicated that should there be the need to derogate from the provisions set out inside the document, authorization must be sought from the Managing Director and written communications must be given to the persons concerned. It is not however indicated what might constitute "a need to derogate". Furthermore, within the other procedures (i.e. "HR Manual, "Administration Finance and Control Manual"), there are no specific references to the possible need to derogate from the provisions presented.

The impact of this finding may be the lack of clear indications on the situations in which "override" is possible and therefore a less uniform approach in their applications.

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**Description of the recommendation:**

It is suggested to develop a tailored procedure, or integrate the existing ones, providing detailed indications on what constitutes a need to derogate from the provisions of the

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procedures in place and the authorizations required (Very important).

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**Comments from the Organisation:**

The Organization agrees and the existing procedures manuals will be integrated by specifying the derogation possibilities and authorizations required.

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**Further comments of the Auditor:** N/A

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<b>Question n°:</b> 27	<b>Title:</b> Governance, risk management and oversight
<b>Finding / Rec. n°:</b> 6	<b>Title:</b> Implementation of recommendations from audit reports

**Description of the finding:**

An analysis of the internal and external audits received by WW-GVC in the reference period was performed. Following an understanding of the various audits and monitoring visits that the Organisation was subjected to a sample of activity / audit reports was selected and the findings / results obtained were analysed. In case of recommendations present in such reports, sample evidence of their effective follow-up and implementation was requested and it has emerged that such recommendations may not always be followed up.

The impact of not following up the potentially relevant recommendations derived from internal and external audits may lead, in the long run, to a higher risk in the effective management of certain areas.

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**Description of the recommendation:**

It is suggested to formalize a register containing the various recommendations received based on the internal and external audits to which the Organisation is subjected to, listing the follow up actions, defined internally, where applicable, the deadlines and the responsibilities for their implementation (Very important).

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**Comments from the Organisation:**

The Organisation agrees. The recommendations stemming from various audits have not been collected into a register, however the Responsible of the Department involved in the audit process is in charge of defining the responsibilities for the recommendation's implementation and follow-up. On the follow-up activities, also the figure of the Compliance Officer, recently introduced, is involved, working at multidepartment level, and this will enhance the follow-up. However, we clarify the recommendations are always followed-up and implemented according to their relevance and priority.

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**Further comments of the Auditor:** N/A

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<b>Question n°:</b> 27	<b>Title:</b> Governance, risk management and oversight
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<b>Finding / Rec. n°:</b> 7	<b>Title:</b> Internal Controls
<p><b>Description of the finding:</b></p> <p>Internal Audit activities were carried out in 2019, as demonstrated by the 2019 Audit Plan and the final report containing results and findings. With reference to the year 2020, an Audit Plan is not currently available as the external consultant to whom, starting from 2020, the responsibility for Internal Audit activities is entrusted has not been selected yet.</p> <p>The Organisation has RACI (Responsibility Assignment) matrices for all the departments / activities of the Organisation within which the process activities are reported, and their managers are identified. Finally, the Organisational and Management Model pursuant to Italian Legislative Decree 231/01 contains a series of controls to mitigate the risk of “crimes” related to various different organisational processes.</p> <p>It has however emerged that a formal control matrix listing, for all relevant organisational processes, the controls to be carried out, their periodicity and the related responsibilities has not been developed. Furthermore, the Organisational and Management Model pursuant to Italian Legislative Decree 231/01 has not been updated following the merger, although the Organisation has this in plan.</p> <p>The impact of the absence of a formal control matrix for all key processes may be that of a less uniform approach over the controls performed for the various processes, leading, in some cases, to a lower possibility of intercepting possible exceptions to existing activities.</p>	
<p><b>Description of the recommendation:</b></p> <p>It is suggested to integrate the RACI matrices by providing an in-depth description of the processes, indicating the controls and the responsibilities assigned to them or alternatively, to draft a control matrix setting out, for the main organisational processes (including the financial process), the controls in place, the periodicity with which such controls should be performed and the related responsibilities. The updated RACI matrices or the control matrix should integrate the existing controls as set out by internal procedures and by the Organisational and Management Model pursuant to Legislative Decree 231/01 but could also include new controls, should they be rendered necessary, from the risk analysis performed.</p> <p>It is furthermore suggested to update the Organisational and Management Model following the merger between We World and GVC. (Very important)</p>	
<p><b>Comments from the Organisation:</b></p> <p>The Organisation agrees to better detail the control functions relating to the various processes. We are confident that Organisational and Management Model update – which is on process - will better formalize the internal control processes.</p>	
<p><b>Further comments of the Auditor:</b> N/A</p>	
<b>Question n°:</b> 28	<b>Title:</b> Human Resources

<b>Finding / Rec. n°: 8</b>	<b>Title:</b> Background checks on personnel
<p><b>Description of the finding:</b></p> <p>As per the Organization's "HR Manual", during the recruitment process, the possibility of requesting references in order to verify the candidates declared skills and experience is foreseen. Furthermore, for positions where a close contact with minors is needed the candidates are required to provide a certification on the existence of pending charges / criminal records. Such background checks are however performed only in some cases, as mentioned above.</p> <p>The impact of this findings may be that of hiring some staff members without having performed a full set of background checks.</p>	
<p><b>Description of the recommendation:</b></p> <p>It is suggested to consider the possibility of performing further background checks (i.e. pending charges / criminal records verification) for all hired personnel and staff. (Important)</p>	
<p><b>Comments from the Organisation:</b></p> <p>The Organisation does not agree. We believe that background checks are necessary and must be conducted for the staff who – due to the position covered within the Organisation – may cause – when performing their activities - harm either to the Organisation itself or to the beneficiaries, but we believe that it is time consuming and not efficient performing background checks indiscriminately in all the cases. In addition, when signing a contract with the Organisation, a probation period is always foreseen to allow intermediate evaluations on the staff capacities, performance and attitude.</p> <p>Criminal records are asked according to Italian law applicable provisions, plus the Organisation, in alignment with this recommendation, will be asking the criminal records also when hiring staff covering apical/ senior positions.</p>	
<p><b>Further comments of the Auditor:</b></p> <p>The Auditor has taken note of the comment of the Organisation. The recommendation is maintained as it enters within the criteria indicated by the ToR, however the proposal to extend criminal records verification in hiring staff covering apical/ senior positions, which is added to the checks already performed for positions where a close contact with minors is needed, allows a more extensive coverage of such checks minimizing therefore the risk for all relevant positions.</p>	
<b>Question n°: 29</b>	<b>Title:</b> Budgeting, accounting and reporting
<b>Finding / Rec. n°: 9</b>	<b>Title:</b> Budgeting procedures
<p><b>Description of the finding:</b></p> <p>The organization's budget planning process is not formalized in the "Administration Finance</p>	

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and Control Manual” or in a specific procedure as, following the merger, the need to completely restructure the procedures previously existing at the individual organisations arose and had priority in implementation. The definition of responsibilities and activities in terms of planning and budget has been postponed to the next year.

The impact of the absence of an overall procedure setting out the budget planning process may be that of an approach less uniform and set in stone on this matter.

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**Description of the recommendation:**

It is suggested to develop a specific procedure for the budget planning process. (Important)

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**Comments from the Organisation:**

The Organisation agrees. However, we specify the procedure exists even if it is not formalized: the forecasted annual budget has been drafted by each Department Responsible respectively both in 2019 and 2020 and approved by the Board of Directors. Once the multiannual strategic plan is approved by the Board, the relating multiannual budget will be also drafted.

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**Further comments of the Auditor:** N/A

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## IV ANNEXES

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- Annex 1***      ENGAGEMENT CONTEXT – KEY INFORMATION
- Annex 2***      OVERVIEW OF SCORES AND REPLIES
- Annex 3***      ASSESSMENT QUESTIONNAIRE
- Annex 4B***     SPECIFIC DESCRIPTION – ACCOUNTABILITY
- Annex 5***      APPROACH AND CRITERIA

ORGANISATION SUBJECT TO ASSESSMENT	WeWorld – GVC Onlus
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1. DESCRIPTION OF THE ORGANISATION SUBJECT TO ASSESSMENT

**Overview, Vision and Mission**

WeWorld-GVC is the Foundation established in December 2018 from the merger of WeWorld Onlus, established in Milan in 1999, and the GVC Association, established in Bologna in 1971. The headquarters are currently based in Milan, but the Organisation has multiple offices across the national territory and worldwide. The Organisation operates in 29 Countries and works, in Italy and in the world, to ensure that the fundamental rights of every human being, especially children and women, are recognized and respected, tackling poverty, violence and injustice, generating opportunities and sustainable development. The laic and independent approach provides for an involvement of communities and social forces, institutions and local administrations in order to guarantee everyone a suitable access to education, water, food, housing, health and work.

WeWorld-GVC is committed to providing a prompt and successful response even in emergency situations, in the event of wars or natural disasters. Furthermore, it promotes education for active citizenship in Italy and in Europe, encouraging peaceful coexistence among people, strengthening a multicultural identity and a shared sensitivity on development issues.

**Governance**

The main governance bodies of WeWorld-GVC are the Council of Promoters, the Council of Adherents and Board of Directors. The two Councils' powers include: i) appointment and dismissal of the members of the Board of Directors; ii) formulation of non-binding opinions and proposals on the Foundation's activities and programs; iii) expression of opinions on proposed amendments to the Bylaws, and in particular on the change of the aims and activities of the Organisation, as well as on extraordinary operations such as transformations, mergers and demergers; iv) deliberation on any other subject submitted to its approval by the Board of Directors.

The Board of Directors, made of 8 members, ensures the effectiveness of the internal governance process and is invested with the widest powers for the ordinary and extraordinary administration of the Foundation, in addition – among others – it has the power to: i) define the strategic guidelines of the Foundation; ii) draw up and approve the Foundation's budget and final balance; iii) deliberate on inheritance acceptances, legacies and donations, as well as on the purchase and sale of real estate; iv) propose and, subject to the favorable opinion of the Council of Promoters and the Council of Adherents, to deliberate any statutory changes, in compliance with mandatory powers of the Administrative Authority; v) approve any internal regulations and verify their application.

In addition, WeWorld-GVC has set up a Supervisory Body with the task of supervising the implementation and compliance with this Code of Ethics and the Organization, Management and Control Model pursuant to the Italian Legislative Decree No 231 (the "Model"). The Supervisory Body is a body of the Foundation provided with independence, full autonomy of action and control, whose activity must be characterized by professionalism and impartiality. In particular, the following tasks are entrusted to the Supervisory Body: i) to periodically verify the application of and compliance with the Code and the Model; ii) to undertake initiatives for the dissemination of the Code and the Model; iii) to propose to the administrative body changes and/ or additions to the Code and the Model.

**Main projects and activities**

In 2018, WeWorld-GVC brought forth the work that the two founding organisations individually carried out in 2017. The geographical area where most human and financial resources are employed remains the Middle East, in response to the endless Israeli-Palestinian crisis and the conflict in Syria

*that has been raging for 8 years. Sub-Saharan Africa is the second geographical area in terms of resources and aid provided. The organisation operates in nine countries: Benin, Burkina Faso, Mali, Niger and Senegal in the North-West; Burundi, Kenya, Tanzania and Mozambique in the Centre-South East area. In other countries WeWorld-GVC put in place complex interventions that include gender equality (Brazil, Cuba, Haiti, Nicaragua), support to economies based on collective solidarity (Brazil, Bolivia, Haiti) and environmental sustainability (Bolivia, Cuba, Nicaragua), mitigation and adaptation to climate change (Bolivia) and drought prevention (Guatemala, Haiti). In India, Nepal, Thailand and Cambodia the main contribution is in the human rights sector: child rights, protecting girls and boys against early marriage, sexual abuse and trafficking; migrant rights. Lastly, the organisation carries out numerous activities in Italy and Europe to support women who are victims of violence and to combat educational poverty, especially in the peripheral areas of big cities such as Milan, Turin, Rome, Naples, Palermo and Cagliari.*

*WeWorld-GVC also works with migrants promoting campaigns and debates in the framework of Global Citizenship Education activities, which regards many themes of the 2030 Agenda for Sustainable Development, reaching 96,883 people in Italy and Europe.*

*Altogether, WeWorld-GVC carries out 157 projects (43 in Italy and Europe and 114 abroad) from Africa to Latin America, from Asia to the Middle East, as well as Europe and Italy. In 2018, WeWorld-GVC employed 1,358 people, 88% directly employed in projects and 12% employed in general management.*

*Overall, 26,011,148 Euro were spent in projects to guarantee - in contexts of poverty and emergency - education (24%), water (16%) human rights and gender equality (14%), humanitarian aid (13%). 23% of resources were used to reach other goals of the 2030 Agenda: promoting access to health and food, preserving the environment and ensuring a sustainable socioeconomic development. The remaining 10% was spent in raising awareness activities and initiatives calling for concrete change in policies enabling unfair social and environmental practices. 13% of all funding was employed in Italy and Europe, whilst 87% in developing countries where poverty, no recognition of rights, conflict and climate change mostly affect populations. The impact was measured in an improvement of living conditions for 4,741,116 people across the 29 countries.*

### **Partnerships**

*WeWorld-GVC operates in collaboration with Italian and European Institutions as well as National Agencies and the United Nations. It activates synergies between diverse local and international key actors, creating integrated wide-ranging projects that link emergency to development, in the respect of human rights. In 2018, WeWorld-GVC established important partnership with 290 actors: Private Sector (4 %), Universities and Research Centres (6%), Local and International Institutions (24%), International and Local Civil Society organizations (66%),*

*The organization also actively participates in networks and associations with common ethical values, intervention methodologies and goals, such as: ASVIS, Italian Alliance for Sustainable Development to promote the 2030 Agenda; CONCORD Italy, European Union interlocutor for cooperation and development policies; BUSINESS and HUMAN RIGHTS COORDINATION, Italian platform to promote the respect of human rights in business activities; GLOBAL CAMPAIGN FOR EDUCATION, global movement to promote education as a human right; FAIRTRADE Italy, the ethical certification mark of fair trade; GLOBAL COMPACT, United Nations initiative to promote sustainability and social responsibility; CRC GROUP, 96 Third Sector organizations working for the Convention on the Rights of the Child.*



2. **PERSONS CONTACTED OR INVOLVED IN THE ASSESSMENT**

**The Auditor – PricewaterhouseCoopers S.p.A.**

Nicola Fierro	Audit Partner
Paolo Bersani	Partner – Subject matter expert
Daniela Ioana Popa	Manager

**The Organisation subject to assessment – WeWorld – GVC Onlus**

**CONTACT DETAILS**

**Organisation: WeWorld – GVC Onlus**

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**Key contact**

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Dina Taddia	Managing Director		



**ANNEX 2**

**OVERVIEW OF SCORES AND REPLIES**

<b>BLOCK 1 – MINIMUM REQUIREMENTS</b>	<b>Score * Yes</b>
<b>LEGAL STATUS</b>	
<b>1 – NGO status</b>	<b>Yes</b>
<b>2 – Headquarters</b>	<b>Yes</b>
<b>3 – Autonomy</b>	<b>Yes</b>
<b>4 – Non-exclusion</b>	<b>Yes</b>
<b>PRINCIPLES</b>	
<b>5 – Humanitarian purpose</b>	<b>Yes</b>
<b>6 – Humanitarian principles</b>	<b>Yes</b>
<b>7 – Humanitarian Aid Experience</b>	<b>Yes</b>
<b>FINANCIAL STATUS</b>	
<b>8 – Certified accounts</b>	<b>Yes</b>
<b>9 – Liquidity ratio</b>	<b>Yes</b>
<b>10 – Unrestricted net equity</b>	<b>Yes</b>
<b>11 – Operating income</b>	<b>Yes</b>
<b>SYSTEMS</b>	



<b>12 – Segregation of duties</b>	<b>Yes</b>
<b>13 – Accounting system</b>	<b>Yes</b>
<b>14 – Procurement procedures</b>	<b>Yes</b>
<b>ACCOUNTABILITY</b>	
<b>15 – Ensuring quality of proposals</b>	<b>Yes</b>
<b>16 – Monitoring and oversight arrangements</b>	<b>Yes</b>
<b>17 – Reliability of reporting</b>	<b>Yes</b>

***\* SCORE: The overall reply to the Minimum requirements block is Yes only if ALL the replies to the questions are Yes.***

<b>BLOCK 2 – ADDITIONAL SUITABILITY REQUIREMENTS</b>	<b>SCORE* (9.2/10)</b>
<b>PRINCIPLES</b>	
<b>18 – Ethics</b>	<b>9 / 10</b>
<b>19 – Anti-fraud and anti-corruption</b>	<b>9 / 10</b>
<b>20 – Safeguarding</b>	<b>9 / 10</b>
<b>OPERATIONAL CAPACITY</b>	
<b>21 – Planning, staffing and safety</b>	<b>10 / 10</b>
<b>22 – Project design</b>	<b>10 / 10</b>
<b>23 – Project management</b>	<b>9 / 10</b>
<b>COMPLIANCE WITH RULES, REGULATIONS, OBLIGATIONS AND STANDARDS</b>	
<b>24 – Humanitarian</b>	<b>10 / 10</b>
<b>25 – Operational</b>	<b>7 / 10</b>
<b>26 – Protection of personal data</b>	<b>10 / 10</b>
<b>INTERNAL CONTROL</b>	
<b>27 – Governance, risk management and oversight</b>	<b>8 / 10</b>



<b>28 – Human resources</b>	<b>9 / 10</b>
<b>29 – Budgeting, accounting, and reporting</b>	<b>9 / 10</b>
<b>30 – Audit trail and document management</b>	<b>10 / 10</b>

*\* SCORE is the mathematical average of the scores of all questions.*

**OVERALL RATING<sup>2</sup>**

**BLOCK 1 – MINIMUM REQUIREMENTS: YES**

**BLOCK 2 – ADDITIONAL SUITABILITY REQUIREMENTS: 9.2/10**

**OUTCOME OF THE ASSESSMENT<sup>3</sup>**

**A. ACCEPTABLE as an FPA Partner**

<sup>2</sup> This overall rating does not include the assessment to be made by the Commission on the acceptability of the level of accountability of the candidate NGO when the latter works with Implementing Partners in the situations covered by Annex 4A and 4B.

