



# MICRO ASSESSMENT REPORT

DREJTORIA E NDIHMES JURIDIKE FALAS / FREE LEGAL AID DIRECTORATE  
(FLAGD)

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COMMISSIONED BY: UNDP Albania

## CONTENTS

<b>MICRO ASSESSMENT FINDINGS .....</b>	<b>3</b>
<b>1.1. BACKGROUND, SCOPE AND METHODOLOGY .....</b>	<b>3</b>
<b>1.2. SUMMARY OF RISK ASSESSMENT RESULTS.....</b>	<b>4</b>
<b>1.3. DETAILED INTERNAL CONTROL FINDINGS AND RECOMMENDATIONS .....</b>	<b>7</b>
<b>ANNEXES .....</b>	<b>11</b>
<b>ANNEX I: IMPLEMENTING PARTNER AND PROGRAMME INFORMATION .....</b>	<b>12</b>
<b>ANNEX II: IMPLEMENTING PARTNER ORGANISATIONAL CHART .....</b>	<b>13</b>
<b>ANNEX III: LIST OF PERSONS MET .....</b>	<b>14</b>
<b>ANNEX IV: MICRO ASSESSMENT QUESTIONNAIRE.....</b>	<b>15</b>

# MICRO ASSESSMENT FINDINGS

## 1.1. BACKGROUND, SCOPE AND METHODOLOGY

### Background

The micro assessment is part of the requirements under the Harmonized Approach to Cash Transfers (HACT) Framework. The HACT framework represents a common operational framework for UN agencies' transfer of cash to government and non-governmental implementing partners.

The micro assessment assesses the implementing partner's control framework. It results in a risk rating (low, moderate, significant or high). The overall risk rating is used by the UN agencies, along with other available information (e.g. history of engagement with the agency and previous assurance results), to determine the type and frequency of assurance activities as per each agency's guideline and can be taken into consideration when selecting the appropriate cash transfer modality for an implementing partner.

### Scope

The micro assessment provides an overall assessment of the implementing partner's programme, financial and operations management policies, procedures, systems and internal controls. It includes:

- A review of the implementing partner legal status, governance structures and financial viability; programme management, organizational structure and staffing, accounting policies and procedures, fixed assets and inventory, financial reporting and monitoring, and procurement;
- A focus on compliance with policies, procedures, regulations and institutional arrangements that are issued both by the Government and the implementing partner.

It takes into account results of any previous micro assessments conducted of the implementing partner.

### Methodology

We performed the micro assessment at the locations and on the dates set out in Annex I.

Through discussion with management, observation and walk-through tests of transactions, we have assessed the implementing partner's internal control system with emphasis on:

- The effectiveness of the systems in providing the implementing partner's management with accurate and timely information for management of funds and assets in accordance with work plans and agreements with the United Nations agencies;
- The general effectiveness of the internal control system in protecting the assets and resources of the implementing partner.

We discussed the results of the micro assessment with applicable UN agency personnel and the implementing partner prior to finalization of the report. The list of persons met and interviewed during the micro assessment is set out in Annex III.

### Results

The results of our micro assessment are set out in section 1.2 below, and our detailed internal control findings and recommendations in section 1.3.

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BDO Albania sh.p.k.  
23 September 2021  
Tirana, Albania

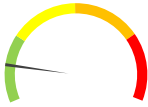


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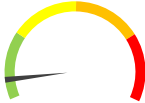

Besjana Doda  
Engagement Partner



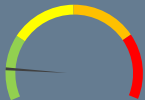


## 1.2. SUMMARY OF RISK ASSESSMENT RESULTS

The table below summarizes the results and main internal control gaps found during application of the micro assessment questionnaire (in Annex IV). Detailed findings and recommendations are set out in section 1.3 below.

Tested subject area	Risk assessment*	Comments
1. Implementing partner	<p><b>Low</b></p> 	<p>Free Legal Aid General Directorate (FLAGD) is a government directorate at the Ministry of Justice. The Directorate was established pursuant to Law no. 111/2017 which guarantees free legal aid services to marginalized groups. FLAGD started its operation upon the approval of the organizational structure with Prime Ministers Order no. 59 on 25.03.2019. It has been working with UNDP since 2019 and the latest cooperation agreement in place signed with UNDP dates July 2021.</p> <p>As a public institution, the organization is financially stable, and has relevant policies in place, including policies for anti-fraud, conflict of interest and corruption whistleblowing procedures.</p>
2. Programme management	<p><b>Low</b></p> 	<p>FLAGD is a newly established public institution with the aim to provide free legal aid to vulnerable groups. Since its establishment, the organization has been supported by UNDP and other donors for its organization and opening of new FLA centres in various cities in Albania. The organization, although small, has in place policies and other tools to develop, monitor, evaluate and implement programmes and plans. Furthermore, FLAGD relies also on M&amp;E tools and instructions provided by various donors.</p>
3. Organisational structure and staffing	<p><b>Low</b></p> 	<p>FLAGD is a public institution and conducts its activities in Tirana (headquarters) and 9 other cities such as Fier, Durres, Lezha, Shkodra, Vlora, Gjirokastra, Pogradec, Lushnja and Peshkopi. The organization has 25 employees out of which 17 staff with civil servant status and 8 staff hired on contractual base. Recruitment procedures provide for competitive and fair selection of candidates, including advertising online. Each role has a detailed description setting out the individual's duties and responsibilities.</p> <p>However, we noted that the recruitment process of contracted staff with donor funding for the regional FLA centres, although very transparent and competitive, is not formally regulated in a written internal procedure approved by the General Director.</p>

<p>4. Accounting policies and procedures</p>	<p style="text-align: center;"><b>Low</b></p> 	<p>FLAGD records its expenses and funds received on monthly basis in excel files. The IP, as part of the Ministry of Justice, reports all its expenses and revenues (funds received) to the Treasury Department and as such its expenses are booked at the government accounting soft with the purpose of the Treasury Department to prepare the consolidated Financial Statements. In addition, funds received from donors are routed through the Treasury Department as well. Furthermore, we noted that the organization lacks a cost allocation methodology for shared costs between projects. The Finance Director confirmed that all shared costs related to donor funded projects are covered from the Government Budget and are not allocated to any project.</p> <p>With regards to segregation of duties, the organization is adequately staffed to ensure internal controls. FLAGD has double signature authorization in place and bank reconciliations are carried out on a monthly basis with Treasury Department.</p> <p>The budgets are reviewed and approved annually by the Ministry of Justice and Ministry of Finance and Economy respectively.</p>
<p>5. Fixed assets and inventory</p>	<p style="text-align: center;"><b>Significant</b></p> 	<p>Fixed assets are limited to office equipment, furniture, personal computers and laptops. An annual verification process takes place, whereby a commission physically verifies all assets. We noted that the annual physical inventory is carried out only on assets financed by government budget and is not extended to assets funded by donors. In addition, fixed assets are not insured by the organization. Furthermore, we noted that not all assets are assigned a unique identification number. Assets like chairs, tables, shelves, etc. are recorded solely by description of the item, position in the office and individual responsible for the item. The organization does not hold inventory.</p>

