

## Program Performance Management Standards – Financial Management Standard Assessment Criteria

### Purpose

The document presents the proposed assessment criteria for CGIAR's Program Performance Standards 2019-2021: Financial Management, being the one remaining standard where assessment criteria had not yet been approved by the Board.

### Action Requested

The Board is requested to review, and if thought appropriate, endorse the Financial Management Standard assessment criteria.

#### **Special notice on 'Consent Agenda' status of this document**

This paper is being presented to the SMB according to Article 7.1 of the SMB Rules of Procedure, permitting a 'consent agenda' of multiple items being presented for approval via a single vote of the SMB (not item by item). **Should a SMB member wish to remove an individual item from the Consent Agenda, that request should be communicated to the Secretary of the SMB by close of business Paris time on Thursday 26 September 2019.**

#### **Distribution notice:**

This document may be shared without restriction.

Prepared by: CGIAR System Management Office

## Background

1. Following the System Council’s November 2018 approval of the 2019-2021 CGIAR Program Performance Standards, the System Management Board considered, at its December 2018 meeting, a set of proposed metrics against which the assessment would be undertaken.
2. At that meeting, the Board approved the assessment criteria for five of the six standards, and noting the additional complexity involved in Standard 3 (Financial Management), requested that additional consideration be given to the proposed assessment criteria for the latter.

## Introduction

3. The Financial Management Standard aims to “Provide assurance to Funders and other stakeholders that CGIAR pooled budgets (W1/2) are effectively and efficiently managed (by Cycle 1)” by ensuring that each “Program has transparent systems for planning and managing budgets to reach program objectives, and clear and efficient division of responsibility between Programs and their implementing partners (including Centers).”<sup>1</sup>
4. The originally proposed Financial Management Standard Assessment Criteria (Fig 1) aimed to a) ensure Program-level Plans of Work and Budget (POWB) linked budgets to activities, and b) document key budget holder responsibilities for W1/2 funding.

Provide assurance to Funders and other stakeholders that CGIAR pooled budgets (W1/2) are effectively and efficiently managed (by Cycle 1)	3. Program has transparent systems for planning and managing budgets to reach program objectives, and clear and efficient division of responsibility between Programs and their implementing partners (including Centers).	a. Annual Plan of Work and Budget makes clear logical links between budgets and activities b. Budget holder responsibilities for key Program staff are clearly assigned and documented for W1/2 funding.
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**Figure 1: Originally proposed Financial Management Standard Assessment Criteria**

5. The System Organization’s standard POWB template used by Programs in 2017-19 currently only asks for budgets at Flagship level, not at activity level. While some Programs’ internal POWB processes occur at (and document) activity-based budgets, other Programs do not. The System Organization’s assessment was that since: a) Programs as a whole would be unable to comply with having activity-based budgets; and b) the POWB template provided by the System Organization does not require activity-based budgets, a compromise criterion was needed.
6. The Financial Management Standard Assessment Criteria included in the Pilot Assessment are set out in Appendix 1 below.

<sup>1</sup> [SC7-H – 2019-2021 Program Performance Management Standards \(Companion Document\)](#)

## Appendix 1: STANDARD 3: FINANCIAL MANAGEMENT

**Title of Standard:** Business Cycle 2019-2021 Standard 3: Program has transparent systems for planning and managing budgets to reach program objectives, and clear and efficient division of responsibility between Program and their implementing partners (including Centers).

**Rationale for Standard:** Provides assurance to Funders and other stakeholders that CGIAR pooled budgets (W1/2) are effectively and efficiently managed (by Cycle 1).

**Documentation required for assessment:** Lead Center financial audit, Annual Report, Program POWB, Management records.

**Scope:**

Pilot assessment: 2018 Audit, Annual Report, Management Records. 2019 POWB.

Official assessment: 2019 Audit, Annual Report, Management Records. 2020 POWB.

**Pass level for this standard:**

SUMMARY
There are transparent systems for planning and managing budgets to reach program objectives, and clear and efficient division of responsibility between Program and their implementing partners.
SPECIFIC CRITERIA TO ASSESS
<p>Availability of:</p> <ol style="list-style-type: none"> <li>1. Unqualified lead center financial audit</li> <li>2. CGIAR (W1/2) funding identified in lead center audited financial statements</li> <li>3. Program-level POWB submitted per SMO template             <ol style="list-style-type: none"> <li>a. Available from <a href="https://www.cgiar.org/research/annual-plan-work-budget/">https://www.cgiar.org/research/annual-plan-work-budget/</a></li> </ol> </li> <li>4. Program-level financial highlight report submitted per SMO template             <ol style="list-style-type: none"> <li>a. Available from Annual Report</li> </ol> </li> <li>5. Budget holder responsibilities for key Program staff are clearly assigned and documented for W1/2 funding             <ol style="list-style-type: none"> <li>a. Available from Management records, Program staff TOR</li> </ol> </li> </ol>