<sup>3</sup> Delete as appropriate.

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**PURPOSE AND USE OF THIS DOCUMENT**

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This annex is a support tool for the Auditor to design, plan and perform the assessment procedures and to take into account the criteria which DG ECHO deems fundamental or essential for the Organisation subject to assessment to comply with. Questions must only be completed by the Auditor based on his/her professional judgment and the assessment procedures and tests performed. The replies for Block 1 can only be Yes or No. The replies for Block 2 can be Yes (Y), No (N), Partially (P) or Not applicable (N/A). **The use of N/A should be duly justified by the Auditor in all cases and should remain exceptional, except for Niche Organisations where it is more likely to occur.**

The completed questionnaire is an essential source of assessment information and evidence for the Auditor. However, it is by no means the only source for the Auditor to plan and perform appropriate procedures and to draw conclusions. All information provided by the Organisation is indicative and provisional and subject to such procedures the Auditor deems necessary. The Auditor must not rely on information until s/he has ensured through appropriate procedures that information is sufficiently accurate and complete for the purpose of the assessment and to arrive at informed conclusions for each question.

The Auditor may also add additional criteria if s/he considers that this is necessary to arrive at an informed conclusion for each question.

Use of the column 'Auditor comments': The Auditor may adapt the width and/or length of this column to enter information and comments. Alternatively, the Auditor may use attachments (e.g. long narratives and/or documents obtained from the Organisation) which can be referred to.

The Auditor remains fully responsible at all times to design, plan and perform the assessment procedures s/he deems necessary to arrive at a conclusion for each section which is subject to the assessment. The Auditor must take into account the specific engagement circumstances and apply professional judgment throughout the assessment process.

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	BLOCK 1 - MINIMUM REQUIREMENTS	Criteria/Guidance	Auditors' comments	SCORE Yes/No
<b>LEGAL STATUS</b>				
1	<b>NGO status</b> <i>Is the Organisation registered as a non-profit Organisation in a Member State of the European Union under the laws in force in that Member State, or in an EFTA State member of the European Economic Area?</i>	Article 7(1)(a) of the Humanitarian Aid Regulation.	WeWorld-GVC is a non-profit Organization of social utility constituted after the merger by incorporation into the "WE WORLD ONLUS" Foundation of the Association "G.V.C. ONLUS" as stated within the Merger Deed. The Organization is currently registered in the register of legal entities at the prefectures of Milan and Bologna (Italy) since November 2018.	<b>Yes</b>
2	<b>Headquarters</b> <i>Does the Organisation have its main headquarters (being the effective decision-making centre for all humanitarian aid operations that might be financed by the Commission) in a Member State of the European Union, in an EFTA State member of the European Economic Area, or in a third country in receipt of European Union humanitarian aid, or, exceptionally, in a third donor country?</i>	Article 7(1)(a) of the Humanitarian Aid Regulation.	The headquarters of the Organisation is located in Milan (Italy), as defined within the Bylaws and the Merger Deed.	<b>Yes</b>
3	<b>Autonomy</b> <i>Is the Organisation autonomous in its decision-making, i.e. does it</i>	Article 7(1)(a) of the Humanitarian Aid Regulation.	As reported within the "Code of Ethics and Conduct", WW-GVC is independent and autonomous from interferences, interests, affiliations of political, economic, religious, or military nature, both public and private. The Organisation always operates independently from private interests and government policies.	<b>Yes</b>

	<i>have the final say in all areas?</i>		<p>Furthermore, from the analysis of WW-GVC's Bylaws a structured organisation, made up of a series of governing bodies, is in place and which allows to maintain its autonomy.</p> <p>Finally, following an analysis of a sample of contractual agreements signed with donors and partners, no contractual clauses emerged regarding any limitations that could compromise the autonomy of WeWorld-GVC Onlus, although all projects must be carried out on the basis of what is defined internally to the agreements themselves.</p>	
4	<p><b>Non-exclusion</b></p> <p><i>Can the Organisation confirm that it is not in one of the situations referred to in Article 136(1) and 141(1) of the Financial Regulation?</i></p>	<p>Organisations which are in one or more of the situations listed in the afore-mentioned articles are excluded from EU financing.</p> <p>To be noted: under Article 137(1) of the Financial Regulation, there is also a need to confirm that the natural or legal persons that are members of the administrative, management or supervisory body of the Organisation are not in one of the exclusion situations referred to in points (c) to (h) of Article 136(1) of that Regulation.</p>	<p>From the analysis of a series of documents it emerges that the WW-GVC does not fall within any of the non-exclusion situations mentioned in Article 136 (1), Articles 137 (1) and 141 (1) of the Financial Regulation and may therefore participate in award procedures governed by this Regulation or may be selected for implementing Union funds:</p> <ul style="list-style-type: none"> <li>• Supervisory Body reports concerning compliance with matters set out within the Organisational and Management Model pursuant with Italian Legislative Decree 231/2001;</li> <li>• independent third-party opinion on the Financial Statements;</li> <li>• legal disputes and litigation cases;</li> <li>• self-certification of the Organisation.</li> </ul>	<b>Yes</b>
<b>HUMANITARIAN PRINCIPLES</b>				
5	<p><b>Humanitarian purpose</b></p> <p><i>Is the humanitarian purpose of the Organisation clearly spelled out in its statutory document?</i></p>	<p>Preamble to Article 7 of the Humanitarian Aid Regulation.</p>	<p>The Organisation clearly states its humanitarian purpose in its Bylaws and incorporates the humanitarian principles also within its Code of Ethics and Conduct.</p> <p>The Bylaws state that "<i>The object and purpose of the Foundation is the exclusive pursuit of social solidarity and in particular social and socio-sanitary assistance, and the protection of civil</i></p>	<b>Yes</b>

			<p><i>(human) rights with particular attention to rights of children, girls and women. The Foundation pursues more specifically, in Italy and worldwide, in favour of disadvantaged subjects or subjects deserving of social solidarity, programs and projects with the following purposes: a) cooperation for the development of economically less developed populations and in general the fight against poverty, including access to health, food safety, water, socio-economic development and environmental protection; b) humanitarian aid in the event of natural disasters and emergencies, including their prevention and post-emergency rehabilitation; c) prevention and resolution of problems of abandoned, marginalized, in poverty and vulnerable people, with particular attention to children, young people and women, migrants and refugees; d) education, promotion of the quality of teaching and education to world citizenship; e) international volunteering".</i></p>	
6	<p><b>Humanitarian principles</b></p> <p><i>Are the principles of humanity, neutrality, impartiality and independence clearly reflected in the mission statement or the internal documentation (such as the Code of Conduct) of the Organisation?</i></p>	<p>Preamble to Article 7 of the Humanitarian Aid Regulation.</p> <p>For a definition of the Humanitarian Principles, see the European Consensus on Humanitarian Aid.</p> <p>Guidance: The Code of Conduct for the International Red Cross and Red Crescent Movement and NGOs in Disaster Relief is one of the most widely known and internationally recognised document laying down the</p>	<p>The principles of humanity, neutrality, impartiality and independence, as defined by the European Consensus on Humanitarian Aid, are reflected in the Bylaws and in the “Code of Ethics and Conduct” of the Organisation.</p> <p>Furthermore, WeWorld-GVC Onlus - through GVC as the event occurred before the merger between the two organisations - is among the signatories of the Code of Ethics of the International Red Cross.</p> <p>Other references to humanitarian principles are present in the following Organisation documents: “Safety, Prevention and Protection Policy”, “Project Implementation Manual”, “Monitoring Guidelines”, “Community Approach Protection (CPA) Handbook” and “EU Aid Volunteers Certification” (Sending and Hosting Organisation).</p>	<p><b>Yes</b></p>

		<p>fundamental humanitarian principles in disaster relief. The International Federation keeps a public record of all the humanitarian organisations which are signatories of the code.</p>		
7	<p><b>Humanitarian Aid Experience</b></p> <p><i>Has the Organisation implemented at least one humanitarian project of a minimum amount of EUR 200 000 during each of the past three years?</i></p> <p>Note: The threshold of EUR 200 000 does not apply to Niche Organisation.</p>	<p>Article 7(2)(a), (2)(b) and (2)(c) of the Humanitarian Aid Regulation and Article 198(3) of the Financial Regulation.</p> <p>Humanitarian aid operations are understood to be any operations falling under Articles 1 to 4 of the Humanitarian Aid Regulation. The Organisation must prove sufficient experience and capacity in the implementation of humanitarian aid. Such experience is deemed to exist when the condition set out above is met. Implementing humanitarian aid projects of a minimum size constitutes also relevant indicators of the administrative and financial management as well as the technical and logistical capacity of the Organisation.</p>	<p>The Organisation has proven sufficient experience and capacity in the implementation of projects as required by Articles 1 and 4 of the Humanitarian Aid Regulation.</p> <p>WeWorld-GVC Onlus has implemented at least one humanitarian project of a minimum amount of EUR 200,000 during each of the past three years, as documented in its project portfolio.</p> <p>For each of the selected projects (one project for each year from 2017 to 2020), evidence was obtained of the contract (Grant Agreement) and of the expenditure actually incurred for the project or of the expenditure planned, in case the project was related to the year 2020.</p> <p>More specifically, the following projects have been analysed:</p> <ul style="list-style-type: none"> <li>Lebanon (2017) "<i>Increasing the resilience of Syrian refugees in Beqaa through integrated protection programming</i>", amount indicated in the Grant Agreement and in the Final Financial Report equal to <b>€ 1,800,000.00</b> (initially € 1.2 million, subsequently updated);</li> <li>Palestine (2018) "<i>To Strengthen resilience and to improve life conditions of Palestinian communities in West Bank at risk of forced transfer</i>", amount indicated in the Grant Agreement <b>€ 460,000.00</b> and in the Final Financial Report equal to <b>€ 458,245.00</b>;</li> <li>Syria (2019) "<i>Providing Non Formal Education and Water services to the most affected communities in Deir - Ez - Zor</i></li> </ul>	<p><b>Yes</b></p>

		<p>By “implemented”, it is meant: one new contract entered into in each of the last 3 years. Please note that one contract spanning multiple years does not fulfil this criteria.</p> <p>The Organisation may have participated in a project as implementing partner provided it has covered a share of the action that represented at least EUR 200 000.</p>	<p><i>and Rural Aleppo</i>", amount indicated in the extension request (both budget and time) equal to € 3,189,473.68 and costs incurred so far and reported in the Interim Financial Report are equal to <b>€ 428,758.74</b>;</p> <ul style="list-style-type: none"> <li>Mozambique (2020) "<i>Building inclusive resilient communities and schools to face rapid-onset hazards in risk-prone areas in Mozambique affected by cyclone Idai, strengthening "linking early warning to early action"</i>", amount indicated in the Grant Agreement equal to € 1,004,399.00 and the monthly expenditure estimate for 2020 (04.20 - 12.20) exceed the threshold of <b>€ 200,000.00</b>.</li> </ul>	
<b>FINANCIAL STATUS</b>				
<b>8</b>	<p><b>Certified audited financial statements</b></p> <p><i>Were the financial statements for the past two consecutive years, audited by an independent external auditor, with a satisfactory audit opinion?</i></p>	<p>Article 196(1)(d), fourth paragraph, of the Financial Regulation.</p> <p>The accounts exist covering the last two years; if so, they have been audited by independent auditors.</p>	<p>As pointed in the independent audit reports / opinions of the legal auditors (PricewaterhouseCoopers SpA) on the 2018 and 2019 financial statements, WeWorld-GVC Onlus has received a satisfactory opinion regarding its financial statements for the last two consecutive years.</p>	<b>Yes</b>
<b>9</b>	<p><b>Liquidity ratio</b></p> <p><i>Is the liquidity ratio of the Organisation higher than 0.85 for the last two accounting periods?</i></p>	<p>Articles 130(6) and 198(2) of the Financial Regulation.</p> <p>The Organisation must be capable of covering its short-term commitments, i.e. paying its charges when they are due. The required ratio is fixed at 0,85 for</p>	<p><b>Liquidity ratio:</b></p> <p>Y1: 2018 – 1.00 Y2: 2019 – 1.11</p> <p>The ratio has been calculated in line with the Terms of Reference and based on the audited financial statements of the Organisation.</p>	<b>Yes</b>

		<p>the purpose of the present assessment.</p> <p>Note: The liquidity ratio is the division between current assets (including receivable grants) and short-term liabilities plus restricted funds.</p>			
10	<p><b>Unrestricted net equity</b></p> <p><i>Is the unrestricted net equity of the Organisation positive for the last two accounting periods?</i></p> <p>Note: Please provide the financial independence ratio, which is the division between Unrestricted funds and total liabilities.</p>	<p>Articles 130(6) and 198(2) of the Financial Regulation.</p> <p>The unrestricted net equity refers to own and permanent resources that the Organisation can use without restriction, e.g., legal reserves, voluntary reserves, and under certain conditions: endowment funds, bequests and operating grants.</p> <p>The unrestricted net equity can provide protection for business continuity and allow the Organisation to adjust to changes in its financial position.</p> <p>The unrestricted net equity must not include i) restricted funds for projects; ii) grants from government, public bodies and other organisations that are for a specific purpose; iii) provisions; iv) funds that are restricted as to</p>	<p><b>Financial independence ratio:</b></p> <p>Y1: 2018 - 0.14 Y2: 2019 - 0.13</p> <p>The ratio has been calculated in line with the Terms of Reference and based on the audited financial statements of the Organisation.</p>	<p><b>Yes</b></p>	

		usage by donor instructions or permanent capital (endowment); or v) funds representing gifts and bequests that are given for a specific (i.e. restricted) purpose.		
11	<p><b>Operating income</b></p> <p><i>Does the operating income of the Organisation exceed EUR 2 million for each of the last two accounting periods?</i></p> <p>Note: Niche NGO: EUR 50 000.</p>	<p>Articles 130(6) and 198(2) of the Financial Regulation.</p> <p>The operating income includes resources (restricted + unrestricted) coming from the normal activity of the Organisation, such as sales, services, grants, donations, contributions, write-backs of depreciation, as well as reports of unused projects resources from previous years. Financial incomes (e.g. financial incomes provided by investments, bank interest, discounts obtained, and exchange rate gains) and exceptional incomes (e.g. incomes primarily related to fixed assets sales) should be excluded.</p>	<p>As presented in the financial statements for 2018 and 2019, the operating income of the Organisation exceeded EUR 2 million for each of the last two accounting periods.</p>	<b>Yes</b>
<b>SYSTEMS</b>				
12	<p><b>Segregation of duties</b></p> <p><i>Does the Organisation ensure</i></p>	<p>Article 7(2)(a) of the Humanitarian Aid Regulation.</p>	<p>WW-GVC has mapped its organisational structure within organisational charts and has prepared RACI (Responsibility</p>	<b>Yes</b>