<p>6. Financial reporting and monitoring</p>	<p style="text-align: center;"><b>Moderate</b></p> 	<p>The organization reports periodically to the Ministry of Justice. As a public institution, FLAGD has the obligation to prepare annual financial statements and report to Treasury Department.</p> <p>We note that the annual financial statements are not audited neither by the Supreme State Audit Office nor any external auditor appointed by the donors. The annual financial statements are prepared on a cash basis. Computers are password protected and financial data backed up periodically. The IT infrastructure is managed centrally by National Agency for Information Society (AKSHI), a government institution.</p>
<p>7. Procurement and contract administration</p>	<p style="text-align: center;"><b>Low</b></p> 	<p>FLAGD, as a government institution adheres to public procurement laws and regulations. Public procurement law no. 162 dated 23.12.2020 and Council of Ministers Decision no. 285 dated 19.05.2021, is comprehensive and well-defined to ensure secure and transparent bid and evaluation process. The law requires the government bodies that any purchase is procured through an independent state agency called Public Procurement Agency (PPA). The procedures foresees that any request for offers (above ALL 100,000) shall be published in PPA portal and open to any legal entity shall provide its offers. FLAGD has one dedicated procurement staff. However, pursuant to public procurement rules a commission of 3 person is established to evaluate bids on any open procurement process. All the purchases must be approved by the Executive Director who also signs the contracts with the potential suppliers.</p>
<p>Overall risk assessment</p>	<p style="text-align: center;"><b>Low</b></p> 	

\* High, Significant, Moderate, Low

### 1.3. DETAILED INTERNAL CONTROL FINDINGS AND RECOMMENDATIONS

No.	Description of finding	Recommendation	Partner comments
1.	<p>Insufficient human resources policies</p> <p>During our assessment of the organizational structure and staffing, we noted that the recruitment process of contracted staff with donor funds for the regional FLA centres, although transparent and competitive, is not formally regulated in a written internal procedure approved by the General Director. Without an approved policy/regulation on recruitment of contracted staff there is an increased risk that staff do not have the relevant skills to carry out their duties, which may adversely impact organization. Moreover, there is an increased risk of complaint or litigation from staff if they feel that they have been unfairly treated.</p>	<p>FLAGD should draft and adopt a written policy/regulation which sets of guidelines relating to recruitment and employment of contracted staff through donor funding. These policies should provide for transparent and competitive recruitment, and set out arrangements for other aspects of personnel management, such as remuneration, promotion, discipline and the management of grievances. Policies should be kept up to date and made available to all staff.</p>	<p>Pursuant to order no. 53 dated 26.05.2021, of the General Director of FLAGD, "For the approval of the Methodology of Evaluation of employment at the primary free legal aid service centers", standard annexes and procedures have been approved for the recruitment of employees in accordance with Labour Code of the Republic of Albania, as follows:</p> <p>Annex 1: Evaluation table according to the documents in the personal file;</p> <p>Annex 2: Evaluation table from oral interview;</p> <p>Annex 3: Evaluation table from written test;</p> <p>Annex 4: Final evaluation table from professional competences;</p> <p>Annex 5: Decision on appointment of the candidate with the highest evaluation score:</p> <p>In practice, this procedure has been transparent, non-discriminatory, efficient and objective based on the principles sanctioned by the Administrative Code procedures.</p> <p>Also, in the light of transparency, a UNDP representative without the voting right has participated in the recruitment procedures of the staff for FLA centers supported by UNDP.</p> <p>In the meantime, there has been communication with the Ministry of Justice, in the capacity of the central institution, responsible for policy making, referring to article 7 of law no. 111/2017, "On legal aid guaranteed by the state", but we have been informed that there is a lack of such practice. FLAGD will take the necessary steps to finalize the entire procedure, that is already implemented in practice, through an administrative act which will define the employment policies in accordance with the Labour Code in the Republic of Albania.</p>

<p>2.</p>	<p>Inadequate accounting system</p> <p>The partner does not have an accounting system which allows for effective recording of project related financial transactions. As of the date of this report, the Finance Department books all expenses and funds received on monthly bases in an excel masterfile. Lack of a proper accounting system represents a significant risk to effective project financial management. Without an accounting system, project expenditure may not be accurately recorded, financial reports to donors may not be comprehensive, and double funding or recording of transactions may not be prevented or detected.</p>	<p>The partner should introduce an accounting software which allows for accurate recording of financial transactions from UNDP and other donors. This should include the ability to allocate expenditure by donor, project, type and budget line. The accounting system must be capable of providing an audit trail which links the costs declared in financial reports to donors with the individual transactions in its accounting system.</p>	<p>FLAGD has currently 3 main systems in use:</p> <ul style="list-style-type: none"> <li>- HRMIS system responsible for employee payroll;</li> <li>- AFMIS system responsible for recording all financial transactions from FLAGD to the Treasury Department (MoFE) responsible for payments, drafting of the medium-term budget planned and registered in the central system of the Ministry of Finance which allocates funds to FLAGD for each year up to 3 years in row.</li> <li>- The E-tax system whereas employees are declared including social and health insurance contribution and employee income tax.</li> </ul> <p>Work is being done at the central level to establish a joint connection of the 3 systems mentioned above, while the Ministry of Justice is working on establishing a central financial system for the registration of all economic / financial activities of institutions under its supervision.</p>
<p>3.</p>	<p>Lack of / inappropriate cost allocation methodology</p> <p>We noted that FLAGD has no written policy on allocating shared cost. So far, all shared costs occurred are covered from the government budget and they were not allocated to any of the donor's project. The lack of a written policy on allocating share cost increases the risk that allocated costs do not accurately represent the actual costs attributable to the project.</p>	<p>We recommend that the organization develops a clear methodology for the allocation of shared costs between different donors and projects. This allocation should include a clear audit trail to enable all users to understand the actual costs allocated.</p>	<p>FLAGD manages the incoming funds from Donors through the Treasury Department. Since this institution administers only one project code (A000006) chapter 06, the incoming funds for various projects financed by donors, it is the only account where financial operations can be exercised. The incoming funds are assigned under the name of the donors, being held also in excel files from FLAGD in order to avoid misstatements and/or misuse of funds.</p> <p>It is not a competence of FLAGD to establish budget codes as this is an exclusive competence of the Ministry of Justice and the Ministry of Finance and Economy.</p>



