Audit Pass Note 5: Tracking Costs and Results

DCED
Donor Committee for Enterprise Development

Control point	How to maximize the score	What may lead to losing points?
5.1 Costs are tracked annually and cumulatively. (Must)	• An accounting system is in place to track in-country expenditure. • Expenditure reports on total annual and cumulative in-country expenditure are part of the programme's management system.	• No expenditure tracking system.
5.2 Programme-wide impact is clearly and appropriately aggregated. (Must)	• There is a clear system to calculate annual performance against programme-wide aggregable indicators taking overlapping into account (if any). • Calculations of annual impact against the aggregate indicators are clear and correct • Senior managers can explain how calculations were derived. • Numbers and calculations can be traced from the original assessment data all the way to the aggregation system.	• Numbers in the aggregation system cannot be traced back to original assessment. • Calculation errors in calculating aggregable totals. • Explanations of estimations are missing. • Double-counting beneficiaries when two or more interventions /sectors overlap. • Key programme documents (such as the annual aggregation report, annual report, intervention guide or results chains) show different impact results than those produced by the system for calculating impact.
5.3 Costs are allocated by major component of the programme. (Applicable only to programmes with more than one main component). (Rec)	• An accounting system is in place to track total amount of in-country expenditure (only direct cost, no need to split overhead), disaggregated by major components (such projects, divisions, or sectors). • Expenditure reports on total annual and cumulative in-country expenditure, disaggregated by component, are available.	• No system for recording and calculating in-country expenditure, disaggregated by components.

March 2021
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