<p><i>segregation of duties between departments and/or tasks related to Finance Management, Human Resources, Project Management (operational) and Procurement?</i></p>	<p>The administrative and financial management capacities of the Organisation constitute relevant and material considerations for the award of an FPA. Segregation of duties, in the context of the overall internal control system of the Organisation constitutes a fundamental requirement in relation to such capacities.</p> <p><b>Principle 10 of Effective Internal Control – COSO Framework.</b></p> <p>The Organisation selects and develops control activities that contribute to the mitigation of risks to the achievement of objectives to acceptable levels. When putting in place control measures, the Organisation management considers whether duties are correctly divided between staff members to reduce risks of error and inappropriate or fraudulent actions.</p>	<p>Assignment) matrices for all departments within which all process activities are detailed, the managers are identified and there is evidence of the segregation of the functions.</p> <p>The Organisation has various procedures in which there are references to the principle of segregation of duties.</p> <p>The “Procurement Manual” indicates that different levels of approval of purchases are required, based on the value range of the purchases. In the “Human Resources Manual”, the principle is indirectly referred to by the fact that if a training need emerges at the field level, it will be managed separately at the headquarters level. Furthermore, the preparation and control of pay slips and assignment of personnel costs to projects is divided among HR and Administration Finance and Control Departments. The “Project Management Manual” indicates the presence of various levels of responsibility at the project level: country, region and HQ. Finally, as regards financial and accounting management, in the “Administration Finance and Control Manual” various indications are provided regarding controls in place and the segregation of activities. Furthermore, concerning the accounting system in place it has emerged that while the system is the same there are different environments in place with different accesses to maintain the segregation of responsibility.</p> <p>Evidences have also been obtained and verified on a sample basis of the segregation of duties, as foreseen by internal procedures, concerning for example: i) HR: i.e. pay slip elaboration, external labour consultant prepares, HR Department verifies and Administration Finance and Control Department authorises payment; ii) Finance: i.e. bank and cash management processes, concerning reconciliations performed and verified as per the “Administration Finance and Control Manual” both at HQ and in field; iii) Procurement: segregation in the development of</p>	
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			project/country procurement plans, prepared by Country Manager and approved by Head of Regional Unit and segregation for a sample of orders (“Procurement Authorisation Form” sent by the Project Manager to the Head of Mission with evidence of the various approvals including the final authorisation by the HQ Procurement Office); iv) Project Management: i.e. concerning the monitoring, controls and reporting activities foreseen for the various projects.	
13	<p><b>Accounting system</b></p> <p><i>Does the Organisation have a double-entry accrual accounting method at HQ level?</i></p>	<p>Article 7(2)(a) of the Humanitarian Aid Regulation.</p> <p>The administrative and financial management capacities of the Organisation constitute relevant and material considerations for the award of an FPA. A double-entry accounting system constitutes a fundamental requirement in relation to such capacities</p> <p>A double-entry accounting system is a set of rules for recording financial information in a financial accounting system in which every transaction or event changes at least two different nominal ledger accounts.</p>	<p>WeWorld-GVC Onlus has a double-entry accounting system both at HQ and country level.</p>	<p><b>Yes</b></p>
14	<p><b>Procurement procedures</b></p> <p><i>Does your Organisation have</i></p>	<p>Article 7(2)(a) of the Humanitarian Aid Regulation and</p>	<p>In the “Procurement Manual” it is expressly indicated that <i>"The assignment procedures shall follow the principles of ECONOMY,</i></p>	<p><b>Yes</b></p>

<p><i>procurement procedures that ensure the application of the principle of 'best value for money', or, as appropriate, to the tender offering the lowest price while avoiding any conflict of interest?</i></p>	<p>Article 205 of the Financial Regulation.</p> <p>The Organisation may award public contracts under the Union-funded action in accordance with its usual purchasing practices provided that the contract is awarded to the tender offering best value for money or, as appropriate, to the tender offering the lowest price, while avoiding any conflict of interest.</p>	<p><i>EFFICIENCY and the best QUALITY-PRICE ratio, so as to obtain the desired quality of the product at the best price".</i></p> <p>Moreover, in the "Conflict of interest" section it is reported that <i>"Impartiality and objectivity must be ensured at every stage of the procedure, from the planning to the execution of the procurement, including the subsequent audits and controls. Suppliers should be asked if there is a potential conflict of interest with any WEWORLD-GVC staff before any contract is placed with them, and written documentation of this should be placed on file and taken into consideration in any future procurement dealing with that supplier (Annex 6). In respect of any evaluation, adjudication or award of a contract, all members of evaluation committee must be required to acknowledge in writing that they have no conflict of interest with the selected supplier or contractor by signing the declaration (Annex 26). When confronted with a situation constituting or likely to entail a conflict of interest, every member of the staff shall inform his/her superior so that appropriate measures can be adopted to avoid such a conflict or its continuation".</i> The implementation of the indications foreseen in the procedure have also been tested on a sample basis (i.e. obtainment of Annex 6 and 26 complied for a sample of orders).</p> <p>Also, within the "Code of Ethics and Conduct" it is indicated that if a collaborator finds himself in a situation, real or potential, which could lead to a conflict of interest, he must report it in writing and promptly to his superior.</p>	
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<b>ACCOUNTABILITY</b>				
<p>The following information must be gathered and checked to the extent possible by the auditors:</p> <ul style="list-style-type: none"> <li>- If the Organisation belongs to a <b>family, network or (con-)federation of NGOs</b>, the auditors should fill in <b>Annex 4A</b> of the report.</li> <li>- If the funds are <b>systematically implemented by one or several organisations</b>, other than those referred to under Annex 4A (such as, in particular, organisations established in the country of intervention or another developing country), the auditors should fill in <b>Annex 4B</b> of the report.</li> <li>- If both situations apply, the auditors should fill both annexes.</li> </ul>				
<p>No FPA may be awarded to an Organisation that would not perform the core operational tasks related to EU-funded humanitarian aid Actions. Therefore, any Organisation, including those belonging to networks or (con-)federations of international non-governmental Organisations, which would transfer the implementation of more than EUR 60 000 (per Implementing Partner), should be able to demonstrate in an objective manner that it is effectively in charge of the management and oversight of EU-funded humanitarian aid operations throughout the project-life cycle thereof (ensuring quality of proposals, monitoring and oversight arrangements and reliability of reporting) and that, in the absence of financial transfers exceeding EUR 60 000 per Implementing Partner, it would be impossible or overly difficult to achieve the objectives of the humanitarian aid Action concerned (Article 204 of the Financial Regulation).</p>				
<p>The auditors have to assess the actual role of the Organisation when the actions are implemented by one or several other organisations. Such role would at least imply that the organisation fulfils the tasks and functions laid down in this section, in a fully autonomous manner.</p>				
<b>15</b>	<p><b>Ensuring quality of proposals</b></p> <p><i>Can the Organisation guarantee the quality of all proposals to be submitted to the Commission in light of the underlying needs assessment, the humanitarian</i></p>	<p>Article 7(2)(a), (2)(b) and (2)(c) of the Humanitarian Aid Regulation and Articles 130(6) and 198(3) of the Financial Regulation.</p> <p>Such a guarantee implies that the Organisation is either directly in charge of the preparation of the</p>	<p>Evidence of WW-GVC's commitment to ensuring the quality of its proposals was obtained by examining the Organisation's reference documents, including those related to a sample of projects in scope. Within the International Programs Department (IPD), there are two organisational areas that oversee the quality of the project proposals: Project Development &amp; Knowledge Management Area and International Advocacy &amp; Innovation Area. WW-GVC has specific strategic guidelines with reference to the</p>	<b>Yes</b>

<p><i>objectives pursued and all relevant legal and policy requirements and operational priorities, as defined by the Commission in the humanitarian aid field?</i></p>	<p>proposals or can avail itself, in case it would rely on preliminary work undertaken by other entities (such as Implementing Partners), of in-house expertise and resources enabling it to review critically the substance of any such work, in particular where this preliminary work would take the form of a draft proposal.</p>	<p>three sectors in which it operates in the context of emergency projects (Water, Sanitation and Hygiene - WASH; Education in Emergency - EiE; Food assistance) in order to offer a structured and qualitatively adequate guide to the development of project proposals. WW-GVC has also developed, within the European EU Aid Volunteer (EUAV) project, the "Community Protection Approach" (CPA), coded within the CPA Handbook, where a planning, management and project implementation methodology is defined. This methodology has been analysed and validated by the University of Pavia and adopted by the Organisation as a reference for the development of its projects. WW-GVC follows a specific project design procedure which foresees six main phases for the identification and development of a project proposal. This is reflected in a specific Responsibility Assignment Matrix or RACI Matrix of Departments. In order to verify the effective implementation of what is described in the procedure and within the reference RACI Matrix, three projects were selected on a sample basis and evidence was requested for each of the envisaged phases:</p> <ul style="list-style-type: none"> <li>• Scouting;</li> <li>• Risk analysis (with evidence of the Go-No-Go and Sign Off approval by the Head of the IPD);</li> <li>• Need Assessment;</li> <li>• Due Diligence / Partner Capacity Assessment;</li> <li>• Inclusion of the project in the Organisation's pipeline;</li> <li>• Preparation of the project proposal and budget and internal quality control activities performed by the IPD Department (in particular the Project Development &amp; Knowledge Management Area);</li> <li>• Preparation of the Memorandum of Understanding.</li> </ul>	
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<p>16</p>	<p><b>Monitoring and oversight arrangements</b></p> <p><i>Can the Organisation guarantee an effective monitoring and oversight of the adequate and timely implementation of EU-funded humanitarian aid Actions?</i></p>	<p>Article 7(2)(a), (2)(b) and (2)(c) of the Humanitarian Aid Regulation and Articles 130(6) and 198(3) of the Financial Regulation.</p> <p>Effective monitoring and oversight implies regular interactions (teleconferences, video teleconferences, field visits and equivalent) between the Organisation and those staff members and/or entities tasked with the practical implementation of the Actions in the field. The frequency of such interactions should be appropriate in light of the length, complexity, scale and difficulties of the operating environment.</p> <p>Those interactions should: i) be properly documented and shared within the Organisation to all those who may be concerned; and ii) cover all relevant aspects of the implementation of the Actions</p>	<p>WW-GVC considers monitoring activities to be fundamental in the management and success of the project. In the "Project Implementation Manual", there is the "Monitoring and Evaluation" section, where it is indicated that <i>"The ultimate purpose of M&amp;E is to provide evidence for accountability and to inform and promote reflective practice leading to good program quality. As Project Manager, you have the responsibility of providing overall leadership for this process. While specialists may be responsible for collecting and processing the information, you are responsible for ensuring competency, accuracy and timeliness, and for "owning" the generated information. You are also responsible for sharing information with stakeholders and using it to inform decision making and improved program quality"</i>. Evidence of the "Monitoring Guidelines" developed by the International Programs Department (IPD) was also obtained. They have the specific aim of integrating the monitoring processes already expected at the project level. The objective of monitoring in this case is not limited to ensuring that the planning of the activities is respected and the results achieved but also to improve the relevance and appropriateness of the project itself in relation to its context and therefore the intervention (or program) of the Organisation in the country. This document also provides practical tools to support activity monitoring. The "Monitoring Guidelines" indicate that, for each project, a Monitoring Plan must be drawn up and therefore evidence of such plans has been requested for three projects selected on a sample basis. For the same sample of projects, the following documents were</p>	<p><b>Yes</b></p>

	<p>concerned: staff management, procurement, financial management, quality control, distribution and provision of services to final beneficiaries, etc.</p>	<p>also requested and obtained:</p> <ul style="list-style-type: none"> <li>• evidence of the Monthly Project Reports sent by the Project Manager (PM) to the Country Manager (CM) for 2 sample months for each project;</li> <li>• evidence of the Country Quarterly Reports sent by the CM to the Regional Manager (RM) for 1 sample quarter;</li> <li>• evidence of the Regional Quarterly Reports sent by the RMs to the IPD manager for 1 sample quarter;</li> <li>• evidence of the reports (interim and final, financial and narrative) sent to the donors.</li> </ul> <p>In cases in which WW-GVC is the project leader (Lead applicant) the Implementing Partner (IP) is monitored throughout the whole project cycle as mentioned above. Supporting data concerning the project is collected by the PM who, on the occasion of the interim and final reports to be sent to the donor, carries out an analysis of consistency between the narrative and financial reporting provided by the Partner as well as a verification of all the cost items reported and the relative vouchers/bills/documents provided in support of this activity. Following this verification, findings that may emerge are communicated to the Partner. With reference to the selected sample of three projects, evidence was obtained of the documentation received and analysed as well as of the findings sent to the IP for the only project among those sampled in which WW-GVC acted as Lead applicant.</p> <p>The main methods therefore used to monitor project activities when working with a Partner include:</p> <ul style="list-style-type: none"> <li>• coordination meetings between project staff of both the Implementing Partner (IP) and WeWorld-GVC;</li> <li>• field visits conducted by WeWorld-GVC staff to monitor the</li> </ul>	
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			<p>implementation of the activities carried on by the IP;</p> <ul style="list-style-type: none"> <li>periodic reports sent by the IP to WeWorld-GVC at set stages according to the MoU clauses (and in line with the indications inserted above).</li> </ul> <p>The activities described so far are also contained within the specific Responsibility Assignment Matrix or RACI Matrix of Departments.</p>	
17	<p><b>Reliability of reporting</b></p> <p><i>Can the Organisation guarantee the reliability of interim and final reports?</i></p>	<p>Article 7(2)(a), (2)(b) and (2)(c) of the Humanitarian Aid Regulation and Articles 130(6) and 198(3) of the Financial Regulation.</p> <p>The Organisation is either directly in charge of the preparation of those reports or can avail itself, in case it would rely on preliminary work undertaken by other entities (such as Implementing Partners), of in-house expertise and resources enabling a review of contents, and quality of any such work as well as the legality and regularity of the expenditure claimed.</p>	<p>For WW-GVC the reporting activities, both internal and external and both interim and final, are fundamental in the management and success of the project. As described in the "Monitoring Guidelines", WW-GVC has defined a monitoring system that runs from the single project, managed directly by WW-GVC or by its Partners, to the WW-GVC Local Office (SL), in the country in question, up to the Headquarters (HQ) in Italy. The M&amp;E system aims to be coherent and harmonious between the various countries in which WW-GVC operates, but also specific, according to the country and its specific context. The system is based on some basic principles, including the pyramidal nature of monitoring, the flexible circulation of information and the control by exception (attention is focused on the critical aspects that need more detailed analysis). The guidelines elaborated by the International Programs Department (IPD) also include the monthly / quarterly / project / country / region report models to be used by the various managers to ensure the presence of a set minimum reporting elements, as well as the comparability among the various reports.</p> <p>For three randomly selected projects in scope, the following documents were requested and obtained:</p> <ul style="list-style-type: none"> <li>evidence of the Monthly Project Reports sent by the Project Manager (PM) to the Country Manager (CM) for 2 sample</li> </ul>	Yes

			<p>months for each project;</p> <ul style="list-style-type: none"> <li>• evidence of the Country Quarterly Reports sent by the CM to the Regional Manager (RM) for 1 sample quarter;</li> <li>• evidence of the Regional Quarterly Reports sent by the RMs to the IPD manager for 1 sample quarter;</li> <li>• evidence of the reports sent to the donors.</li> </ul> <p>In cases in which WW-GVC is the project leader (Lead applicant) the Implementing Partner (IP) is monitored throughout the whole project cycle as mentioned above. Supporting data concerning the project is collected by the PM who, on the occasion of the interim and final reports to be sent to the donor, carries out an analysis of consistency between the narrative and financial reporting provided by the Partner as well as a verification of all the cost items reported and the relative vouchers/bills/documents provided in support of this activity. Following this verification, findings that may emerge are communicated to the Partner. With reference to the selected sample of three projects, evidence was obtained of the documentation received and analysed as well as of the findings sent to the IP for the only project among those sampled in which WW-GVC acted as Lead applicant.</p> <p>The main methods therefore used to monitor project activities when working with a Partner include:</p> <ul style="list-style-type: none"> <li>• coordination meetings between project staff of both the Implementing Partner (IP) and WeWorld-GVC;</li> <li>• field visits conducted by WeWorld-GVC staff to monitor the implementation of the activities carried on by the IP;</li> <li>• periodic reports sent by the IP to WeWorld-GVC at set stages according to the MoU clauses (and in line with the indications inserted above).</li> </ul> <p>The activities described so far are also contained within a specific</p>	
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			<p>Responsibility Assignment Matrix or RACI Matrix of Departments.</p> <p>With reference to the project reporting due to donors, external audits may be foreseen on the project costs by some donors. A sample analysis on these external audit activities were conducted by the audit team, during the 2019 Financial Statements review, on which a satisfactory opinion was issued.</p>		

BLOCK 2 – PRINCIPLES		
18	<b>Ethics</b> <b>Does the Organisation commit to observe the highest ethical standards while ensuring ethical and fair working conditions to its employees, volunteers or salaried?</b>	9 / 10
	<b>Criteria</b> Article 7(2)(a), (2)(b), (2)(f) and (2)(g) of the Humanitarian Aid Regulation and Articles 130(6) and 198(3) of the Financial Regulation.	Y-N-P-N/A
D	- The Organisation has a written <b>Code of Conduct (CoC)</b> or equivalent containing provisions promoting ethical behaviour, applicable to Board, management and staff. The CoC clearly: i) identifies the types of prohibited conduct and clearly states that staff must refrain from any acts of misconduct (generic examples of what constitute acceptable and unacceptable behaviour could be included); ii) states the consequences of engaging in conduct that breaches this policy; and iii) includes a statement of receipt and an understanding section that staff are requested to sign and date.	Y
D	- The Organisation's internal documents (staff members' contracts, Code of Conduct, procurement procedures, staff policy, etc.) contain provisions or procedures that ensure <b>equal treatment and non-discrimination on the basis of race, gender, age, religion, sexuality, culture or disability</b> .	Y
D	- <b>Guidance material, training</b> and other systems are in place to make sure staff understand and adopt ethical working practices.	P
D	- The Organisation includes <b>provisions in its procurement, sub-granting policies and contracts</b> to ensure that its tenderers, implementing partners and contractors observe and uphold integrity rules and ethical standards, such as: i) <b>avoidance of child labour</b> ; ii) <b>respect of basic social rights and working conditions based on international labour standards</b> and iii) <b>respect of applicable law relating to anti-money laundering and combatting terrorism financing</b> , in the execution of their contracts.	Y
D	- Procedures and controls are in place to prevent, detect and respond to possible <b>conflicts of interest at Board and management level</b> .	Y
D	- Appropriate/ proportionate procedures (e.g. disciplinary sanctions, financial and personal liability) are in place for Board, management and staff who do not comply with integrity rules and ethical values.	Y
E	- The Organisation provides fair working conditions to its staff, volunteers and salaried. It has developed corporate policies for staff, covering areas such as medical care, insurance and other benefits. Programme plans include written assessment of security, travel and health risks specific to the country or region. The assessments are reviewed at appropriate intervals and communicated to staff as needed.	Y
	<b>Auditor's brief rationale for scoring and other relevant comments</b> The Organisation has a "Code of Ethics and Conduct" (hereinafter "CoEC" or Code) which encloses provisions promoting ethical behaviours applicable to Board,	

management, staff, partners, contractors, suppliers, consultants and in general to all the subjects who, in their different capacities, collaborate with WeWorld-GVC for the implementation of its institutional activities. The CoEC, binding for all its recipients, clearly identifies the rules of conduct to be adopted as well as the prohibited behaviours; any behaviour against the ethical values expressed in the CoEC and in the other relevant policy documents will be investigated and sanctioned proportionally to the violation and its impacts on the Organisation, in respect of the applicable laws, regulations and collective agreements. The CoEC is shared and disclosed to all interested parties that enter into a relation with the Organisation: in fact the contracts signed with WW-GVC contain a specific clause of adhesion to the CoEC principles and rules of conducts, thus by signing the contract each employee or collaborator expresses his/her statement of receipt and an understanding of the WW-GVC's CoEC. The Organisation has also appointed the Supervisory Body to monitor compliance with the "Code of Ethics and Conduct" and to participate in the process of defining sanctions in the event of any violations. Evidences were obtained of the activity carried out by the Supervisory Body in the period under exam and no violations of the CoEC have emerged.