4.	<p>Insufficient safeguards over fixed assets / weaknesses in management of fixed assets</p> <p>Effective financial control policies and procedures are key to maintaining accurate and complete financial records. We would expect the following controls to be in place to ensure good asset management:</p> <ul style="list-style-type: none"> <li>• All new assets are recorded in the fixed asset register;</li> <li>• All assets are provided with a unique reference number;</li> <li>• Regular asset checks are performed</li> </ul> <p>However, we noted that some of the physical assets such as tables, chairs, shelves, etc. are not labelled with a unique code and are listed in the fixed assets register solely by the description of the assets.</p>	<p>In order to avoid loss or misappropriation of fixed assets, we recommend to FLAGD to label all fixed assets with a unique reference number.</p>	<p>Based on point 11 of the Agreement between the Ministry of Justice and UNDP which states that: "All equipment or tools that can be provided by UNDP or procured through UNDP funds will be used or remain in ownership, according to the written agreement that will be agreed to and signed between UNDP and Ministry of Justice.</p> <p>Depending on the written agreement between UNDP and Ministry of Justice at the end of the project, pursuant to instruction no. 30 dated 27.12.20211, "On asset management in public sector" point 4, we will carry out the inventory and accounting of all assets used today by the primary legal aid service centers in various districts.</p> <p>We emphasize that electronic equipment are identified by FLAGD and UNDP through the serial numbers; these assets have been received through a written act by the employees of the centers. Awaiting the signing of the agreement at the end of the project in order to proceed with the registration of these assets in the accounting books of the institution and carry out the annual inventory.</p>
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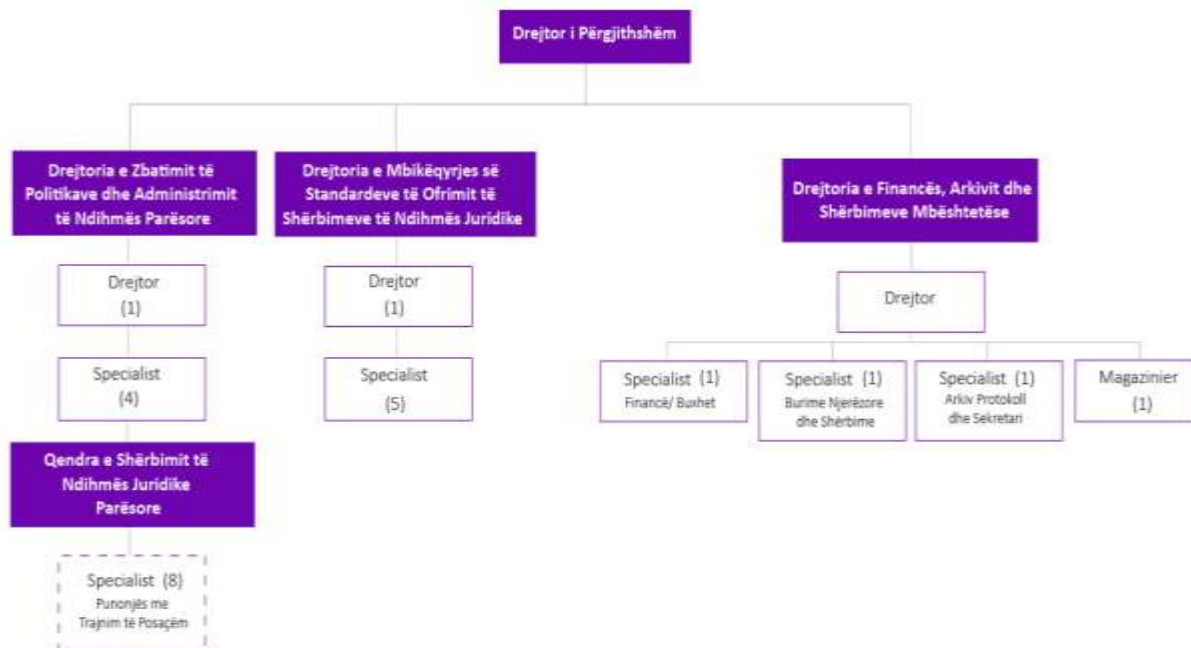
	<p>During our assessment we identified that FLAGD carries out physical inventory count only for the assets funded by the government budget. All other assets funded by donors are not subject to periodic asset counts / verifications. There is therefore a risk that missing, damaged, or obsolete assets are not identified and written off, and that asset and financial records are not up to date.</p>	<p>The partner should carry out a verification of fixed assets funded by donors at least once a year to ensure that records are up to date, and to identify any assets that may need to be written off from the accounting records. Furthermore, the annual physical count is a level of control to prevent loss or misappropriation of fixed assets.</p>	<p>Based on point 11 of the Agreement between the Ministry of Justice and UNDP which states that: "All equipment or tools that can be provided by UNDP or procured through UNDP funds will be used or remain in ownership, according to the written agreement that will be agreed to and signed between UNDP and Ministry of Justice. Depending on the written agreement between UNDP and Ministry of Justice at the end of the project, pursuant to instruction no. 30 dated 27.12.2021, "On asset management in public sector" point 4, we will carry out the inventory and accounting of all assets used today by the primary legal aid service centers in various districts. We emphasize that electronic equipment are identified by FLAGD and UNDP through the serial numbers; these assets have been received through a written act by the employees of the centers. Awaiting the signing of the agreement at the end of the project in order to proceed with the registration of these assets in the accounting books of the institution and carry out the annual inventory.</p>
	<p>During our assessment of the IP, we noted that the fixed assets are not covered by an insurance policy. The partner will therefore face potentially significant financial loss should assets be lost or damaged in unforeseen circumstances.</p>	<p>All major assets should be insured so as to reduce the financial impact of the loss or damage of an asset, and to allow the partner to acquire new assets quickly, thereby minimising the impact on organization activities.</p>	<p>With reference to the lease contract, no. 1366 rep; 1066 dated 21.07.2021, article 10.3, the Tenant undertakes to insure the premises and materials where FLAGD carries out its activity. For the district FLA centers, there are no funds planned in the State budget to insure the later. We are of the opinion that under the circumstances when these materials are still owned by UNDP, their insurance should be done with UNDP funds.</p>

# ANNEXES

## ANNEX I: IMPLEMENTING PARTNER AND PROGRAMME INFORMATION

Implementing partner name:	Free Legal Aid General Directorate (FLAGD)
Implementing partner code or ID in UNICEF, UNDP, UNFPA records (as applicable)	
Implementing partner contact details (contact name, email address and telephone number)	Ergys Qirici General Director Free Legal Aid Directorate e-mail: ergys.qirici@drejtesia.gov.al phone: +355068 204 3588 Rruga: Rr. Jordan Misja, God. 3, Tirane - Albania
Main programmes implemented with the applicable UN agency/ies	Expanding Free Legal Aid for Women and Men in Albania (EFLAS)
Key official in charge of the UN agency/ies' programme(s)	Entela Lako
Programme location(s)	Tirana - Albania
Location of records related to the UN Agency/ies' programme(s)	Tirana - Albania
Currency of records maintained	ALL (Albanian Lek)
Expenditures incurred/reported to UNICEF, UNDP and UNFPA (as applicable) during the most recent financial reporting period (in US\$)	Financial Year 2020 - 2021 USD 52,718
Cash transfer modality/ies used by the UN agency/ies to the implementing partner	Direct Cash Transfer (DCT)
Intended start date of micro assessment	September 2021
Number of days to be spent for visit to implementing partner	7 days
Any special requests to be considered during the micro assessment	N/A

## ANNEX II: IMPLEMENTING PARTNER ORGANISATIONAL CHART





**ANNEX III: LIST OF PERSONS MET**

Name	Unit / organisation	Position
Mr. Ergys Qirici	Management	General Director
Mrs. Lefkothea Lite	Finance Department (NPF)	Finance Director
Mrs. Patricia Pogace	Free Legal Aid Implementation and Administration Department	Department Director

## ANNEX IV: MICRO ASSESSMENT QUESTIONNAIRE

Subject area (key questions in bold)	Yes	No	N/A	Risk Assessment	Risk points	Remarks/comments
<b>1. Implementing partner</b>						
1.1 Is the IP legally registered? If so, is it in compliance with registration requirements? Please note the legal status and date of registration of the entity.	Yes			Low	1	Free Legal Aid General Directorate (FLAGD) is a government directorate at the Ministry of Justice. The Directorate was established pursuant to Law no. 111/2017 which guarantees free legal aid services to marginalized groups such as Roma and Egyptians, women, victims of gender-based and domestic violence, persons with disabilities and vulnerable youth and elderly. Upon the approval of the organizational structure with Prime Ministers Order no. 59 on 25.03.2019, the FLAGD started its operation.
1.2 If the IP received United Nations resources in the past, were significant issues reported in managing the resources, including from previous assurance activities.		No		Moderate	4	During the financial year 2019-2021, FLAGD has received funding from UNDP Albania. The latest agreement with UNDP was signed on 24 July 2021. Since the Directorate is newly established, it has not been subject any assurance activities.
1.3 Does the IP have statutory reporting requirements? If so, are they in compliance with such requirements in the prior three fiscal years?	Yes			Low	1	FLAGD is a public institution, and it is subject to reporting requirements to Treasury Department. It receives funding and executes expenses through the Treasury Department (Ministry of Finance). However, it reports on quarterly basis the funding and expenditures to the Ministry of Justice, Treasury Office as well as to its website <a href="https://drejtesia.gov.al/raportime/">https://drejtesia.gov.al/raportime/</a> . Furthermore, FLAGD reports regularly to the donors pursuant to donor's requirements.
1.4 Does the governing body meet on a regular basis and perform oversight functions?	Yes			Low	1	The Ministry of Justice has established the Strategic Management Group which is composed of high-profile directors within the ministry and which deals with various matters including issues raised by FLAGD.