To ensure that staff understand and adopt the ethical working practices defined by the Organisation WW-GVC organized period training sessions both at HQ and Country level. The Organisation has also made a video-clip available on its website summarising the contents of the CoEC to further spread its content. Evidence was obtained on a sample basis of the training provided: at field level the training has not as of yet been undertaken (the Code was updated in December 2019 following the union of WeWorld and GVC and due to the Covid-19 diffusion it has not been able to provide training to staff in the field) whereas at HQ most employees have undertaken it (those who have not as of yet will do so by September 2020).

The Code clearly states that WW-GVC recognizes that all human beings have equal dignity, without distinction of sex, race, language, religion, political opinions and repudiates all forms of discrimination. Moreover, the Organisation has developed other policy documents – such as "Child Protection Policy" and "Safeguarding Policy" (Preventing Sexual Exploitation, Abuse and Harassment) – which clearly outline the principles of equal treatment and non-discrimination. The same principles are also indicated within the "HR Manual" and the "Project Implementation Manual" of the Organisation. Furthermore, in its procurement, sub-granting policies and contracts the Organisation has included provisions to ensure that partners and contractors, when signing a contract with WeWorld-GVC, are obliged to abide to ethical standards including avoidance of child labour, respect of basic social rights and working conditions and respect of applicable law relating to anti-money laundering and combatting terrorism financing. In this regard, the Organisation has developed an "Antifraud & Anticorruption Policy" and a "Counterterrorism Policy". Within the Memorandum of Understanding and the procurement contracts (specifically within the Supplier Declaration that suppliers must subscribe) references are made to the respect of the Code provisions and of the various policies of the Organisation.

The Organisation's commitment to avoiding conflict of interest situations is reflected in its CoEC and ensured through training activities, through the subscription of a specific declaration signed by Board members and management in which any situation of real or potential conflict of interest is indicated and through a structured segregation of duties, as per the evidences obtained.

WeWorld-GVC is also committed to protecting and promoting the well-being of human resources from the moment they join and throughout their time within the Organisation providing medical care and insurance and following the principles stated in its "Safety, Prevention and Protection Policy".

The Organisation provides fair working conditions to its staff, volunteers and salaried. It has developed corporate policies for staff, covering areas such as medical care, insurance and other benefits. Programme plans include written assessment of security, travel and health risks specific to the country or region. The assessments are reviewed at appropriate intervals and communicated to staff as needed.

Regarding the provision of fair working conditions to its staff, volunteers and salaried it must be indicated that they are hired in compliance with applicable laws

	<p>and regulations. Regarding staff members salary, this is defined in line with the provisions of laws and collective, associative and individual labour agreements. Regarding safety and security, policies and activities are in place to ensure this:</p> <ul style="list-style-type: none"> <li>• communication on and training regarding health, safety and security risks;</li> <li>• provision of medical care and insurance in the case of international deployment or in the case of international travel.</li> </ul> <p>In fact, for each country of operation, specific risk assessments are undertaken, and “Local Operational Manuals” are drafted which include an overview on the safety in the specific country. This Manual together with the safety and evacuation plan are given to the employee upon his/her arrival in the country in question. Evidences were obtained on a sample basis on the aforementioned points.</p>	

BLOCK 2 – PRINCIPLES		
19	<p><b>Anti-fraud and anti-corruption</b></p> <p><b>Does the Organisation deploy adequate means to prevent, detect, respond and report on irregularities, fraud, and corruption allegations and established cases?</b></p>	9 / 10
	<p><b>Criteria</b></p> <p>Article 7(2)(a) of the Humanitarian Aid Regulation.</p>	Y-N- P-N/A
D	- The Organisation has an <b>anti-fraud and anti-corruption policy</b> , which is in line with best practices, communicated to Board, management and staff.	Y
E	- <b>Staff at HQ and field have been trained</b> on the prevention, detection, response to and reporting on irregularities, fraud and corruption.	P
E	- The Organisation identifies key staff involved in recruitment or in <b>sensitive posts with risk of collusion</b> (e.g. bank/cash management, procurement and purchase functions).	P
E	- It ensures that they are not in situation of conflict of interest and puts <b>mitigating measures</b> in place (e.g. rotation of functions, segregation of duties, additional controls).	Y
D	- The Organisation has a <b>complete and reliable register</b> of irregularities, fraud and corruption allegations and established cases. The register is followed-up by trained staff. <b>Confidentiality and integrity of data</b> are ensured.	Y
D	- The Organisation has a <b>whistle blowing</b> reporting line(s) whereby staff can report suspicions of misconduct, SEA, fraud or corruption, or any other ethical breach in a confidential and protected way.	Y

E	- The Organisation has the <b>capacity to investigate</b> irregularities, fraud and corruption issues in an independent and confidential way, while protecting both the alleged victim and the alleged perpetrator.	Y
E	- Investigation conclusions and recommendations are followed-up in a timely manner.	Y
E	- A <b>regular and reliable consolidated reporting</b> on irregularities, fraud and corruption issues is provided to the Board of the Organisation or the appropriate authority if the Board is compromised.	Y
<p><b>Auditor's brief rationale for scoring and other relevant comments</b></p> <p>The Organisation has adopted an "Antifraud &amp; Anticorruption Policy", which, in line with best practices, is approved by the Board and is communicated to governance bodies, including the Board, management and staff. The Policy has been approved in its final version, following the union between WeWorld and GVC, in February 2020. Specific training courses were organized following the update of the Policy. Evidence was obtained of the training provided to the staff of the Milan and Bologna offices and to the Heads of Regional Units, who are called to train local/field staff. However, at field level the training has not as of yet been undertaken, also due to the Covid-19 diffusion.</p> <p>WW-GVC has mapped its organisational structure within organisational charts and has prepared RACI (Responsibility Assignment) matrices for all departments, where process activities are detailed and responsibilities are identified. However, key staff involved in recruitment or in sensitive posts with risk of collusion are not clearly identified. In order to mitigate conflicts of interest, in general, the Organisation adopts measures such as:</p> <ul style="list-style-type: none"> <li>• periodic risk assessment: performed both at headquarters and at country level of which sample evidence was obtained;</li> <li>• training: the staff of the Milan and Bologna offices and the Heads of Regional Units received training following the update of the "Antifraud &amp; Anticorruption Policy" of which sample evidence was obtained;</li> <li>• segregation of duties: evidence of effective segregation has been obtained in relation, for example, to the procurement, HR and financial processes on a sample basis.</li> </ul> <p>Furthermore, all members of the BoD and the heads of the various departments must sign a specific declaration regarding the possible presence of conflicts of interest.</p> <p>WW-GVC, as per its procedures, maintains a register of possible reports and irregularities, kept by the Supervisory Body, which reports to the Managing Director and Board of Directors, for reasons of confidentiality. In the period under exam no irregularities were reported on or registered.</p> <p>The Organisation has a whistleblowing reporting line whereby staff can report suspicions of any type of ethical breach in a confidential and protected way, as indicated in the "Code of Ethics and Conduct" and in the "Antifraud &amp; Anticorruption Policy". Inside the Policy, there is a paragraph that explains the investigation procedure and indicates that this process has a variable duration and must be properly documented. Furthermore, it is expressly indicated that the information about the investigation procedure is released only upon its conclusion and remains confidential. No predefined timings are indicated in the policies, however following the receipt of a report, the personnel in charge must promptly initiate the investigation plan. Furthermore, within the policy it is indicated that the Control &amp; Quality Unit must periodically inform the Managing Director about his / her activity and report to the Board of Directors on any reports received / investigations carried out and their outcome. During the reference period, no reports or cases of violation were recorded so it was not possible to verify the investigative capacity, the timeliness of the investigation and communications, and the actual reporting activity to the Board.</p>		

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BLOCK 2 – PRINCIPLES		
20	<b>Safeguarding</b> <b>Does the Organisation has a zero tolerance policy for misconduct and unethical behavior and is committed to prevent, detect, respond and report on any such cases?</b>	<b>9 / 10</b>
	<b>Criteria</b> Article 7(2)(a), (2)(f) and (2)(g) of the Humanitarian Aid Regulation and Articles 130(6) and 198(3) of the Financial Regulation.	<b>Y-N-P- N/A</b>
D	- The Organisation has a <b>child protection policy and a safeguarding policy</b> in line with best practices (the Inter-Agency Standing Committee’s Six Core Principles Relating to Sexual Exploitation and Abuse <sup>4</sup> or equivalent standards).	<b>Y</b>
D	- The policy clearly states that it has <b>zero tolerance for sexual exploitation, abuse and harassment as well as any type of unethical behaviour</b> such as discrimination, forced and child labour, modern slavery, exploitative practices towards staff, partners, contractors or beneficiaries, illegal employment and intentional environmental damage.	<b>Y</b>
D	- The Organisation ensures that its activities <b>respect the environment</b> of the local community it works with. Throughout its activities, it ensures that it respects and protects the environment it is working in, both at HQ and in the field. It is committed: i) to respect high environmental standards in its procurement and waste management, and ii) to alert in case of imminent risk of damage to the environment of the local community or its own.	<b>Y</b>
D	- The Organisation has developed procedures and aligned itself with a generally-accepted set of principles for environmental safeguarding (e.g. the EU's Green Public Procurement (GPP) principles).	<b>Y</b>
E	- There is a <b>training programme on safeguarding issues</b> and evidence that (a) board, management and staff have undergone training and (b) that the programme is designed to provide <b>continuous</b> training on an ongoing basis, both at HQ and in the field.	<b>P</b>
E	- The Organisation regularly assesses <b>safeguarding risk</b> in the countries and regions where it operates, including identifying key staff involved in <b>sensitive posts</b> with risk related to safeguarding and child protection. It has put in place <b>mitigating measures</b> to address the risks identified (e.g. rotation of functions, reinforced controls, continuous training of personnel in safeguarding issues).	<b>Y</b>

<sup>4</sup> <https://interagencystandingcommittee.org/principals/documents-public/iasc-six-core-principles-relating-sexual-exploitation-and-abuse-2002>

D	- The Organisation has appropriate and proportionate procedures and controls in place, both at HQ and field, to <b>prevent, report, detect, respond to and report</b> on safeguarding issues and allegations.	Y	
D	- The Organisation has a <b>whistle blowing</b> reporting line(s) whereby staff can report suspicions of misconduct, fraud or corruption, or any other ethical breach in a confidential and protected way.	Y	
D	- The Organisation has a <b>complete and reliable register</b> of safeguarding allegations and established cases.	Y	
E	- The Organisation has the <b>capacity to investigate</b> safeguarding issues in an independent and confidential way, while protecting both the alleged victim and the alleged perpetrator. If not, there are appropriate measures in place to follow-up on allegations.	Y	
E	- Investigation conclusions and recommendations are <b>followed-up in a timely manner</b> .	Y	
E	- There a <b>regular and reliable consolidated reporting</b> on safeguarding issues to the Board of the Organisation or the appropriate authority if the Board is compromised.	Y	
<p><b>Auditor's brief rationale for scoring and other relevant comments</b></p> <p>WeWorld-GVC has developed a series of policies/procedures on safeguarding topics. The Organization adopts a "Child Protection Policy" and a "Safeguarding Policy" (PSEAH – Prevention of sexual exploitation, abuse and harassment) that contain a specific reference to the Inter-Agency Standing Committee's Six Core Principles Relating to Sexual Exploitation and Abuse. Moreover, WW-GVC has recently undergone an assessment by Unicef regarding its ability to prevent and safeguard exploitation, sexual abuse and harassment; evidence of the completed self-assessment and official communication by Unicef regarding the "Low risk" score was obtained.</p> <p>The abovementioned policies clearly state zero tolerance for sexual exploitation, abuse and harassment as well as any type of unethical behaviour and are applicable within the Organisation and towards its stakeholders.</p> <p>Within the "Environmental Safeguarding Policy", WW-GVC formalizes its commitment to respect the environment in which it operates. Furthermore, within the policy, WW-GVC's commitment to reducing waste production is encouraged, promoting the reuse of materials. Environmental aspects are also considered within the criteria of selecting suppliers including, whenever possible, the evaluation of "<i>the supplier's environmental performance as well as the sustainability of the delivery products and solutions in line with EU's initiatives GPP</i>", as per the "Procurement Manual". As far as this is concerned, the "Green Procurement Guidelines", a practical guide developed to promote a green approach in procurement activities, has been developed by the Organisation. Within the Guidelines it is stated that the Organisation adopts instruments aimed at facilitating the inclusion of environmental requirements in the tender documents, adopting the GPP of the European Union as a reference. The Organisation also provided evidence of:</p> <ul style="list-style-type: none"> <li>• the Risk Register of the different functions showing that for the International Programs Department environmental impact is assessed and a series of mitigation measures are foreseen;</li> <li>• the Risk Register of the first quarter of 2020 for three sample selected countries: Mali, Lebanon and Palestine, where the environmental impact of activities is assessed.</li> </ul>			

	<p>It is essential that all WeWorld-GVC staff, volunteers, as well as third parties are made aware of the safeguarding policies. For this reason, training programmes on safeguarding are part of the prevention activities organized by the Organisation. Evidence was obtained of the training provided to the staff of the Milan and Bologna offices and to the Heads of Regional Units, who are called to train local/field staff. However, at field level the training has not as of yet been undertaken, also due to the Covid-19 diffusion.</p> <p>Within its Risk Registers (HQ and Countries), among the different categories of risk, Sexual Exploitation, Abuse and Sexual Harassment (SEAH) risks are assessed and mitigation measure are identified. Relating to key staff, WeWorld-GVC introduced the Safeguarding Focal Point figure at country level and foresees, for staff who will have to work with minors, to follow a specific selection process which includes a self-certification on the absence of pending charges / criminal records.</p> <p>The Organisation has appropriate and proportionate procedures and controls in place, both at HQ and field, to prevent safeguarding issues, as contained in the PSEAH Policy and in the "Child Protection Policy". Within the policies all the measures adopted by WW-GVC to prevent any cases of abuse or exploitation are described, including awareness raising, training, risk analysis, setting the figure of the Focal Point and the "safe selection" process, as mentioned above. Furthermore, the policies indicate the methods through which reports/grievances can be submitted and to whom and how they can be sent.</p> <p>The Organisation has a whistleblowing reporting line whereby staff can report suspicions of misconduct, fraud or corruption, or any other ethical breach in a confidential and protected way. Reports are provided directly to the Supervisory Body, who also has the responsibility to maintain the register of any reports and irregularities and to guarantee their confidentiality.</p> <p>WeWorld-GVC has the capacity for conducting the needed investigations in complaints/grievances: the PSEAH and Child Protection Policies define the investigative steps and the involved roles. Following an investigation, recommendations are issued, and a follow-up is foreseen. Once the investigation is concluded, a report is filled, and the findings of investigation are shared to the Board of Directors. However, no cases of whistleblowing were registered during the reference period.</p>	

BLOCK 2 – OPERATIONAL CAPACITY		
21	<p><b><i>Planning, staffing and safety</i></b></p> <p><b><i>Does the Organisation adequately plan the achievement of its objectives, to be carried out by the most suitable staff, while ensuring their safety on the field?</i></b></p>	10 / 10
	<p><b>Criteria</b></p> <p>Article 7(2) (a), (2)(b) and (2)(c) of the Humanitarian Aid Regulation and Articles 130(6) and 198(3) of the Financial Regulation.</p>	Y-N-P-N/A
D	<p>- The Organisation has a sound planning process, setting <b>realistic and clear objectives</b> which take into account the <b>risk level</b> of the country of operation.</p>	Y

E	- It ensures that its activities are implemented by <b>adequate staff in numbers and qualification</b> .	Y
D	- It has particular <b>security assessments and protocols</b> (Security plans and SOPs) in place to protect staff in dangerous environments.	Y
D	- It has a <b>mandatory training</b> programme for the relevant staff on security before an international assignment.	Y
E	- It sets up <b>regular security meetings and briefings for staff</b> to inform them on all risks relevant to their role and missions on the field.	Y
E	- The <b>Organisation's obligations and individual responsibilities</b> in relation to possible risks are clearly communicated to its staff.	Y
E	- <b>Insurance</b> is taken to cover field staff and HQ staff visiting the field for health, repatriation, etc.	Y
<b>Additional criteria for PPs</b>		
D	- There is a <b>written evaluation</b> of how the strategic and/or annual plan has been implemented (e.g. in an <b>annual activity report</b> ).	N/A
D	- There are plans for <b>emergency evacuation/repatriation</b> of field staff in case of civil or military unrest. The plans cover local staff, expatriates and volunteers.	N/A
E	- Relevant staff are regularly trained on security measures, notably by following a Hostile Environment Security Training ( <b>HEST</b> ).	N/A
<p><b>Auditor's brief rationale for scoring and other relevant comments</b></p> <p>WeWorld-GVC has a sound planning process, which takes into account the risk level of the country of operation, the strategic priorities defined at internal level in occasion of the strategic annual and multiannual planning and the programmatic priorities defined at national, regional and global level by the international community, institutional donors and relevant stakeholders. The strategy definition is part of the planning process: each Head of Department drafts the strategy referring to its own department, defining ambitions, goals, priorities and how to achieve them. Their inputs are collected, globally analysed and conveyed in the annual/multiannual strategy. The International Programmes Department (IPD) contributes to the definition of the overall strategy and operational plans of the organization.</p> <p>The IPD planning process has clear steps and responsibilities (set in the IPD Responsibility Assignment, RACI, Matrix) and is characterised by two-ways exchanges between global and local levels. The Head of IPD department has the responsibility to propose and set the global strategy and operational plan (budgeting included); the Heads of Regional Units contribute to the global planning by setting regional plans fed by national ones, of which the Country Representative is responsible. Planning is mainly under the responsibility of the Head of IPD together with the Heads of Regional Units and is monitored within the IPD Management Team (chaired by the Head of the International Programmes Department and composed by the Heads of the Regional Units, Area Coordinators, IPD Coordinator and Task Force Coordinators) on a regular basis.</p> <p>In 2019, following the merger between We World and GVC, the Organisation adopted a one-year strategy to orient its activities. The multiannual (three-year, 2020-23) strategy has been developed but its approval has been delayed to the end of 2020, due to the diffusion of Covid-19. The process</p>		

followed in defining the strategy was set out in a high-level guideline indicating main activities, responsibilities and timing.

At a project level instead, the Organisation follows a project design procedure which includes a risk analysis and other steps to be followed before a proposal's submission. For a sample of three of the projects in scope, evidences have been obtained that show that in the initial planning phases of projects risks and their alignment with the Organisational strategy are considered.

In terms of ensuring that activities are undertaken by adequate staff WW-GVC has defined an organisational structure as shows in the organisational chart of the Organisation, of the International Program Department and of a sample of three Countries in scope, designed at facing the challenges and implementing the activities foreseen. Moreover, in the "HR Manual", a chapter is dedicated to the selection process underlining the importance of selecting qualified personnel. At a project level, the adequate number of staff to plan on a specific project depends on various factors. The factors to be considered are described in detail in the "Project Implementation Manual" especially in "Staffing Plan" section. The Organisation also elaborates a Log Frame and a budget for each project to allocate necessary resources. For a sample of three of the projects in scope, Log Frame analysis and budgets have been obtained. Finally, in order to ensure that staff is qualified, various training initiatives are foreseen as set out in the "HR Manual" and in the annual training plans.

Concerning activities to ensure the safety and security of its staff the following can be stated, as evidenced from the supporting documentation acquired:

- presence of a "Safety, Prevention and Protection Policy" and of the DVR (Documento di Valutazione dei Rischi - Risk Assessment on Health and Safety as per Italian Legislative Decree 81/08);
- presence of the "Local Operational Manual" containing information on security issues, obtained for a sample of three countries;
- performance of safety and security risks, per country / area of operation. The Country Overview Form defines the main context elements characterising the country of intervention while the Country Security Plan identifies the risks and the mitigation measures (evidence obtained on a sample basis);
- safety and security training programs foreseen and implemented (evidence was obtained for a sample of staff);
- presence of a Security Advisor & Compliance Officer at HQ level to help the Heads of Regional Units and the Country Managers on security issues;
- regular security meetings and briefings held among Heads of Regional Units, at Country level and for staff in order to inform on the possible risks related to their roles and missions;
- individual responsibilities and organisation's obligations in relation to possible risks are set out;
- Crisis Management Team activated in case of serious crisis, incidents or under serious threat as for the Covid-19 diffusion;
- insurance taken to cover field staff as well as HQ staff visiting the field in terms of health, safety, repatriation, etc. (evidence obtained on a sample basis).

*Concerning the "Additional criteria for PPs", as stated in section 2.1 of this Report, at the start of our work activities, WeWorld - GVC Onlus has expressly declared that it will not proceed with the assessment of the questions provided in the "Additional criteria for PPs" section as it is not included in the list of possible Programmatic Partners pre-defined by DG ECHO. For this reason, we have indicated "N/A" in the questions relating*

	to the "Additional criteria for PPs" section and have not counted these questions for the definition of the score.		

BLOCK 2 – OPERATIONAL CAPACITY			
22	<b>Project design</b> <b>Does the Organisation ensure that projects are well designed, based on a proper needs assessment?</b>	<b>10 / 10</b>	
	<b>Criteria</b> Article 7(2)(a), (b) and (c) of the Humanitarian Aid Regulation and Articles 130(6) and 198(3) of the Financial Regulation.	<b>Y-N-P-N/A</b>	
E	- The Organisation adheres to the <b>Sphere Standards</b> . If not, other relevant quality standards are followed.	<b>Y</b>	
E	- The Organisation has adopted a <b>Project Cycle Management (PCM) and a Logical Framework Approach</b> . PCM describes the management activities and decision- making procedures used during the life cycle of a project (including key tasks, roles and responsibilities, key documents and decision options).	<b>Y</b>	
E	- The Organisation <b>provides methodology, procedure and training on how to design projects</b> that: i) are supportive of overarching <b>policy objectives</b> ; ii) are <b>relevant</b> to an agreed strategy and to the real problems of target groups/beneficiaries; and iii) are <b>feasible</b> , meaning that objectives can be realistically achieved within the constraints of the operating environment and capabilities of the implementing agencies; and benefits generated by projects are likely to be <b>sustainable</b> .	<b>Y</b>	
E	- The Organisation <b>provides methodology, procedures and training</b> on how to carry out a proper <b>needs assessment</b> . Needs assessment refers to the process of identifying the needs and determining the discrepancies between an existing situation and the wanted outcome. The appropriate tools for identifying these needs could be the involvement of local communities via the conduct of surveys and interviews, taking into account of assessments conducted by other humanitarian actors, on – site presence and collection of specific data, on-going situational analysis (rapid emergency assessments, follow up assessment, next-phase (recovery) assessment).	<b>Y</b>	
E	- The Organisation <b>considers and appropriately mitigates fraud and other risks</b> related to the circumstances and environment in which the project will be implemented.	<b>Y</b>	

**Auditor’s brief rationale for scoring and other relevant comments**

WW-GVC is not formally a member of Sphere Standards, however, its activity is constantly inspired by it. The adherence to the Sphere Standards is declared in the “Project Implementation Manual” and in the “Monitoring Guidelines” where it is stated that to adequately monitor its interventions’ impact, the Organisation will use internationally recognised indicators, such as those defined by Sphere. As regards the Education in Emergency (EiE) sector, the reference indicators are those of Inter-Agency Network for Education in Emergencies and, when applicable, WW-GVC applies also other indicators defined by donors. For a sample of three of the projects in scope, the proposals have been obtained and the reference to Sphere Standards verified.

WW-GVC adopts a Project Cycle Management (PCM) and a Logical Framework Approach described both in the “Project Implementation Manual” and in the “Monitoring Guidelines”. For a sample of three of the projects in scope, the Log Frame has been obtained. In order to define key tasks and responsibilities, the International Programmes Department has set a specific Responsibility Assignment (RACI) Matrix on Project Management whose steps correspond also to PCM phases.

Furthermore, the Organisation has set a specific procedure on how to design a project: before the proposal submission, it is subject to internal approval phases (scouting, go-no-go, need assessment, risk assessment, partner due diligence) and a quality control by the Project Development and Knowledge Management Area (PD&KMA) which entails also a budget revision jointly with the Regional Administrators. In fact, within the International Programmes Department (IPD) the PD&KMA and International Advocacy & Innovation Area (IAIA) are especially dedicated to ensuring the quality of the project design and to provide necessary support in developing innovative approaches and methodologies. For a sample of three of the projects in scope, evidences on project design phases have been obtained, including evidence of the need assessment phase.

Regarding needs assessment in particular, WW-GVC uses common community-based tools to conduct the analysis (primary e.g. focus groups, surveys, interviews and secondary e.g. from projects already in place). A new WW-GVC standard Needs Assessment package, part of the “Community Protection Approach (CPA) Handbook”, has been designed in 2019 and finalized in the first quarter of 2020 with the aim of providing a more systematized and user-friendly package for all missions to ensure a set of common aspects and principles in all humanitarian Needs Assessment carried out by WW-GVC.

Beyond providing a set of procedures and tools for its staff and partners, WW-GVC also provides training on such matters. For a sample of three training on quality project design and of three trainings on CPA (including needs assessment), evidence of the participation to the training has been obtained.

The Organisation considers fraud and other risks related to the circumstances and environment in which the project will be implemented in its risk analysis, performed before submitting the financing proposal to a donor. These risks are mitigated thanks to the adoption of the “Antifraud & Anticorruption Policy”, the definition of specific mitigating actions in the proposal development phase and by implementing training activities on this topic.

BLOCK 2 – OPERATIONAL CAPACITY		
23	<b>Project management</b> <i>Does the Organisation ensure that projects are well managed through effective monitoring?</i>	9 / 10
	<b>Criteria</b>	Y-N-P- N/A
E	- The Organisation has a description or a procedures manual of how it <b>monitors its operating performance</b> . As defined by OECD/DAC, monitoring is: “a continuing function that uses the systematic (at regular intervals) collection of data on specified indicators to inform management and the main stakeholders of an ongoing operation, of the extent of progress and achievement of results in the use of allocated funds and aid.” Regular monitoring is a key element in ensuring that the project achieves its set results.	Y
E	- The Organisation ensures that a <b>proper distribution</b> of goods/items/cash is taking place (including <b>securing and retaining evidence of proof of delivery</b> to final beneficiaries). It also takes measures, collects and assesses specific data derived from different target groups to ensure that the beneficiaries' <b>needs are being met</b> by the distribution of such goods/items/cash.	Y
E	- Staff based in <b>HQ monitor field offices</b> regularly and effectively, i.e. issues are identified by suitably qualified staff and timely remedial action is taken to resolve them.	Y
E	- Field office <b>staff monitor projects</b> regularly and effectively, i.e. issues are identified by suitably qualified staff and timely remedial action is taken to resolve them.	Y
D	- Does the Organisation have a procedure to ensure proper <b>monitoring arrangements under a Remote Management context?</b>	P
<p><b>Auditor’s brief rationale for scoring and other relevant comments</b></p> <p>WW-GVC has a series of manuals and procedures, such as the “Project Implementation Manual”, the “Monitoring Guidelines”, the “Administration Finance and Control Manual” and the “Local Operational Manuals”, in place that describe the methods to be used in monitoring its operating and financial performance, considered a key element in ensuring that the projects achieve their set results.</p> <p>Regular monitoring activities are carried out both by staff based in HQ and in field offices and regular meetings are held both at HQ/regional and country level. WW-GVC adopts a three-level approach for internal monitoring that foresees the drafting of the following documents: Monthly Project Reports drafted by the Project Manager, Quarterly Country Report drafted by the Country Manager and Quarterly Regional Reports drafted by the Heads of Regional Units. Finally, at HQs the International Programmes Department (IPD) has set up the Management Team (chaired by the Head of the International Programmes Department and composed by the Heads of the Regional Units, Area Coordinators, IPD Coordinator and Task Force Coordinators) that perform monitoring of the project evolution periodically (about every two weeks). Among the projects in scope, evidence of the monitoring approach followed was requested and obtained for a</p>		

	<p>sample of three projects (for one project, the monitoring evidence is partial due to the start date of the project in January 2020).</p> <p>WW-GVC ensures that a proper distribution of goods/items/cash is taking place (including securing and retaining evidence of proof of delivery to final beneficiaries). For what concerns food assistance through cash transfer the topic is regulated within the "Food assistance guidelines". For goods and items, distribution is regulated through a paragraph included in "Local Operational Manual" at Country level, where a stock management activity is in place. Among the projects in scope with goods/items/cash distribution evidence of the effective distribution was requested for three projects and obtained for all of them. The Organisation, through a need assessment activity in the project design phase and continuous monitoring at field level, including post distribution monitoring reports, also takes measures, collects and assesses specific information derived from different target groups to ensure that the beneficiaries' needs are being met by the activities implemented.</p> <p>WW-GVC considers remote management a residual possibility in project management. The approach to be adopted - in case a remote monitoring activity become necessary due to evolutions in the country / area of operations - is described in the Monitoring Manual and in the Monitoring Guidelines that also provides a form to be filled in by the Country Manager, sent for revision to the Head of Regional Unit who in turn must sent it to the Head of the International Program Department to trigger such procedure. In the period in exam there has not been the need to deploy the mechanism. It should be further indicated that ICT tools are also available that could aid in the project monitoring also in cases of remote management (i.e. CPA, Community Protection Approach, Platform); however, specific procedures regarding the management and monitoring under such conditions, following the triggering of the mechanism, are not formalized.</p>	

BLOCK 2 – COMPLIANCE WITH RULES, REGULATIONS, STANDARDS AND OBLIGATIONS		
24	<p><b>Humanitarian</b></p> <p><b><i>Has the Organisation put in place adequate mechanisms to ensure compliance with the principles of humanity, impartiality, neutrality and independence and, in situations of armed conflict, with International Humanitarian Law?</i></b></p>	10 / 10
	<p><b>Criteria</b></p> <p>Preamble to, and Article 7 (2)(g) of, the Humanitarian Aid Regulation.</p>	Y-N-P-N/A
E	- The Organisation has put in place <b>adequate mechanisms, i.e. methodology, procedures and controls, to ensure compliance</b> with the humanitarian principles <b>throughout its activities</b> , both at HQ and in the field (see European Consensus on Humanitarian Aid).	Y
E	- The Organisation ensures compliance with IHL throughout its activities, both at HQ and in the field, where applicable.	Y

E	- The Organisation has put in place <b>adequate mechanisms, i.e. methodology, procedures and controls, to ensure that its Implementing Partners comply</b> with the humanitarian principles when implementing actions on behalf of the Organisation.	Y	
<b>Additional criteria for PPs</b>			
D	Does the Organisation have a procedure to develop its acceptance strategy in the different humanitarian context where it implements its activities?	N/A	
<p><b>Auditor's brief rationale for scoring and other relevant comments</b></p> <p>In order to verify that WW-GVC promotes respect for humanitarian principles in the conduct of the organization's activities at all levels and in the various management areas, the following documents have been analysed:</p> <ul style="list-style-type: none"> <li>• list of signatories of the International Red Cross Code of Conduct including GVC, now WeWorld-GVC Onlus;</li> <li>• Organisation's "Code of Ethics and Conduct";</li> <li>• "Project Implementation Manual";</li> <li>• "CPA Handbook";</li> <li>• "Monitoring Guidelines";</li> <li>• "Local Operational Manuals";</li> <li>• "Procurement Manual";</li> <li>• "Human Resources Manual";</li> <li>• Policies adopted – "Child, "Safeguarding / PSEA", "Antifraud &amp; Anticorruption", "Environmental" and "Counterterrorism".</li> </ul> <p>Within all the documents mentioned above there are direct or indirect references to humanitarian principles. In order to verify how WW-GVC requires and monitors compliance with such principles, the documentation relating to three randomly selected projects, from the population in scope, was obtained and both the project proposals and the "Local Operational Manuals" were analysed. It should also be noted that, in order to monitor existing plans, a monitoring process is envisaged that has already been verified with reference to the analysis conducted for the Minimum Requirements_16 "Monitoring and oversight arrangements". During this verification, evidence was requested of the monitoring reports provided at various levels of the organization for the three sample projects.</p> <p>As indicated in the "Code of Ethics and Conduct", Implementing Partners are required to comply with the same rules of conduct applicable to the WW-GVC staff. In order to verify how WW-GVC guarantees the effective respect by the Partners of the humanitarian principles in the implementation of the project activities, it has been verified, for the sampled projects, that the adherence to the CoEC and to the Policies adopted by WeWorld-GVC were made explicit in the Memorandum of Understanding. The "Local Operational Manuals" indicate the need to carry out an adequate assessment of the partners involved. Evidence of the assessment - and related attachments – were obtained for a sample of projects in scope. Furthermore, evidence was also provided on the effective monitoring of the activity conducted by the Partner, regarding the financial and narrative reports (interim and final).</p> <p>WW-GVC abides to the Humanitarian Aid Regulations and Geneva Convention on International Humanitarian Law (IHL):</p>			