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<p>1.5 If any other offices/ external entities participate in implementation, does the IP have policies and process to ensure appropriate oversight and monitoring of implementation?</p>	<p>Yes</p>			<p>Moderate</p>	<p>4</p>	<p>Currently, FLAGD is supporting 10 Free Legal Aid (FLA) Centers in close partnerships with District Courts and the municipalities in Tirana, Fier, Durrës, Lezha, Shkodra, Vlora, Gjirokastra, Pogradec, Lushnja and Peshkopi for effective delivery of primary FLA services to the most vulnerable people. FLAGD has in place appropriate policies and processes to ensure appropriate oversight and monitoring the legal aid offered from the regional offices.</p>
<p>1.6 Does the IP show basic financial stability in-country (core resources; funding trend) Provide the amount of total assets, total liabilities, income and expenditure for the current and prior three fiscal years.</p>	<p>Yes</p>			<p>Low</p>	<p>1</p>	<p>FLAGD as a public institution secures core funding from Treasury Department. In addition it receives funds from various donors in order to support its activities. Funds obtained from donors are routed through the Treasury Department before allocated to FLAGD. FLAGD has reported the following expenses: 2020 Assets: ALL 8,800,203 Liabilities: ALL 6,644,672 Net Assets: ALL 2,155,531 Revenue: ALL 20,139,830 Expenses: ALL 20,030,409 Surplus /(Deficit): ALL 109,421  2019 Assets: ALL 4,671,018 Liabilities: ALL 1,866,881 Net Assets: ALL 2,804,137 Revenue: ALL 14,712,414 Expenses: ALL 14,615,334 Surplus /(Deficit): ALL 97,080</p>
<p>1.7 Can the IP easily receive funds? Have there been any major problems in the past in the receipt of funds, particularly where the funds flow from government ministries?</p>	<p>Yes</p>			<p>Low</p>	<p>1</p>	<p>As a public institution, FLAGD receives fundings from Treasury Department and grants awarded by various donors. No issues have been noted in the flow of funds.</p>
<p>1.8 Does the IP have any pending legal actions against it or outstanding material/significant disputes with vendors/contractors? If so, provide details and actions taken by the IP to resolve the legal action.</p>		<p>No</p>		<p>Moderate</p>	<p>2</p>	<p>According to confirmation from General Director, there are no outstanding litigations against FLAGD.</p>
<p>1.9 Does the IP have an anti-fraud and corruption policy?</p>	<p>Yes</p>			<p>Low</p>	<p>1</p>	<p>As a government institution, FLAGD adheres to various laws and regulations which regulate fraud and corruption, conflict of interest, whistleblowing procedures, etc.</p>

HACT Framework Micro Assessment

1.10 Has the IP advised employees, beneficiaries and other recipients to whom they should report if they suspect fraud, waste or misuse of agency resources or property? If so, does the IP have a policy against retaliation relating to such reporting?	Yes			Low	1	As a public institution, FLAGD adheres to Law no. 60/2016 dated 02.06.2016 on "Whistleblowing and Protection of Whistle-blowers". The law clearly defines the steps of reporting corruption, fraud, misuse of funds, etc. as well as the anti-retaliation on such reporting.
1.11 Does the IP have any key financial or operational risks that are not covered by this questionnaire? If so, please describe. Examples: foreign exchange risk; cash receipts.	No			Low	1	All funds received are in local currency (ALL). Funds obtained by the donors are translated in ALL by the Treasury Department with the exchange rate published by Bank of Albania at the day of transaction. Exchange rates are stable and therefore no exchange rate risks could be identified. Also, there are no petty cash transactions.
Total number of questions in subject area:	11					
Total number of applicable questions in subject area:	11					
Total number of applicable key questions in subject area:	5					
Total number of risk points:	18					
Risk score	1.64					
Area risk rating	Low					

Subject area (key questions in bold)	Yes	No	N/A	Risk Assessment	Risk points	Remarks/comments
<b>2. Programme management</b>						
2.1. Does the IP have and use sufficiently detailed written policies, procedures and other tools (e.g. project development checklist, work planning templates, work planning schedule) to develop programmes and plans?	Yes			Low	1	As a public institution, FLAGD complies with Law no. 111/2017 with the purpose of providing free legal aid to vulnerable groups in Albania. Also the funding received by donors (incl. UNDP) is to facilitate its purpose. FLAGD drafts on six months basis its workplan which is approved by the General Director and Ministry of Justice. The 6-month workplan defines measures, objectives, activities and tasks, responsibilities of Units, deadlines and comments. We have collected the workplan for the period July - December 2021. As for projects / cooperation agreements with donors, FLAGD follows the guidelines provided by each donor on indicators / objectives set out in the grant contracts.
2.2. Do work plans specify expected results and the activities to be carried out to achieve results, with a time frame and budget for the activities?	Yes			Low	1	The work plan and reporting contain information on activities to be carried out, expected results, timeframes and the budget for each of the activities. FLAGD reports on quarterly basis to Ministry of Justice. We have collected the performance analysis for the period January - June 2021 reported to Ministry of Justice (incl. quarterly reports).
2.3 Does the IP identify the potential risks for programme delivery and mechanisms to mitigate them?	Yes			Low	1	FLAGD has compiled a risk register with no. 93 dated 14.10.2019 and has updated it with a new risk register in FY 2021. We have collected the risk register and note that among various risks identified are also the deviations from the approved work plan in terms of activities and budgeted funds. The IP mitigates such risks by monitoring closely the activities.
2.4 Does the IP have and use sufficiently detailed policies, procedures, guidelines and other tools (checklists, templates) for monitoring and evaluation?	Yes			Low	1	The IP uses the approved workplan, internal checklist and templates to monitor and evaluate how the activities progress.
2.5 Does the IP have M&E frameworks for its programmes, with indicators, baselines, and targets to monitor achievement of programme results?	Yes			Low	1	The IP has approved workplan in place which shows actions, output, targets, program progress, budget consumed etc.



HACT Framework Micro Assessment

2.6 Does the IP carry out and document regular monitoring activities such as review meetings, on-site project visits, etc.	Yes			Low	1	Pursuant to law 111/2017, FLAGD regular monitoring activities include periodic supervising of quality of the free legal aid. This is accomplished by on-site visits, review of individual cases, regular joint meetings with legal aid service provider, representatives of local/ central government, independent institutions (i.e. courts). The results of the monitoring activities are reported to General Director and periodically to Ministry of Justice.
2.7 Does the IP systematically collect, monitor and evaluate data on the achievement of project results?	Yes			Low	1	All data from applicants and free legal aid provided are collected, monitored and evaluated. The results of the activities are reported on quarterly/semi-annual/ annual basis including the objective achievement. Such reports are publicly available on FLAGD website <a href="https://ndihmajuridike.gov.al/index.php/legjislacion/">https://ndihmajuridike.gov.al/index.php/legjislacion/</a> .
2.8 Is it evident that the IP followed up on independent evaluation recommendations?			N/A	N/A	-	No external evaluation have been made.
Total number of questions in subject area:	8					
Total number of applicable questions in subject area:	7					
Total number of applicable key questions in subject area:	2					
Total number of risk points:	7					
Risk score	1					
Area risk rating	Low					

Subject area (key questions in bold)	Yes	No	N/A	Risk Assessment	Risk points	Remarks/comments
<b>3. Organisational structure and staffing</b>						
3.1 Are the IP's recruitment, employment and personnel practices clearly defined and followed, and do they embrace transparency and competition?	Yes			Moderate	4	Recruitment in the organization is based on the law no. 152/2013 "On the civil servant" for employees with the status of civil servant and Albanian Labour Code for employees hired in the FLA Centers who have no the civil servant status. All new roles are advertised on the organization's website ( <a href="http://www.ndihmajuridike.gov.al/index.php/vende-vakante/">www.ndihmajuridike.gov.al/index.php/vende-vakante/</a> ) and on the website of Department of Public Administration which explains the recruitment procedure. The process is transparent and enables competition. However, we noted that the recruitment process of contracted staff with donor funds for the regional FLA centers, although transparent and competitive, is not formally regulated in a written internal procedure approved by the General Director. At the time of our micro-assessment visit, there were open position advertised at FLAGD website.
3.2 Does the IP have clearly defined job descriptions?	Yes			Low	1	Job descriptions set out clearly the duties and responsibilities for each position. Job descriptions are pre-approved by the General Secretary of the Ministry of Justice and Department of Public Administration. We have collected the job description of General Director and Finance Director.

<p>3.3 Is the organizational structure of the finance and programme management departments, and competency of staff, appropriate for the complexity of the IP and the scale of activities? Identify the key staff, including job titles, responsibilities, educational backgrounds and professional experience.</p>	<p>Yes</p>			<p>Low</p>	<p>1</p>	<p>FLAGD has currently 25 employees out of which 17 are with civil servant status and 8 individuals are contracted based on labour code. The key staff of the organization are General Director, Finance Director, Director of Free Legal Aid Implementation and Administration and Director of Free Legal Aid Supervision. Information on responsibilities and education backgrounds are part of the job description and CV-s obtained.</p> <p>1. Ergys Qirici- General Director The main responsibilities of the general director are the supervision and general management of the work performed by FLAGD staff. Drafts, executes, monitors and evaluates the implementation of workplan, yearly budgets, enables staff support as needed and establishes / maintains relationships with donors, partners, collaborators. Mr. Qirici has a university degree in Law from the University of Tirana as well as a master's degree in economy and International Finance from the University "Tor Vergata" in Italy.</p> <p>2. Lefkothea Lite- Finance Director The responsibilities include drafting of institution budgets, follows up with the treasury department at Ministry of Finance and Economy implementation of budget for FLAGD, certification of transactions for accuracy and propriety before submission to the supervisor for approval and action; analysis and interpretation of the financial rules and regulations and provision of advice and recommendations to a wide range of financial issues, etc. Mrs. Lite has a University degree in Finance and Accounting from the University Eqerem Cabej in Gjirokaster as well as a license as internal auditor.</p> <p>3- Patricia Pogace - Director of Free Legal Aid Implementation and Administration The main responsibilities include guaranteeing the offering of free legal aid to vulnerable groups as defined in the internal regulation and laws. It coordinates and implements the workplan approved by the General Director and reports periodically on the progress of free legal aid offered in various cities in Albania through the regional offices. Mrs. Pogace has a university degree in Law from the University of Tirana.</p>
<p>3.4 Is the IP's accounting/finance function staffed adequately to ensure sufficient controls are in place to manage agency funds?</p>	<p>Yes</p>			<p>Moderate</p>	<p>4</p>	<p>There are 5 staff within the Finance Department of FLAGD. The number of staff appears to be sufficient for the level of activity.</p>

HACT Framework Micro Assessment

3.5 Does the IP have training policies for accounting/finance/ programme management staff? Are necessary training activities undertaken?	Yes			Low	1	The Albanian School of Public Administration (ASPA) is a central public institution in charge of training the civil servants of central government, local government, and independent institutions. Civil servants are obliged to attend the trainings provided by ASPA on regular basis. We have collected the trainings attended by the Director of Free Legal Aid Implementation and Administration Patricia Pogace and specialist Mrs. Suela Qevani organized in June 2021. Furthermore, we have collected trainings attended by the Finance Director as well in June 2021.
3.6 Does the IP perform background verification/checks on all new accounting/finance and management positions?	Yes			Low	1	Employees are recruited either by the Department of Public Administration (those with civil servant status) or contracted directly by FLAGD, meeting a number of criteria set by the latter in terms of education, professional experience, etc. Background checks are performed on all positions.
3.7 Has there been significant turnover in key finance positions the past five years? If so, has the rate improved or worsened and appears to be a problem?		No		Moderate	2	During 2021 only one staff from Finance Department in the position HR specialist has requested to leave in order to pursue other career opportunities.
3.8 Does the IP have a documented internal control framework? Is this framework distributed and made available to staff and updated periodically? If so, please describe.	Yes			Low	1	FLAGD internal control framework is based on Law no. 10296 dated 08/07/2010 "On Financial Management and Internal control" of public institutions. The law explains the various different elements of the control framework, so as to ensure the protection of assets, avoidance and detection of accounting errors, and ensuring smooth operations. The law is published online and made available to all staff joining the organization.
Total number of questions in subject area:	8					
Total number of applicable questions in subject area:	8					
Total number of applicable key questions in subject area:	3					
Total number of risk points:	15					
Risk score	1.88					
Area risk rating	Low					

Subject area (key questions in bold)	Yes	No	N/A	Risk Assessment	Risk points	Remarks/comments
<b>4. Accounting policies and procedures</b>						
<b>4a. General</b>						
4.1 Does the IP have an accounting system that allows for proper recording of financial transactions from United Nations agencies, including allocation of expenditures in accordance with the respective components, disbursement categories and sources of funds?		No		Significant	6	The Finance Department books all expenses and funds received on monthly bases in an excel file. Separate Reports (in excel) are prepared when required from other Donors (i.e UNDP, OSFA). FLAGD as a part of the Ministry of Justice reports all its expenses and revenues (funds received) at the Treasury Department and as such its expenses are booked at the government accounting soft (together with all bookings of the Ministry of Justice) with the purpose of the Treasury Department to prepare the consolidated Financial Statements. We note that funds received from donors are routed through Treasury Department account as well.
4.2 Does the IP have an appropriate cost allocation methodology that ensures accurate cost allocations to the various funding sources in accordance with established agreements?		No		Significant	6	FLAGD has no formalized procedure for allocation of shared cost. So far, all shared costs occurred are covered from the government budget and they were not allocated to any of the donor's project. As of the date of this assessment there is no plan to include any shared cost to the ongoing projects with donors. However, in case the need will arise to charge the shared cost to the donors, FLAGD in collaboration with Ministry of Justice will draft and implement a shared cost methodology.
4.3 Are all accounting and supporting documents retained in an organized system that allows authorized users easy access?	Yes			Low	1	There is a separate area for the Finance Department. In this area all financial documentations are allocated in separated files as per their nature (Payrolls, Purchases, Bank, Service Contracts, employment contracts etc). Only authorized staff have access to such information.
4.4 Are the general ledger and subsidiary ledgers reconciled at least monthly? Are explanations provided for significant reconciling items?	Yes			Low	1	The Finance and General Director review the financial information on monthly basis for their own purposes and for reconciliations with third parties (i.e Treasury Department , Ministry of Justice, Ministry of Finance and Economy). For project implementation purposes the institution prepares the reports and processes the reconciliation of the List of expenses/ funds when required from the donors (or as defined in the GRANT Agreements).