	<ul style="list-style-type: none"> <li>the Organisation participates to various coordination bodies that work to promote compliance with the IHL;</li> <li>it has put in place a specific policy to ensure compliance with IHL in relation to the countries where IHL provisions apply. The policy foresees a standard fact-checking process, as well as a checklist of actions going through multiple-levels of approval to define that each course of action of the Organisations abides and reinforces IHL principles. Evidence of the checklists compiled were obtained on a sample basis for projects in Palestine and Burundi.</li> </ul> <p>With regard to this area, WW-GVC also provided the description (and supporting evidence) of 2 exemplary episodes in which it found itself having to manage critical situations from the point of view of compliance with the IHL with reference to projects managed during the time period under assessment (20 April 2019 - 19 April 2020).</p> <p><i>Concerning the “Additional criteria for PPs”, as stated in section 2.1 of this Report, at the start of our work activities, WeWorld - GVC Onlus has expressly declared that it will not proceed with the assessment of the questions provided in the “Additional criteria for PPs” section as it is not included in the list of possible Programmatic Partners pre-defined by DG ECHO. For this reason, we have indicated “N/A” in the questions relating to the “Additional criteria for PPs” section and have not counted these questions for the definition of the score.</i></p>	

BLOCK 2 – COMPLIANCE WITH RULES, REGULATIONS, STANDARDS AND OBLIGATIONS		
25	<b>Operational</b> <b><i>Does the Organisation ensure that specific rules and conditions, including procurement, are well known and respected?</i></b>	<b>7 / 10</b>
	<b>Criteria</b>	<b>Y-N-P-N/A</b>
D	- The Organisation has procedures in place that ensure that <b>specific rules and conditions are well known and respected</b> . Such rules and conditions can relate to inter alia: the minimum requirements of expenditure, procurement rules, origin rules, specific donor rules, rules for the transfer of assets at the end of a project.	<b>Y</b>
D	- The Organisation has procedures in place that ensure that <b>specific rules and conditions are well known and respected by its Implementing Partners</b> . Such rules and conditions can relate to inter alia: the minimum requirements of expenditure, procurement rules, origin rules, specific donor rules, rules for the transfer of assets at the end of a project.	<b>Y</b>
E	- The Organisation has procedures in place that ensure that actual <b>expenditure incurred and revenue received, including by its Implementing Partners</b> , for activities and projects is in conformity with applicable rules i.e. conditions set out in contracts and agreements?	<b>Y</b>

E	- <b>Management ensures and signs-off that cost claims sent to donors are eligible and justified by supporting documentation, including by its Implementing Partners.</b>	Y	
E	- The Organisation has procedures in place to be followed when management finds it necessary to <b>override established procedures</b> and internal controls, including documenting the circumstances and approval. It <b>requests derogations</b> (e.g. from normal grant conditions) as appropriate and <b>documents</b> them properly if and when they are granted.	P	
E	- The Organisation applies these <b>rules to its own Board and staff</b> , volunteers and salaried.	Y	
E	- The Organisation applies these rules, including in the procurement process.	Y	
E	- When <b>procuring food supplies</b> , the Organisation ensures that they: i) comply with any quality standard laid down in the domestic legislation of the country of origin and/or country of destination, whichever has the higher quality standard; and ii) as much as possible, match the nutritional habits of the beneficiary population.	P	
E	- When <b>procuring/purchasing medical supplies</b> , the Organisation ensures that its policies and procedures include the adequate consideration of qualitative criteria for the selection of medical suppliers.	P	
D	- For medical and food supplies, as applicable: the Organisation has <b>procedures</b> in place i) to verify the quality of the supplies received; ii) to properly store them; and iii) to dispose of them.	P	
E	- The Organisation ensures that its <b>Implementing Partners</b> respect the same rules and procedures when <b>procuring, receiving and disposing</b> of <b>food and medical supplies</b> (please use the three criteria set above).	N	
<b><i>Additional criteria for PPs</i></b>			
D	- The Organisation has a description or a <b>procedures manual</b> to ensure compliance with regulations and rules for using funds.	N/A	
D	- The Organisation has adopted a <b>formal quality standard system</b> and <b>reports regularly on it to the Board and/or senior management</b> .	N/A	
D	- The Organisation has <b>emergency procedures</b> in place to respond to situations of <b>improper disposal of medical supplies</b> .	N/A	
<b><i>Auditor's brief rationale for scoring and other relevant comments</i></b> WW-GVC has developed a set of procedures that indicate its values, principles, rules and conditions for performing its activities:			

- “Code of Ethics and Conduct”;
- various Policies and Operating Manuals: “AntiFraud & Anticorruption Policy”, “Child Protection Policy”, “Safeguarding/PSEAH Policy”, “Environmental Policy”, “Administration, Finance and Control Manual”, “Procurement Procedure”, “HR Manual”, “Project Implementation Manual”.

The Organisation also ensures that such procedures are known and respected. Within the Code of Ethics and other policies there is a detailed list showing the recipients, which include the governing bodies, including the Board, management, staff and all stakeholders. Furthermore, it was verified that the Code of Ethics and all other Policies are shared and available to the entire staff within the SharePoint platform. Evidence was also obtained of the list of training courses provided during the year, including training courses regarding the contents of the Code of Ethics, of the Policies and regarding the application of the operating procedures. Finally, it was verified that during the reference period no cases or reports of violations were recorded with respect to the contents of the “Code of Ethics and Conduct”, the “Antifraud and Anticorruption Policy” and the safeguarding policies.

As expressly indicated in the "Recipients" section of the “Code of Ethics and Conduct” and of the other policies, Implementing Partners are also called to respect their contents. The commitment to respect WW-GVC's policies and procedures is also indicated in the Memorandum of Understanding (MoU). Furthermore, within the MoUs it is indicated that the project activities must be carried out according to what is indicated in the project proposal and the Grant Agreement drawn up between the donor and the lead NGO, which contains clauses relating to "Personnel and Ethical Requirements", "Supplies, Equipment, Materials, Procurement and Sub-Contracting" and "Financial and Operational Arrangements".

WW-GVC performs various monitoring activities in order to ensure that the project is advancing in line with the project plan. In order to monitor the activity of its Implementing Partners, WW-GVC verifies the supporting documentation at the basis of the Interim and Final Reports (both Financial and Narrative) prepared for the donor, including of the expenditure incurred. Evidence of the Reports of the Implementing Partners and of the findings / suggestions sent by WW-GVC following the verification of the Reports received was obtained on a sample basis. Furthermore, during the 2019 Financial Report audit activities, a sample analysis on the project costs was carried out checking the coherence between the project budget, the actual costs incurred and the supporting documentation. During the 2019 Financial Report audit activities the Organisation has confirmed that no claims were received from donors as there were no cases of ineligibility of the costs declared.

Concerning derogations to the existing procedures it has emerged that in the “Procurement Procedure” and in the “Safety, Prevention and Protection Policy”, indications are provided regarding the possible need to derogate and indications are provided as to which alternative procedures must be followed. However, such indications are not present in the other manuals and procedures (i.e. financial and HR procedures). Regarding the project activities, there are rarely cases of derogation from what is foreseen in the project proposal. Instead, there is a more frequent need to request changes compared to what was initially agreed with the donor. The list of projects that have undergone changes in terms of timing, budget and supplies was obtained and a sample was selected for which evidence of the changes requested and indication of the approval process followed was received.

Within the “Procurement Procedure” it is indicated that should it be necessary to purchase food supplies or medicines, the Organisation should refer to the procedures issued by ECHO, however specific procedures of the Organisation have not been developed on these topics.

On food supplies, WW-GVC has not developed specific procedures as it prefers to help the local population through cash or food vouchers to be spent with local producers. Therefore, it does not have procedures relating to the storage or disposal of food. WW-GVC dealt with the distribution of foodstuffs only during a project implemented in Burkina Faso, carried out through partnership with other NGOs. With regard to this project, evidence was obtained of the

	<p>contracts signed between Oxfam (Lead NGO) and local suppliers, within which it is indicated that "<i>Le fournisseur d'engage à mettre à la disposition du client des intrants nutritionnels en bon état avec les résultats d'analyse de la qualité</i>", and of the microbiological analysis of the flours.</p> <p>With regard to medicines, WW-GVC has prepared a Pharmacy Management Manual containing indications on the quality controls of the medicines to be carried out at the time of their arrival, indications on how to place the medicines on the shelves and it is expressly indicated to monitor the dates of expiry in order to consume medicines with a close expiry date first, for the only project in which medical supplies were distributed. However, there are no specific indications regarding the disposal of medicines.</p> <p>In general, therefore, for projects where food and medical supplies are distributed, the Organisation develops ad hoc procedures on the matter, however a high-level procedure providing standard guidelines on procurement, quality, storage and disposal has not been drafted.</p> <p><i>Concerning the "Additional criteria for PPs", as stated in section 2.1 of this Report, at the start of our work activities, WeWorld - GVC Onlus has expressly declared that it will not proceed with the assessment of the questions provided in the "Additional criteria for PPs" section as it is not included in the list of possible Programmatic Partners pre-defined by DG ECHO. For this reason, we have indicated "N/A" in the questions relating to the "Additional criteria for PPs" section and have not counted these questions for the definition of the score.</i></p>	

<b>BLOCK 2 – COMPLIANCE WITH RULES, REGULATIONS, STANDARDS AND OBLIGATIONS</b>		
<b>26</b>	<p><b><i>Protection of personal data</i></b></p> <p><b><i>Does the entity ensure protection of personal data equivalent to that referred to in Article 5 of the FR, in line with EU Regulation No 2016/679<sup>5</sup>?</i></b></p>	<b>10 / 10</b>
	<b><i>Criteria</i></b>	<b>Y-N-P-N/A</b>
<b>D</b>	- The Organisation has <b>clear rules</b> on protection of personal data.	<b>Y</b>

<sup>5</sup> <https://eugdpr.org/the-regulation/>

D	<ul style="list-style-type: none"> <li>- The following requirements are integrated in the procedures and rules: As a general rule, <b>personal data</b> are:               <ul style="list-style-type: none"> <li>- processed lawfully, fairly and in a transparent manner in relation to the data subject;</li> <li>- collected for specified, explicit and legitimate purposes and not further processed in a manner that is incompatible with those purposes;</li> <li>- adequate, relevant and limited to what is necessary in relation to the purposes for which they are processed;</li> <li>- accurate and, where necessary, kept up to date;</li> <li>- kept in a form which permits identification of data subjects for no longer than is necessary for the purposes for which the personal data are processed;</li> <li>- processed in a manner that ensures appropriate security of the personal data.</li> </ul> </li> </ul>	Y
D	<ul style="list-style-type: none"> <li>- Procedures and rules capture the following <b>principles</b>:               <ul style="list-style-type: none"> <li>- right of information;</li> <li>- right of access to and rectification or erasure of personal data;</li> <li>- right of data portability and</li> <li>- right of confidentiality of electronic communications.</li> </ul> </li> </ul>	Y
D	<ul style="list-style-type: none"> <li>- The Organisation has <b>controls</b> within the document management process, which ensure respect for data protection and confidentiality rules</li> </ul>	Y
D	<ul style="list-style-type: none"> <li>- The Organisation has procedures and training in place which ensure that specific rules and conditions are well known and respected.</li> </ul>	Y
<p><b><i>Auditor's brief rationale for scoring and other relevant comments</i></b></p> <p>The Organisation within its "Data Protection Master Policy" sets clear rules on protection of personal data defining roles and responsibilities for every subject involved in personal data treatment. More precisely it provides a set of principles (in line with art. 5 of GDPR Law) that everyone must abide by: personal data must be i) processed lawfully, fairly and transparently in relation to the subject; ii) collected for specified, explicit and legitimate purposes and not further processed in a manner that is incompatible with those purposes; iii) adequate, relevant and limited to what is necessary in relation to the purposes for which they are processed; iv) accurate and, where necessary, kept up to date; v) kept in a form which permits identification of data subjects for no longer than is necessary for the purposes for which the personal data are processed; vi) processed in a manner that ensures appropriate security of the personal data. The Policy also embeds the right of information, right of access to and rectification or erasure of personal data, right of data portability and right of confidentiality of electronic communication.</p> <p>The Organisation has put in place the appropriate control measures to ensure the respect for data protection and confidentiality as per its "Data Protection Master Policy". Among the measures undertaken the Organisation has in fact:</p> <ul style="list-style-type: none"> <li>• appointed the Data Protection Officer (DPO), external to the Organisation, in order to manage, monitor and ensure the respect of the relevant legislation. The DPO, in its 2019 annual report, indicates that no relevant violations or anomalies have emerged from the controls undertaken;</li> <li>• defined cybersecurity controls of which sample evidence was obtained;</li> <li>• defined a methodology to perform Data Protection Impact Assessments of which sample evidence was obtained;</li> </ul>		

	<ul style="list-style-type: none"> <li>defined that the staff, in charge of treatment of personal data, must sign a statement declaring confidentiality of treatment, of which sample evidence was obtained.</li> </ul> <p>Finally, as indicated in the Data Protection Master Policy, the Organisation has defined a training plan to inform and train everyone involved in the treatment of personal data on the potential risks and the prevention and mitigation measures to be adopted. Evidence of the training session held during the 2019 Annual Meeting was obtained.</p>	

BLOCK 2 – INTERNAL CONTROL		
27	<b>Governance, risk management and oversight</b> <i>Is there an adequate control environment in place, whereby governance and management functions are duly exercised with regard to risk management and internal control and their importance in the Organisation, both at HQ and at field level?</i>	<b>8 / 10</b>
	<b>Criteria</b>	<b>Y-N-P-N/A</b>
D	- <b>Responsibilities are clearly defined</b> (i.e. clearly stipulated in employment contracts and/or operating manuals).	<b>Y</b>
E	- <b>Segregation of duties is ensured</b> between the authorising officer (authorisation, processing, recording and reviewing of transactions for operational and/or financial issues) and the accounting officer (authorisation and the execution of payments). It is formally stipulated for example in an operating or procedures manual.	<b>Y</b>
E	- The Organisation <b>assesses and addresses the risks</b> that may affect the achievement of its objectives, both at HQ and at field level.	<b>Y</b>
E	- The Organisation <b>monitors internal controls</b> regularly and takes timely remedial actions, both at HQ and at field level.	<b>P</b>
E	- <b>Recommendations</b> stemming from various <b>audit reports</b> (internal, external, donor) are followed-up and <b>implemented</b> .	<b>P</b>
E	- <b>Management is aware of incident reporting responsibilities</b> , including reporting all safeguarding and fraud incidents to the Board/Executive Director.	<b>Y</b>
	<b>Additional criteria for PPs</b>	