4b. Segregation of duties						
4.5 Are the following functional responsibilities performed by different units or individuals: (a) authorization to execute a transaction; (b) recording of the transaction; and (c) custody of assets involved in the transaction?	Yes			Low	1	(a) Authorization to execute a transaction is made by General Director; (b) the transactions are recorded by the Finance Department; (c) custody of the assets involved in the transactions is performed by employees in charge of assets. FLAGD is adequately staffed to ensure segregation of duties.
4.6 Are the functions of ordering, receiving, accounting for and paying for goods and services appropriately segregated?	Yes			Low	1	As described in 4.5 above, ordering / receiving are always handled by departments other than the accounting department. Adequate segregation of duties is in place both within departments and between them.
4.7 Are bank reconciliations prepared by individuals other than those who make or approve payments?	Yes			Low	1	The Treasury Bank account reconciliation are performed on monthly basis with the Treasury Department. The Treasury Bank reconciliation is prepared by the Finance Officer (Ms. Katerina Jano), Reviewed by the Finance Director (Ms. Lefkothea Lite/ Mirjana Zisi), approved by the General Director (Mr. Ergys Qirici) and confirmed from the Treasury Department Officer (in charge).
4c. Budgeting system						
4.8 Are budgets prepared for all activities in sufficient detail to provide a meaningful tool for monitoring subsequent performance?	Yes			Low	1	The Budget is sufficiently detailed in terms of activities and respective budget for each activity. When prepared it takes into consideration FLAGD objectives, investment needs, operational expenses, training needs for free legal aid service providers, etc.
4.9 Are actual expenditures compared to the budget with reasonable frequency? Are explanations required for significant variations from the budget?	Yes			Low	1	The General Director monitors the budget consistently and requests explanations from staff for variances from the plan when they occur. Furthermore the monthly reconciliation with the Treasury Department do state the budgeted expenses vs actual expenses as well as the budgeted staff vs actual staff engaged.
4.10 Is prior approval sought for budget amendments in a timely way?	Yes			Low	1	The budget prepared by FLAGD is sent to the Ministry of Justice for review and comments and then forwarded to Ministry of Finance and Economy for final approval. Budget amendments follow the same flow too. In case of donor funded projects, the budget amendments are approved by the donor.
4.11 Are IP budgets approved formally at an appropriate level?	Yes			Low	1	As noted in point 4.10 above, the budget is approved at an appropriate level.

4d. Payments						
4.12 Do invoice processing procedures provide for: · Copies of purchase orders and receiving reports to be obtained directly from issuing departments? · Comparison of invoice quantities, prices and terms with those indicated on the purchase order and with records of goods/services actually received? · Checking the accuracy of calculations?	Yes			Low	1	The invoices and other supporting documents are sent to the Finance Department for payment. The Finance Officer verifies the supporting documents for accuracy and consistency before preparing the Treasury Payment Order. The Treasury payment order is approved from the General Director & Finance Director & Treasury Department Officer (in charge).
4.13 Are payments authorized at an appropriate level? Does the IP have a table of payment approval thresholds?	Yes			Low	1	All bank transactions must be approved by the Finance Director (Ms. Lefkothea Lite/ Mirjana Zisi), General Director (Mr. Ergys Qirici) and confirmed from the Treasury Department Officer (in charge), regardless of the value.
4.14 Are all invoices stamped 'PAID', approved, and marked with the project code and account code?	Yes			Low	1	The invoices are stamped with "TREASURY DEPARTMENT STAMP". Furthermore, the Treasury Payment Order that is attached to the invoice states the project code and account code to which the expense relates to. We note that all funds received by the donors are channelled through Treasury Department.
4.15 Do controls exist for preparation and approval of payroll expenditures? Are payroll changes properly authorized?	Yes			Low	1	The Finance Officer prepares the list of employees to be paid for each pay period based on the Contracts of each employee. Before payroll files are declared and paid these are approved by the Finance Director and General Director.
4.16 Do controls exist to ensure that direct staff salary costs reflects the actual amount of staff time spent on a project?	Yes			Low	1	The payroll calculations are based on the work contract. In the Contract it is stated that the staff is engaged 100% on the specific project. The salary has been agreed with the donor in the general agreement.
4.17 Do controls exist for expense categories that do not originate from invoice payments, such as DSAs, travel, and internal cost allocations?	Yes			Low	1	FLAGD operates based on Instruction No 22 dated 10.07.2013 for "Financial treatment of the employees one travelling abroad". Furthermore, FLAGD adheres also to donor's instructions on such expenses. Both approaches are helpful to achieve a good control of such expenses.
4e. Policies and procedures						
4.18 Does the IP have a stated basis of accounting (i.e. cash or accrual) and does it allow for compliance with the agency's requirement?	Yes			Low	1	FLAGD uses cash basis for it booking entries. The projects are booked on different sheets of the excel Masterfile and at the year end the project expenses are included in the IP annual financial statements.

HACT Framework Micro Assessment

4.19 Does the IP have an adequate policies and procedures manual and is it distributed to relevant staff?	Yes			Low	1	FLAGD has an Internal Regulation in place which is approved by the Minister of Justice, order no. 393, dated 23.11.2020, "On the organization and functioning of the Free Legal Aid Directorate".
<b>4f. Cash and bank</b>						
4.20 Does the IP require dual signatories / authorization for bank transactions? Are new signatories approved at an appropriate level and timely updates made when signatories depart?	Yes			Low	1	Bank transactions are signed by the General Director, the Finance Director and the Treasury Department Officer assigned to the institution. Persons who authorize bank transactions are registered / removed from the treasury system by the Ministry of Finance and Economy.
4.21 Does the IP maintain an adequate, up-to-date cashbook, recording receipts and payments?	Yes			Low	1	Cash and bank ledger are maintained in excel files and are reconciled monthly
4.22 If the partner is participating in micro-finance advances, do controls exist for the collection, timely deposit and recording of receipts at each collection location?			N/A	N/A	-	No microfinance activities.
4.23 Are bank balances and cash ledger reconciled monthly and properly approved? Are explanations provided for significant, unusual and aged reconciling items?	Yes			Low	1	The bank account is reconciled to FLAGD's excel bookings on monthly bases, prepared by the finance department and reviewed from the Finance Director and confirmed by the General Director. We reviewed one such reconciliation and found it to be complete, with all transaction list reconciled with the bank statement.
4.24 Is substantial expenditure paid in cash? If so, does the IP have adequate controls over cash payments?			N/A		Error	FLAGD does not use cash transactions. All transactions are executed through banking system.
4.25 Does the IP carry out a regular petty cash reconciliation?			N/A	N/A	-	The IP does not carry out petty cash transactions.
4.26 Are cash and cheques maintained in a secure location with restricted access? Are bank accounts protected with appropriate remote access controls?			N/A	N/A	-	No cash or checks are used by IP for payments. Also bank payments are executed by Treasury Department
4.27 Are there adequate controls over submission of electronic payment files that ensure no unauthorized amendments once payments are approved and files are transmitted over secure / encrypted networks?			N/A	N/A	-	No payments are performed via online banking. All payments are physically presented at Treasury Department which executes payments on behalf of FLAGD.
<b>4g. Other offices or entities</b>						