D	- The Organisation carries out a <b>comprehensive risk assessment</b> (s) covering Organisational, financial and operational risks, both at global and project level.	N/A	
D	- The Organisation has a risk register which is monitored and regularly updated.	N/A	
<p><b>Auditor's brief rationale for scoring and other relevant comments</b></p> <p>WW-GVC has mapped its organisational structure within organisational charts where the Department Managers are also indicated. Furthermore, it has prepared RACI (Responsibility Assignment) matrices for all the departments / activities of the Organisation within which process activities and responsibilities are identified. The segregation of roles at function level is formalized both within the organisational charts and within the RACI matrices. In order to verify the actual segregation of functions, some processes were analysed in detail: procurement, processing, approval and distribution of wages and finance and accounting (cash and bank reconciliations).</p> <p>All the Departments of the Organisation draw up their own risk register and identify the most suitable mitigation measures to manage the identified risks. The risk analysis is reviewed periodically with the Executive Director of the Organisation. WW-GVC also prepares risk registers for each of the countries in which it operates, which are reviewed quarterly. Risk analyses are also carried out on individual projects. Evidence was obtained of the Risk Register for the Organisation's Departments, of the Risk Register relating to the first quarter of 2020 for three sample countries (Mali, Lebanon and Palestine) and of the risk analyses carried out for the projects of the three sample countries in question.</p> <p>Concerning internal controls, it should be indicated that:</p> <ul style="list-style-type: none"> <li>• a formal control matrix listing, for all relevant organisational processes, the controls to be carried out, their periodicity and the related responsibilities has not been developed;</li> <li>• furthermore, it should be noted that the control activities that the functions should carry out are not clearly indicated with the RACI matrices and that the Organisational and Management Model pursuant to Italian Legislative Decree 231/01, which sets out a controls for the main organizational processes in scope, has not been updated following the merger between We World and GVC;</li> <li>• however, the responsible for the Internal Audit has performed its activities in 2019. To this end evidence of the 2019 Audit Plan drafted by the person responsible for the Internal Audit and evidence of the final report containing results and findings was obtained. With reference to the year 2020, an Audit Plan is not currently available as the external consultant to whom, starting from 2020, responsibility for Internal Audit will be entrusted has not been selected yet.</li> </ul> <p>Concerning the implementation of the recommendations from audits received it should be indicated that:</p> <ul style="list-style-type: none"> <li>• the 2019 Audit Report of the Internal Audit contains some recommendations corresponding to the various activities carried out. A sample of recommendations were selected in order to verify their effective implementation;</li> <li>• furthermore, the list of monitoring missions carried out on site by donors was also obtained, from which some missions were subsequently selected to verify if the donors provided recommendations and if WW-GVC implemented them;</li> <li>• finally, the list of Audits carried out by donors was also obtained, from which a sample of Audit Reports was requested to verify the presence of recommendations and subsequently verify their implementation by WW-GVC on a sample basis.</li> </ul> <p>From such analysis it has emerged that not all the recommendations received are followed up by the Organisation.</p> <p>WW-GVC has developed a whistleblowing line through which all collaborators and, more in general, stakeholders can report wrongdoings. The Supervisory Body</p>			

	<p>is the subject to which reports must be sent. This Body manages such reports, while ensuring confidentiality, and furthermore is in charge of informing the Board. During the reference period, no reports were received; therefore, it was not possible to verify the effective communication to the Board.</p> <p><i>Concerning the "Additional criteria for PPs", as stated in section 2.1 of this Report, at the start of our work activities, WeWorld - GVC Onlus has expressly declared that it will not proceed with the assessment of the questions provided in the "Additional criteria for PPs" section as it is not included in the list of possible Programmatic Partners pre-defined by DG ECHO. For this reason, we have indicated "N/A" in the questions relating to the "Additional criteria for PPs" section and have not counted these questions for the definition of the score.</i></p>	

BLOCK 2 – INTERNAL CONTROL		
28	<b>Human resources</b> <b>Does the Organisation have adequate policies and procedures to recruit and train staff as well as to monitor staff cost?</b>	<b>9 / 10</b>
	<b>Criteria</b>	<b>Y-N-P-N/A</b>
D	- The Organisation has a formal recruitment procedure that ensures a <b>transparent and competence based recruitment</b> ?	<b>Y</b>
E	- The Organisation performs <b>background checks</b> for staff it is about to recruit, both at HQ and field level.	<b>P</b>
E	- All staff, volunteers and salaried are required to sign an <b>employment contract</b> .	<b>Y</b>
E	- The Organisation has a staff <b>training policy</b> that ensures that each member of staff receives adequate training that is appropriate to his/her responsibilities and tasks and the environment they operate in.	<b>Y</b>
E	- The Organisation ensures that <b>payroll and time management are complete, reliable and duly authorised</b> , by a.o. ensuring the following: - It has a system to <b>allocate staff</b> and salaries and related <b>costs to projects</b> . - It ensures that time spent by staff on specific projects is appropriately supervised, approved and recorded (through <b>time-keeping procedures</b> (use of timesheets)). - Authority to change personnel records is <b>restricted</b> and <b>audit trails</b> are available.	<b>Y</b>

	<b>Additional criteria for PPs</b>	
E	- The Organisation can continue its operations in case a number of key staff leave or are unavailable. Measures are in place to ensure institutional memory and business continuity.	N/A
	<p><b>Auditor's brief rationale for scoring and other relevant comments</b></p> <p>WW-GVC's "Human Resources Manual", paragraph "Search and selection process", indicates that the recruitment process must take place according to principles of transparency and non-discrimination and based on competence and individual and professional skills. In the selection phase, in addition to the interviews, assessment tests and verification of references are also planned. The selection of personnel at local level is regulated in the "Local Operational Manual" and must follow the same principles.</p> <p>The verification of the references is carried out for newly hired employees and evidence of the references collected for a sample of new hires was selected. For positions where a close contact with minors is foreseen the candidates are required to also provide a certification on the existence of pending charges / criminal records. Such background checks are however performed only in some cases.</p> <p>All staff, volunteers and salaried are required to sign an employment contract/engagement letter. Evidence of a sample of signed contracts/engagement letters, selected among the population of new hires in the twelve-month reference period, was obtained.</p> <p>The "Human Resources Manual" contains a specific section dedicated to "Staff training" where it is indicated that the Organisation elaborates and implements an annual training plan according to its strategic objectives and based on the need assessment carried out and highlighted by the various Departments. Evidence of the training needs assessment performed for 2019, of the training plan developed based on this assessment (HQ &amp; local level) and of the training implemented was obtained. Based on this, for a sample of courses, the attendance records / participation certificates were also obtained.</p> <p>The processing of the pay slips is entrusted to an external labour consultant and evidence of the Letter of Assignment / contract entered into has been obtained. The HR Department sends, on a monthly basis, the list of personnel whose pay slips are to be drafted and additional supporting documents to the external labour consultant. Following the elaboration, the consultant sends back the draft pay slips to the HR Department which undertakes control activities to verify the correctness of the documentation elaborated. Evidence was obtained of the control activities carried out by the HR Department for three months selected on a sample basis for five sample employees. Evidence was also obtained of the email with which the HR Department confirms to the external consultant the correct processing of the pay slips. With reference to the allocation of personnel costs to projects, the activity is managed by the Treasury Area Coordinator who, for each employee, verifies the correct allocation of expenses to the project, based on the timesheets and hourly cost of each employee. For a sample of staff, the evidence of the allocation to specific projects and timesheets have been obtained. The access to the accounting system and the authority to change salary records is restricted to four members of the staff and the evidence of such access have been obtained.</p> <p><i>Concerning the "Additional criteria for PPs", as stated in section 2.1 of this Report, at the start of our work activities, WeWorld - GVC Onlus has expressly declared that it will not proceed with the assessment of the questions provided in the "Additional criteria for PPs" section as it is not included in the list of possible Programmatic Partners pre-defined by DG ECHO. For this reason, we have indicated "N/A" in the questions relating to the "Additional criteria for PPs" section and have not counted these questions for the definition of the score.</i></p>	

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BLOCK 2 – INTERNAL CONTROL		
29	<b><i>Budgeting, accounting and reporting</i></b> <b><i>Does the Organisation have sound budgeting, accounting and reporting procedures, with controls that allow preventing, detecting and correcting errors?</i></b>	<b>9 / 10</b>
	<b><i>Criteria</i></b>	<b>Y-N-P- N/A</b>
E	- The Organisation has <b>sound budgeting procedures</b> .	<b>P</b>
E	- The <b>cost allocation keys</b> , which are applied to compute budget cost data, are based on logical, consistent and plausible assumption and principles. The system ensures that only genuine, incurred and eligible cost is charged to the project.	<b>Y</b>
E	- The budgeting system and procedures allow generating relevant and <b>reliable information</b> for preparing budgets on activities and projects.	<b>Y</b>
D	- It has a <b>manual with accounting policies</b> , rules and procedures, that include detailed descriptions of accounting procedures for the various types of financial and accounting transactions, including bank and cash management systems.	<b>Y</b>
E	- The Organisation performs <b>regular bank reconciliations and cashbook reconciliations</b> (where applicable) and in such a way that no material differences are left unexplained.	<b>Y</b>
E	- <b>Data consistency</b> is ensured between the personnel database and payroll. Reconciliations are performed on a regular basis (in principle monthly).	<b>Y</b>
E	- Authority to change records and payroll is <b>restricted</b> and <b>audit trails</b> are available.	<b>Y</b>
E	- The Organisation has controls and procedures in place which ensure <b>reliable reporting</b> – both internal and external (inbound and outbound) – in line with applicable requirements and standards.	<b>Y</b>
	<b><i>Additional criteria for PPs</i></b>	

E	- The Organisation can continue its operations in case a number of key staff leave or are unavailable. Measures are in place to ensure <b>institutional memory and business continuity</b>	N/A
<p><b>Auditor's brief rationale for scoring and other relevant comments</b></p> <p>WW-GVC prepares its budget on a yearly basis. Every Head of Department drafts the related budget and shares it with the Head of AFC (Administration Finance and Control) Department. Single budgets are then merged with the overall budget which is then revised by the Managing Director and presented to the Board of Directors for the final approval. The process adopted is not formalized in a procedure. However, responsibilities are defined in the AFC and IPD Department RACI (Responsibility Assignment) matrices.</p> <p>Regarding the definition of the budget at the project level, the process adopted for its definition is described in the "Project Implementation Manual" and in the "Administration Finance and Control Manual" and is part of the project design phase. For a sample of three of the projects in scope, budgets have been obtained and, for a sample of costs, the correspondence between the set budget and the allocated costs was checked during the verification of the 2019 Financial Statements.</p> <p>The cost allocation keys, applied to compute budget cost data, are based on logical, consistent and plausible assumption ensuring that only genuine, incurred and eligible cost is charged to the project. Instruction concerning the proper allocation of costs to projects are presented in the "Administration Finance and Control Manual" and a system developed by NP Solutions is used to register costs at local level (GIVE System) and consolidate them at HQ level (Co.Ge. System). If a cost is registered at HQ level (i.e. HR cost) it is then allocated to projects and made visible to the Country Manager. Shared costs, especially personnel costs, are allocated to the projects based on the effective allocation of time. For a sample of staff, the evidence of the allocation to the specific projects has been obtained. Furthermore, a sample of costs were audited by financial auditors and external donors' auditors without significant findings to be reported.</p> <p>WW-GVC, adopts the "Administration Finance and Control Manual", mentioned above, including a series of accounting and financial rules and procedures, including on bank and cash management. The Organisation performs in fact regular (monthly) reconciliations of bank and cashbook, both at field and HQ level, so that no material differences are left unexplained. For a sample of bank accounts at HQ and country level and for a sample of months for what concerns cashbook, evidence of reconciliations performed have been obtained.</p> <p>The processing of the pay slips is entrusted to an external labour consultant and evidence of the Letter of Assignment / contract entered into has been obtained. The HR Department sends, on a monthly basis, the list of personnel whose pay slips are to be drafted and additional supporting documents to the external labour consultant. Following the elaboration, the consultant sends back the draft pay slips to the HR Department which undertakes control activities to verify the correctness of the documentation elaborated. Evidence was obtained of the control activities carried out by the HR Department for three months selected on a sample basis for five employees. Evidence was also obtained of the email with which the HR Department confirms to the external consultant the correct processing of the pay slips. The access to the accounting system and the authority to change salary records is restricted to four members of the Organisation and the evidence of such accesses has been obtained. The personnel cost can be retraced in the accounting system.</p> <p>Finally, WW-GVC has controls and procedures in place to ensure reliable reporting – both internal and external – in line with applicable requirements and standards set by donors and in the MoUs. As already presented, WW-GVC adopts a three-level approach for internal monitoring that foresees the drafting of the following documents: Monthly Project Reports drafted by the Project Manager, Quarterly Country Reports drafted by the Country Manager and Quarterly Regional Reports drafted by the Heads of Regional Units. Finally, at HQs the International Programmes Department (IPD) has set up the Management Team</p>		

	<p>that performs monitoring of the project evolution periodically. Among the projects in scope, evidence of the monitoring approach, both internal and to donors (financial and narrative), was requested and obtained for a sample of three projects (for one project, the monitoring evidence is partial due to the start date of the project in January 2020).</p> <p><i>Concerning the “Additional criteria for PPs”, as stated in section 2.1 of this Report, at the start of our work activities, WeWorld - GVC Onlus has expressly declared that it will not proceed with the assessment of the questions provided in the “Additional criteria for PPs” section as it is not included in the list of possible Programmatic Partners pre-defined by DG ECHO. For this reason, we have indicated “N/A” in the questions relating to the “Additional criteria for PPs” section and have not counted these questions for the definition of the score.</i></p>	

BLOCK 2 – INTERNAL CONTROL		
30	<p><b>Audit trail and document management</b></p> <p><b>Has the Organisation put in place a document management system that enables it to gather, in a timely manner, a complete audit trail of all expenditure incurred?</b></p>	10 / 10
	<p><b>Criteria</b></p> <p>Article 7(2)(a) of the Humanitarian Aid Regulation and Article 130(6), Article 198(2) and 198(3) and Article 203 of the Financial Regulation.</p>	Y-N-P-N/A
D	- The Organisation has a <b>document management</b> procedure which ensures appropriate and timely <b>audit trail of all expenditure incurred</b> .	Y
E	- Effective systems are in place to ensure that <b>documentation is kept securely and can be repatriated to the HQ for audit purposes on a complete and timely basis</b> .	Y
E	- The Organisation <b>retains securely all original documents</b> , especially accounting and tax records.	Y
E	- The Organisation stores all original documents on an <b>appropriate medium</b> , including in a digitalised original format, where and when these are authorised by the applicable national law.	Y
D	- Security procedures are in place, and detail how the Organisation ensures that <b>documentation stored is kept confidential</b> .	Y

	<b>Additional criteria for PPs</b>		
D	- The Organisation uses a <b>formal electronic archiving system</b> to aid in this process.	N/A	
D	- A person is responsible for its control and management, both at HQ and field level.	N/A	
	<p><b>Auditor's brief rationale for scoring and other relevant comments</b></p> <p>The Organisation has a document management procedure to ensure appropriate and timely audit trail of all expenditure incurred. In particular, the costs incurred both at HQ level and at field level are accessible through the organisation's accounting system, provided by NP System (using the NP GIVE environment at country level and the NP CoGe environment at central level). To access the system, regulated by means of specific user IDs and passwords, it is sufficient to have a web connection. Evidence has been obtained of the "Administration Finance and Control Manual" and of the "Local Operational Manuals" (LOM) at country level which represent the tools adopted by the Organisation for the management of the documentation, including indications of document storage and archiving. Within the "Administration Finance and Control Manual" there are indications on how and where to organize the documentation and archive, according to the existing agreements with the donors. Within the LOM there are instead indications on the repatriation of the documentation; specifically, the LOM indicates that the original project documentation shall be sent to Italy by courier or tracked postal service in the most rapid, traceable and secure way possible. Based on the external audits conducted by donors in the reference period (20 April 2019 - 19 April 2020), for which the repatriation of the documentation was requested, a sample of two audits was selected. For this sample a certification was obtained on the effective repatriation of the documentation (i.e. item 1: the external company used for archiving, FDM, has confirmed that the documentation was repatriated and is present within its archive; item 2: for the project in question being WW-GVC a Partner; a certification was obtained from the Lead Applicant confirming that WW-GVC sent all the original documentation foreseen). Finally, it should be noted that, following the requests for evidence on projects selected on a sample basis, the documentation was always received within the times agreed with the auditor.</p> <p>The Organisation stores all original documents on an appropriate medium, including in a digitalised format. The archiving of most documents is managed by an external company, FDM, that handles Document Management. Evidence of the signed contract between WW-GVC and FDM as well as the description of the Document Centre where the documentation is archived was obtained. At project level, the original tax and accounting documentation is adequately kept, in compliance with the archiving procedures foreseen by regulatory requirements and according to the existing agreements with the donors, as detailed within the LOM. In cases where the original versions of the documents are expected to be provided to donors, WW-GVC will in any case keep a certified copy of the originals. The correct storage of the accounting books at HQs, as required by regulatory requirements, was verified with the AFC (Administration Finance and Control) Manager, through observation. The correct digital archiving of accounting and social books on the organization's SharePoint platform was also verified. Access to the external archive at HQs is granted only following a request for access, sent by authorized personnel. For documentation stored locally, within the LOMs it is specified that "<i>The Folders must be classified and kept in safe places, accessible only by duly authorized personnel, protected from potential damage</i>". However, most of the documents are kept in digital format on SharePoint platform, whose access is regulated according to the reference area.</p> <p>The Data Protection Master Policy contains general indications relating to the maintenance of documentation containing personal data in a confidential manner and describes the process of managing eventual data breach cases.</p> <p><i>Concerning the "Additional criteria for PPs", as stated in section 2.1 of this Report, at the start of our work activities, WeWorld - GVC Onlus has expressly</i></p>		



	<i>declared that it will not proceed with the assessment of the questions provided in the "Additional criteria for PPs" section as it is not included in the list of possible Programmatic Partners pre-defined by DG ECHO. For this reason, we have indicated "N/A" in the questions relating to the "Additional criteria for PPs" section and have not counted these questions for the definition of the score.</i>	

**ACCOUNTABILITY****(Block 1 - Minimum requirements / Accountability)**

When the Organisation is a member of a **family, network or (con-)federation of international organisations**, and intends to use other member(s) of said family, network or (con-)federation as Implementing Partners, the auditor should gather and check to the extent possible the information needed to provide a fair description of the following:

- the relationship between the Organisation and the other entities, and the related working arrangements (MoUs etc.).
- the extent to which, if any, the decision-making of the Organisation involves other members of the family, network or (con-)federation.
- the financial flows (through a flowchart) between the entities.
- whether one or several members of the network/ family/ federation is based outside the EU.
- whether one or several members of the network/ family/ federation holds an FPA.
- whether funds are systematically implemented by another member of the family / network / federation? If so, the specific rules or arrangements that define the roles and/or the share when implementing an action?
- whether those arrangements ensure that the Organisation retains full responsibility for the actions implemented by another Organisation of the network or federation.
- the process to review the quality of the proposals.
- the monitoring arrangements in place and the specific areas covered, if any, and any financial retribution for this.
- how the Organisation guarantees the reliability of the interim and final reports to donors with regards to results achieved, accuracy of indicators reported and legality and regularity of expenditures claimed.
- the rationale for that set-up, i.e. the reasons and circumstances, including efficiency and effectiveness, justifying why grants are to be transferred to such a high proportion to other members of the family, network or (con-)federation in an Implementing Partner capacity.