HACT Framework Micro Assessment

4.28 Does the IP have a process to ensure expenditures of subsidiary offices/ external entities are in compliance with the work plan and/or contractual agreement?	Yes			Low	1	Currently, FLAGD is supporting 10 Free Legal Aid (FLA) Centres in close partnerships with District Courts and the municipalities on the cities where the centres are allocated. The Centre do report regularly on weekly bases about the activities. The reports are mostly related to the activities performed and cases handled as they do not have expenses to report other than their payroll cost that is managed from the Headquarters.
<b>4h. Internal audit</b>						
4.29 Is the internal auditor sufficiently independent to make critical assessments? To whom does the internal auditor report?			N/A	N/A	-	FLAGD is a small institution and does not have an internal audit department/unit. However, the IP is subject to Internal Audit department from Ministry of Justice. Based on the confirmation from the General Director, the Internal Audit Department at Ministry of Justice has planned to audit FLAGD during 2021.
4.30 Does the IP have stated qualifications and experience requirements for internal audit department staff?			N/A	N/A	-	N/a
4.31 Are the activities financed by the agencies included in the internal audit department's work programme?			N/A	N/A	-	N/a
4.32 Does the IP act on the internal auditor's recommendations?			N/A	N/A	-	N/a
Total number of questions in subject area:	32					
Total number of applicable questions in subject area:	24					
Total number of applicable key questions in subject area:	19					
Total number of risk points:	33					
Risk score	1.38					
Area risk rating	Low					

Subject area (key questions in bold)	Yes	No	N/A	Risk Assessment	Risk points	Remarks/comments
<b>5. Fixed assets and inventory</b>						
<b>5a. Safeguards over assets</b>						
5.1 Is there a system of adequate safeguards to protect assets from fraud, waste and abuse?	Yes			Moderate	2	The IP organizes the safeguard over assets based on the Instruction of Ministry of Finance and Economy no. 30 dated 27.12.2011 "On asset management of public sector". FLGD conducts an annual physical inventory count. However, we noted some of the physical assets such as tables, chairs, etc. are not labelled with a unique code and are recorded in the fixed assets register solely by the description of the assets.
5.2 Are subsidiary records of fixed assets and inventory kept up to date and reconciled with control accounts?	Yes			Low	1	Physical inventory of fixed assets in sub offices is carried out on annual and reconciled with the records maintained by the Headquarters.
5.3 Are there periodic physical verification and/or count of fixed assets and inventory? If so, please describe?	Yes			Significant	3	An annual physical inventory is carried out for all assets of the organization funded by government budget. The physical inventory is conducted by a commission of 3 person. We reviewed the documents relating to the physical inventory process carried out on 31.12.2020 signed by a team of 3 staff as well as the employee in charge of the assets. However, we noted that assets funded with donor funding are listed in a separate asset register, but no annual physical inventory is carried out for these assets.
5.4 Are fixed assets and inventory adequately covered by insurance policies?		No		High	4	FLAGD does not insure its fixed assets. Pursuant to Instruction no. 30 "On asset management of public sector", point 23, lists among the risk mitigation measures also the insurance of assets.
<b>5b. Warehousing and inventory management</b>						
5.5 Do warehouse facilities have adequate physical security?			N/A	N/A	-	
5.6 Is inventory stored so that it is identifiable, protected from damage, and countable?			N/A	N/A	-	



HACT Framework Micro Assessment

5.7 Does the IP have an inventory management system that enables monitoring of supply distribution?			N/A	N/A	-	
5.8 Is responsibility for receiving and issuing inventory segregated from that for updating the inventory records?			N/A	N/A	-	
5.9 Are regular physical counts of inventory carried out?			N/A	N/A	-	
Total number of questions in subject area:	9					
Total number of applicable questions in subject area:	4					
Total number of applicable key questions in subject area:	0					
Total number of risk points:	10					
Risk score	2.5					
Area risk rating	Significant					

Subject area (key questions in bold)	Yes	No	N/A	Risk Assessment	Risk points	Remarks/comments
<b>6. Financial reporting and monitoring</b>						
6.1 Does the IP have established financial reporting procedures that specify what reports are to be prepared, the source system for key reports, the frequency of preparation, what they are to contain and how they are to be used?	Yes			Low	1	FLAGD reports periodically to the Ministry of Justice. All the reports are publicly available as well in <a href="https://drejtesia.gov.al/raportime/">https://drejtesia.gov.al/raportime/</a> . In addition, it reports to the Ministry of Justice anytime required by the later. Furthermore, it reconciles on monthly basis with the Treasury Department on funding/ expenses incurred.
6.2 Does the IP prepare overall financial statements?	Yes			Low	1	As a public institution, FLAGD has the obligation to prepare annual financial statements and report to Treasury Department. In addition, FLAGD reports separately to donors on funding obtained based on donor reporting requirements.
6.3 Are the IP's overall financial statements audited regularly by an independent auditor in accordance with appropriate national or international auditing standards? If so, please describe the auditor.	Yes			Moderate	4	FLAGD financial reports are reviewed by Ministry of Justice and Treasury Department. In addition FLAGD is subject of audit by Supreme State Audit Office. As a newly established public institution, FLAGD has not been subject to audits from third parties so far.
6.4 Were there any major issues related to ineligible expenditure involving donor funds reported in the audit reports of the IP over the past three years?		No		Low	1	As a newly established public institution, FLAGD has not been subject to audit from internal audit department from Ministry of Justice, Supreme State Audit Office or external auditors engaged from the donors.
6.5 Have any significant recommendations made by auditors in the prior five audit reports and/or management letters over the past five years and have not yet been implemented?		No		Low	1	As a newly established public institution, FLAGD has not been subject to audit from internal audit department from Ministry of Justice, Supreme State Audit Office or external auditors engaged from the donors.
6.6 Is the financial management system computerized?		No		High	8	At the time of our assessment the Finance Department booked all expenses and funds received on monthly bases in an excel Masterfile. A monthly reconciliation takes place with the Treasury Department. Separate Reports (in excel) are prepared when required from other Donors. Ref. Finding in point 4.1 above. The only computerized system is the HRMIS software for payroll calculations.