**Annex 4A – not filled in as WW-GVC is not a member of a family, network or (con)federation of international organisations.**

## ACCOUNTABILITY

## (Block 1 - Minimum requirements / Accountability)

When funds are **systematically implemented by one or several other organisations** (Implementing Partners), other than those referred to under Annex 4A, the auditor should gather and check to the extent possible the information needed to provide a fair description of the following:

- the relationship between the Organisation and the other entities, and the related working arrangements (MoUs etc.).

*WeWorld-GVC, in the framework of humanitarian actions, does not work systematically with Implementing Partners (IPs), whose collaboration can be considered systematic in the framework of development programmes, instead.*

*PwC obtained evidence of the projects developed by WeWorld – GVC Onlus in the humanitarian field, falling within the time perimeter being analysed (20 April 2019 to 19 April 2020). Among the 33 humanitarian projects in the reference time period, only 6 projects were carried out in collaboration with Implementing Partners.*

*When implementing humanitarian projects WeWorld-GVC can avail of the collaboration of IPs only when it is deemed as necessary for a better achieving the projects results and for responding in a more effective way to the needs of the project beneficiaries.*

*The terms of the collaboration between WeWorld-GVC, as project leader, and the IPs, are always defined through a MoU – Memorandum of Understanding. It regulates the relationship between WeWorld-GVC and its IPs and, amongst others, it always contains reference to: a) Donor GA, approved proposal and budget, acceptance and agreement to respect the donor's rules, with particular reference to the financial management of the purchase procedures, if they are not managed directly by WW-GVC; b) access rights to accounting documentation on the project by both WW-GVC and the donor; c) plan of activities under the responsibility of the IP and timetable; d) detailed Partners' budget; e) exchange rate to be applied to the partner's expenditures; f) timing of both financial and narrative reports; g) timing and mode of payment of the tranches to the Partner for the portion of budget managed by the Partner itself; h) acceptance and agreement to respect the Ethics clause set by the Donor and WW-GVC.*

- the decision-making process whereby the decision is made to use a given organisation in a systematic manner as Implementing Partner.

*The collaboration with IPs is exceptional and it is not systematic in the framework of emergency action carried on by WeWorld-GVC as described above. However, the decision-making process is based on both: a) opportunity / strategic reasons: the IPs are selected basing on their technical*

capacities and effectiveness in meeting the beneficiaries needs. Partners may have sectorial competences and knowledge that justify the assignment of a specific project component, then their participation enhance the effectiveness of the implemented action; b) positive outcome of technical and accountability evaluation conducted towards the IP: the partner capacities and accountability requirements (in both case whether the IP holds the FPA and also in case it doesn't) are screened before formalizing the partnership through a due diligence process, aiming at evaluating the following requirements:

- IP structure and governance mechanism;
- operational capacity;
- financial capacities;
- organisation ethical and legal compliance;
- networking capacities.

The due diligence process is then used to determine if the Partner has the requirements that justify its involvement in the project. The partnership with local IPs is assessed and defined at field level and the Country Representative is accountable for that.

The risks linked to the cooperation with IPs are assessed at the early stage of the project risks analysis.

- the financial flows (through a flowchart) between the entities.

The IP involved for a specific project is assigned with a budget for implementing the activities under its responsibility. The Partner budget is composed by direct costs and indirect supporting costs which represent a % over the total of direct costs. The MoU establishes the number of instalments to be sent to the IP, the amount of each instalment and the timing for sending the instalments (normally reflecting the timing for receiving the instalments by the Donor).

As soon as the project starts, and after the first pre-instalment is received by WeWorld-GVC (from the Donor), the first instalment is sent to the IP in order to allow the entity to start the project activities. The instalment can be sent only upon MoU signature which justifies the disbursement in favour of the IP. When about 70% to 80% (according to the terms defined in the MoU) of the first instalment is spent by the Partner, the IP prepares the financial report and submits it to WeWorld-GVC according to the time schedule defined in the MoU. The financial report includes: the report according to the format used by the Donor and the complete general ledger of the IPs expenditures and is complemented by the scan/original copies of all the expense supporting documents and by the subsequent payment request. The report is checked by WeWorld-GVC staff, verifying all the partner's expenditures in order to establish the correspondence between the financial reports and the supporting documents containing the expenses sustained. Once the financial report is approved, the Partner is informed and their expenditures (the general ledger) are uploaded in the accounting system of WeWorld-GVC becoming part of the progress expenditures. The partners' expenses are reported in the WeWorld-GVC accounting system and for this purpose a partner dedicated fund is

*created in the accounting system for the partners' accounts, by registering the partner as a specific stakeholder associated to the specific project so that their expenditures can be identified at all times. After verifying the correct allocation of the partner expenditures, the coherence between expenditures, implemented activities and the expense supporting documents, the IP is entitled to receive the further instalment(s), according to the set amount established in the MoU. The process, as described above, is repeated for each foreseen instalment. The last instalment is paid to the partner upon completion of all the activities, financial and narrative report submission and its approval by the Donor. Before disbursing the last instalment to the IP, WeWorld-GVC reconciles all the partner expenditures relating to the specific project, by verifying another time all the expenditures, the instalment sent to the partner and the remaining amount to be transferred, in line with the indications of the MoU.*

*A general flowchart defining the financial flow between the WW-GVC and the IP is not available as the financial flow depends on the project itself and on the amount of budget managed by the IP.*

- whether the implementing organisation is based outside the EU.

*The majority of WeWorld-GVC IPs are based outside the EU. PwC obtained evidence of the projects, developed by WeWorld – GVC Onlus in the humanitarian field, falling within the time perimeter being analysed (20 April 2019 to 19 April 2020). Among the 33 humanitarian projects in the reference time period, only six projects were carried out in collaboration with Implementing Partners and four of the six IPs are based outside the EU.*

- whether the implementing organisation holds an FPA.

*The majority of WeWorld-GVC IPs do not hold an FPA. However, there are some less frequent cases in which IPs are FPA holders. Among the 33 humanitarian projects in the reference time period, only six projects were carried out in collaboration with Implementing Partners and only one IP holds a FPA.*

*The relationship between WeWorld-GVC and its IP, is analogous both in the case of an IP FPA Holder and an IP not having a FPA: the partnership is always defined through a MoU, and the instalment scheme does not change in one or the other case (reflecting basically the instalment scheme as per Donor GA). What may differ is the due diligence process, for which, in the case of IP FPA Holder, can be lighter or can be derogated altogether, in case of proven experience with the Partner in question, tested through other previous recent collaborations between WW-GVC and the IP itself.*

- the specific rules or arrangements that define the roles and/or the share of budget when implementing an action?

*The specific rules and arrangements that define both the roles (activities to be implemented) and budget share are stated in the MoU stipulated with IPs following the agreements reached with the IP at the stage of the proposal presentation.*

- whether the arrangements ensure that the Organisation retains full responsibility for the actions implemented by another organisation.

*The MoU defines the responsibility level of each player; furthermore, as the GA is issued with WeWorld-GVC as project leader it is always clear to both parties (Project leader and IP) that WeWorld-GVC retains full responsibility for the implemented action.*

- the process to review the quality of project proposals.

*The process to review the quality of project proposal in the case of IPs is identical to the process applied in other cases. The partner collaborates to the project drafting for the section under its competence; this part is then merged with the remaining part of the proposal as defined by WeWorld-GVC. The proposal is transmitted for review and for quality control to the Project Development and Knowledge Management unit within the IPD, as described in section 15 “Ensuring quality of proposals” of Block 1 and in the section 22 “Project design” of Block 2 of the Ex-ante assessment questionnaire.*

- the monitoring arrangements in place and the specific areas covered, if any, and any financial retribution for this.

*The IP is monitored throughout the whole project cycle and monitoring arrangements vary according to the length and complexity of the specific project. The monitoring covers both implementation activities and financial aspects and it is realized by:*

- coordination meetings between project staff of both IP and WeWorld-GVC;
- reports sent by the IP to WeWorld-GVC at defined stages according to the MoU clauses;
- field visits conducted by WeWorld-GVC staff to monitor the implementation of the activities carried on by the IP.

*A financial retribution for monitoring arrangement is not foreseen, but normally, WeWorld-GVC retains a % (normally 2% to 7%) of the indirect support costs of the IPs share for monitoring and internal controls conducted.*

- how the Organisation guarantees the reliability of the interim and final reports to donors with regards to results achieved, accuracy of indicators reported and legality and regularity of expenditures claimed.

*The reliability of the reports to donor is ensured through the internal control activities conducted: the partner’s expenditures (including justifying supporting documents) are verified as described above and two level of controls (field and HQ) are foreseen. Moreover, the IPs implemented activities are verified by the project staff by considering the achievement of results and the accuracy of the indicators as per the approved proposal and project log frame.*

- the rationale for that set-up, i.e. the reasons and circumstances, including efficiency and effectiveness, justifying why grants are to be transferred to such a high proportion to Implementing Partners.

*Grants are not transferred to IPs in a high proportion: the portion of budget and action managed by the IP is rarely higher than 50% of the total budget granted by the Donor. The rationale for the set-up is linked to the technical capacities of the Partner, sectorial competences, accountability requirements and also for access reasons in those cases presenting access difficulties not encountered by IPs already present in the field.*

## 1. CRITERIA AND MATERIALITY

For the purpose of determining what is a material weakness or deficiency in systems, controls, rules and procedures, the Auditor must take into account the criteria and the levels of importance (i.e. scoring thresholds) defined by the Commission as these factors might influence the decision of DG ECHO to sign an FPA with the Organisation. Criteria have been defined by DG ECHO in **Annex 2 Overview of Scores and Replies** and in **Annex 3 Assessment Questionnaire**.

### Block 1 – Minimum requirements

The questions in Block 1 – Minimum requirements are **fundamental**. The Auditor must apply professional judgment to **reply Yes or No to each question** based on the evidence s/he has obtained in **Annex 3 Assessment Questionnaire**. The questions are formulated as Yes/No questions and no other answer is allowed. The questions in Block 1 are not broken down. They assess the minimum requirements of an Organisation to receive EU humanitarian funding. For this purpose, criteria and guidance are provided where appropriate.

### Block 2 – Additional suitability requirements

The questions under Block 2 – Additional suitability requirements are **essential**. Each question has several criteria. The Auditor must apply professional judgment first to **reply to each criteria** based on the information and evidence s/he has obtained. Then, **based on the answers to the criteria, to provide a scoring to the related question**. The questions and criteria are in **Annex 3 Assessment Questionnaire** based on the information and evidence s/he has obtained. The Auditor can formulate additional questions and perform additional tests and procedures, as s/he deems necessary or appropriate.

**For the criteria**, four types of replies are possible:

- The answer to the criteria is 'Yes'. This means that the Organisation complies with the requirements of the criteria concerned. The reply of the Auditor must be formulated in the positive form, which is equivalent to an 'unqualified opinion'.
- The answer to the criteria is 'Partially'. This means that the Organisation complies overall with the requirements of the question concerned, except for some aspects which, taken together, do not lead to non-compliance. The reply of the Auditor must still be formulated in the positive form, which is equivalent to a 'qualified opinion'.
- The answer to the criteria is 'No'. This means that the Organisation does not comply with the requirements of the criteria concerned. In this case, the reply must be formulated in the adverse form, which is equivalent to what is called an 'adverse opinion' under international standards.
- The answer to the criteria is 'Not/applicable'. This means that this criterion does not apply to the Organisation. Such cases remain exceptional, except for Niche Organisations. Such a reply should be, in all cases (i.e. even for Niche Organisations), duly justified.

For each question, the Auditor must apply professional judgment to **attribute a score on a scale 0 to 10** to the related question in **Annex 3 Assessment Questionnaire** based on the information and evidence s/he has obtained and on the replies to the related criteria. The scores are attributed in accordance with the following:

- A majority of "no" answers over the "yes" and "partially" answers to the criteria gives a score below 4/10, meaning that the Organisation does not comply with the requirements of the question concerned.
- A majority of "yes" and "partially" answers over the "no" answers" to the criteria gives a score equal to or greater than 4/10 and below 6/10, meaning that the Organisation complies overall with the requirements of the question concerned, except for some aspects which, taken together, do not lead to non-compliance.
- A majority of "yes" answers over the "partially" and "no" answers to the criteria gives a score between 6/10 and 10/10, meaning that the Organisation complies with the requirements of the question concerned.
- For the Programmatic Partnership, the score should be 7/10, based on the answers provided to both the criteria and the additional requirements for PPs, in line with the guidance provided above.

The **overall score for Block 2 – Additional suitability requirements** is a score on 10, the result of the mathematical average of the scores obtained for each question.

## 2. FINDINGS

### Block 1 – Minimum requirements

The findings are presented only for those questions which received "no" for a reply.

### Block 2 – Additional suitability requirements

1. If the Additional suitability requirements Block has obtained a score equal to or greater than 6/10 and no individual question has obtained a score below 4/10, the assessment is not expected to have given rise to any material weaknesses or deficiencies. The Organisation is not required to contract a follow-up assessment. The follow-up of those recommendations will be done as part of ECHO's regular ex-post audits, should the Organisation sign an FPA.

2. If the Additional suitability requirements Block has obtained an average score equal to or greater than 4/10 and below 6/10 and no individual question has obtained a score below 4/10, the auditors have identified weaknesses that should be brought to the attention of the Organisation, as they have led to a partial fulfilment only of the requirement set by DG ECHO. These findings relate to weaknesses in systems, controls, rules and procedures which, individually or in the aggregate, do not adversely affect the achievement of the objective for the question concerned. This means that the Organisation complies overall with the requirements of the Additional suitability requirements Block, except for some aspects which, taken together, however, do not lead to non-compliance. In such a case, the Organisation can become a provisional FPA Partner and should draw up and implement an Action Plan. These findings and recommendations, and the related Action Plan are briefly described in the Executive Summary.

The signing a provisional FPA is conditional upon the Organisation's commitment to implement the recommendations included in the Action Plan in a timely manner so as to enable DG ECHO to make an informed decision on the possible award of a regular FPA at the latest within a year of the signature of the provisional FPA.

An independent audit firm will have to re-assess all the Additional suitability requirements question(s) that had initially obtained a score greater than 4/10 and below 6/10. The follow-up assessment will attribute a new score to those questions and will re-calculate the average score of the Additional suitability requirements block. The provisional partner can apply for a regular FPA if the new score for the Additional suitability requirements block is equal to or greater than 6/10 and no

individual question has a score lower than 4/10. If the new assessment report provided by the provisional partner shows that recommendations have not been fully implemented, and the new Additional suitability requirements score is below 6/10, the provisional FPA will lapse.

3. Questions which have obtained a score below 4/10, indicate material weaknesses or deficiencies in systems, controls, rules and procedures. Material means that these factors are so important for DG ECHO that they need to be taken into account by the Commission when making a final determination with respect to awarding the FPA to the Organisation. Where the Auditor has found material findings for a question this will lead to an adverse conclusion for the Additional suitability requirements Block. Main findings also include cases where several findings which taken individually do not relate to a material weakness or deficiency but which taken in the aggregate involve a finding of material weakness or deficiency. The combined impact of such findings is considered so important (i.e. material) that this will lead the Auditor to conclude that the Organisation does not meet the requirements for the question (i.e. the score is below 4/10).

### **3. RECOMMENDATIONS**

The recommendations are presented in relation to one or several findings, as described in the section above.

Critical recommendations relate to material weaknesses and deficiencies in systems, controls, rules or procedures and to cases where the criteria defined by DG ECHO and /or internationally accepted standards are not complied with (on a regular basis).

Very important recommendations relate to findings that should be brought to the attention of the Organisation, as they have led to a partial fulfilment only of the requirement set by DG ECHO. These findings relate to weaknesses in systems, controls, rules and procedures which, individually or in the aggregate, do not adversely affect the achievement of the objective for the question concerned.

Important and Desirable recommendations relate to findings which are not of a material nature.

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