HACT Framework Micro Assessment

6.7 Can the computerized financial management system produce the necessary financial reports?		No		High	4	FLAGD is currently managing the financial information in excel. The IP confirmed that the Ministry of Justice is considering the implementation of a financial management system, which will allow government institutions to record/ communicate in real time financial information with the Treasury Department. Such system will enable also to produce financial reports.
6.8 Does the IP have appropriate safeguards to ensure the confidentiality, integrity and availability of the financial data? E.g. password access controls; regular data back-up.	Yes			Low	1	The IT infrastructure is managed centrally by National Agency for Information Society (AKSHI). Computers are password protected and back-up are performed regularly by AKSHI.
Total number of questions in subject area:	8					
Total number of applicable questions in subject area:	8					
Total number of applicable key questions in subject area:	3					
Total number of risk points:	21					
Risk score	2.63					
Area risk rating	Moderate					

Subject area (key questions in bold)	Yes	No	N/A	Risk Assessment	Risk points	Remarks/comments
<b>7. Procurement and contract administration</b>						
<b>7a. Procurement</b>						
7.1 Does the IP have written procurement policies and procedures?	Yes			Low	1	FLAGD, as a government institution adheres to public procurement laws and regulations. Public procurement law no. 162 dated 23.12.2020 and Council of Ministers Decision no. 285 dated 19.05.2021, is comprehensive and well-defined to ensure secure and transparent bid and evaluation process. The law requires the government bodies that any purchase is procured through an independent state agency called Public Procurement Agency (PPA). The procedures foresees that any request for offers (above ALL 100,000) shall be published in PPA portal and open to any legal entity shall provide its offers. Furthermore, the law and regulation, provides thresholds and types of procurements for services and goods. We note that the IP has not carried out any significant procurement given the nature of its activities and those planned by the project.
7.2 Are exceptions to procurement procedures approved by management and documented?	Yes			Low	1	Government procurement law and regulations only allow exceptions to procedures in certain circumstances. Where these are permitted, they are approved at an appropriately senior level.
7.3 Does the IP have a computerized procurement system with adequate access controls and segregation of duties between entering purchase orders, approval and receipting of goods? Provide a description of the procurement system.	Yes			Low	1	All procurements organized by government institutions shall be performed at Public Procurement Agency ( <a href="http://app.gov.al/">http://app.gov.al/</a> ) a government and independent body. Public procurement agency organizes procurements on behalf of government institutions based on the requirements specified by the later. All tendering procedures are electronically organized, allowing transparency in the evaluation process with online approval.
7.4 Are procurement reports generated and reviewed regularly? Describe reports generated, frequency and review & approvers.	Yes			Low	1	Public procurement Agency publishes on weekly basis procurement reports and results from public tendering procedures.

HACT Framework Micro Assessment

7.5 Does the IP have a structured procurement unit with defined reporting lines that foster efficiency and accountability?	Yes			Low	1	FLAGD has an established Directorate of Finance, Archive and Support Services. Under this directorate there is a dedicated procurement unit with one staff. As noted in point 7.3 above, procurements are organized by Public Procurement Agency and therefore the dedicated staff only prepares the terms of references of the purchases to be made. Also funds obtained by the donors are subject to public procurement rules when used in procurement.
7.6 Is the IP's procurement unit resourced with qualified staff who are trained and certified and considered experts in procurement and conversant with UN / World Bank / European Union procurement requirements in addition to the a IP's procurement rules and regulations?	Yes			Moderate	2	The procurement staff is experienced and knowledgeable as to public procurement rules. He/ She has not previously carried out procurement for UN or other donor projects. However, the procurement staff has attended procurement training organized by ASPA.
7.7 Have any significant recommendations related to procurement made by auditors in the prior five audit reports and/or management letters over the past five years and have not yet been implemented?		No		Low	1	As noted in point 6.5 above, FLAGD has not been subject to audit from internal audit department of Ministry of Justice, Supreme State Audit Office or external auditors engaged by donors.
7.8 Does the IP require written or system authorizations for purchases? If so, evaluate if the authorization thresholds are appropriate?	Yes			Low	1	All purchases should be approved in advance from General Director of FLAGD. Threshold applicable are those defined in public procurement law (i.e. low value purchase up to ALL 1,000,000 and/or open public tenders, etc.).
7.9 Do the procurement procedures and templates of contracts integrate references to ethical procurement principles and exclusion and ineligibility criteria?	Yes			Low	1	The relevant legislation and government templates integrate such references.
7.10 Does the IP obtain sufficient approvals before signing a contract?	Yes			Low	1	A contract is signed with a vendor only after the winner is announced by the Public Procurement Agency. The contract is signed by FLAGD General Director.
7.11 Does the IP have and apply formal guidelines and procedures to assist in identifying, monitoring and dealing with potential conflicts of interest with potential suppliers/procurement agents? If so, how does the IP proceed in cases of conflict of interest?	Yes			Low	1	Public Procurement law and regulations address the conflicts of interest. All members of the evaluation commission must declare the absence of any such conflict. In addition, a declaration of conflict of interest must be provided by each vendor participating in the tendering procedures.
7.12 Does the IP follow a well-defined process for sourcing suppliers? Do formal procurement methods include wide broadcasting of procurement opportunities?	Yes			Low	1	All purchases are published and procured through Public Procurement Agency (unless the value is less than ALL 100,000) which is open to all interested parties.

HACT Framework Micro Assessment

7.13 Does the IP keep track of past performance of suppliers? E.g. database of trusted suppliers.	Yes			Low	1	Public Procurement Agency maintains a registry of blacklisted vendors (against whom there is a court judgement, or who have failed to enter into contract / or meet their obligations after a successful tender), who are automatically excluded from participation in public tenders. The E-procurement platform automatically does not allow these vendors to have access and bid for public tenders.
7.14 Does the IP follow a well-defined process to ensure a secure and transparent bid and evaluation process? If so, describe the process.	Yes			Low	1	FLAGD is subject to Law no.162 dated 23/12/2020 "On Public Procurement", as amended", and Council of Minister Decision no. 285 dated 19/05/2021 "Rules on Public Procurement, as amended. The procedure requires open tender procedures through the Public Procurement Agency. Based on the documentation presented as well as the public procurement rules of the organization it is noted that the procurement function are established. A request for purchase of goods/ services is raised by the General Director of FLAGD. The request is sent to the procurement staff of FLAGD which follows the procurement procedures in compliance with Law no. 162 dated 23/12/2020 and Council of Minister Decision no. 285 dated 19/05/2021. The procedure/ procurement is published in the Public Procurement Agency (PPA) portal and is open to all potential vendors. The evaluation committee, collects all offers directly from the Public Procurement Database and issues a report on the valuation and select the winning offer. Once a winner is selected, it is notified through the PPA portal. Also, disqualified participants are notified through the PPA portal, allowing them to object assessment. The Objections are reviewed by Public Procurement Commission, an independent government bodies under the Prime Ministers Office, who based on the objections raised decides on the final winner. FLAGD will sign an agreement with the winner announced by PPA / Procurement Commission.
7.15 When a formal invitation to bid has been issued, does the IP award the contract on a pre-defined basis set out in the solicitation documentation taking into account technical responsiveness and price?	Yes			Low	1	Ref. 7.14 above. The outcome of each tender are published on the website of PPA.
7.16 If the IP is managing major contracts, does the IP have a policy on contracts management / administration?		N/A	N/A	-		The IP does not manage major contracts.
7b. Contract Management - To be completed only for the IPs managing contracts as part of programme implementation. Otherwise select N/A for risk assessment						

HACT Framework Micro Assessment

7.17 Are there personnel specifically designated to manage contracts or monitor contract expirations?		N/A	N/A	-	See 7.16 above
7.18 Are there staff designated to monitor expiration of performance securities, warranties, liquidated damages and other risk management instruments?		N/A	N/A	-	See 7.16 above
7.19 Does the IP have a policy on post-facto actions on contracts?		N/A	N/A	-	See 7.16 above
7.20 How frequent do post-facto contract actions occur?		N/A	N/A	-	See 7.16 above
Total number of questions in subject area:	20				
Total number of applicable questions in subject area:	15				
Total number of applicable key questions in subject area:	5				
Total number of risk points:	16				
Risk score	1.07				
Area risk rating	Low				

Totals	
Total number of questions:	96
Total number of applicable questions:	77
Total number of applicable key questions:	37
Total number of risk points:	120
Total risk score	1.56
Overall risk rating	Low