

October 08, 2012

Mr. Mohammad Zia-ur-Rehman
Chief Executive
AWAZCDS Pakistan
House # 2440N/8A,
D-Block, Shamsabad Colony
Multan-Pakistan, P.O. Box 141, Post code 60000
Contact: 061-4784606

Subject: **Issuance of CSO Certification Award**

Dear Mr. Zia-ur-Rehman,

Congratulations.

I am pleased to inform you that the Certification Panel has accepted the request of AWAZ Foundation Pakistan: Centre for Development Services (AWAZCDS) for Certification.

Please find enclosed the CSO Certification Award and a detailed evaluation report for your record. As a certified organisation you are encouraged to display PCP's CSO Seal of Good Practices on your website, letter head and other documents meant for public circulation.

We would like to bring to your attention that in event of AWAZCDS availing tax exemptions under Section 2(36) read with Section 61 and/or Clause 58 of the Income Tax Ordinance, 2001, the organisation is required to submit in accordance with Rule 217(1(b(vii))) and Rule 220A (7(1(e))) a detailed performance evaluation report to the concerned income tax authorities after every 3 years. In accordance with the same, the certification awarded to AWAZCDS is also valid for 3 years from the time of issue. At the culmination of this period the organisation is required to approach the Centre again for renewal of certification.

It is hoped that while AWAZCDS has been successful in achieving certification status it will make all possible efforts to further improve its internal structure and systems in line with the recommendations given in the evaluation report. It is stressed that the measures taken by the organisation to improve its functioning in accordance with the proposed recommendation will be given particular consideration at the time of subsequent evaluations.

We would also like to point out that in order to maintain the validity of its certification status AWAZCDS is requested to ensure submission of following documents to the Centre on an annual basis;

- a) Annual audited accounts
- b) Annual report
- c) Governing document (provided that any change has been made therein)

As one of our applicant organisations you have had first hand experience of the certification process and possess direct knowledge of its strengths as well as weaknesses. To benefit from your experience and understanding of the same, attached please find a form designed to obtain your feedback about different aspects of certification programme. You are kindly requested to complete this form and return it to the Centre at the earliest. Your honest and objective feedback about the certification programme will greatly facilitate us in working for its further improvement and refinement.

We look forward towards a continued relationship between PCP and AWAZCDS in the effort towards strengthening the role of civil society in the sustainable social development of Pakistan.

Regards,


Tanwir Ali Agha
Executive Director



Pakistan Centre for Philanthropy

ISO Certification Award

This is to certify that

AWAZ Foundation Pakistan: Centre for Development Services (AWAZCDS), Multan

has been evaluated by Pakistan Centre for Philanthropy

and meets certification standards in the areas of

Internal Governance, Financial Management & Programme Delivery

PCP-R1/2012/155

Certificate No:

Issued on: 01-10-2012

Valid upto: 01-10-2015

Place of Issue: Islamabad



Executive Director

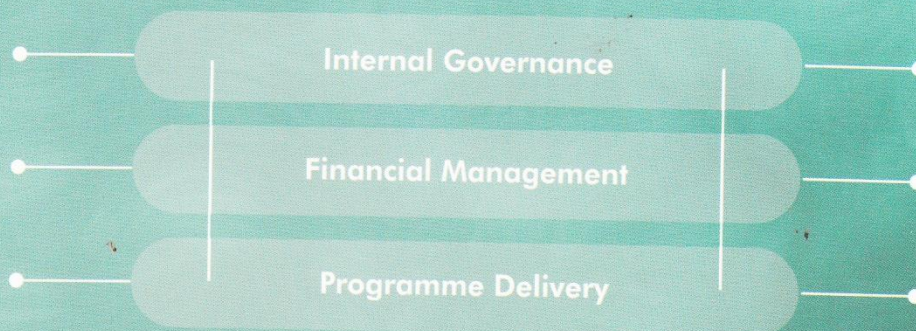
Evaluation Report



AWAZ Foundation Pakistan: Centre for Development Services (AWAZCDS-Pakistan)

(Certification 1st Renewal)

NPO Certification Programme



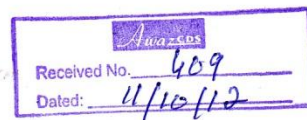
Pakistan Centre *for* Philanthropy





**AWAZ Foundation Pakistan: Centre for
Development Services
(AWAZCDS-Pakistan)
(Certification 1st Renewal)**

July 2012



This evaluation report is based on an examination of AWAZ Foundation Pakistan: Centre for Development Services (AWAZCDS-Pakistan) functioning and performance during the last 3 years i.e. from 2009 to 2011. The report examines the organisation's structure, finances, systems, procedures, processes and programmes during this period against standardized parameters. All opinions expressed in this report are based on the information provided by the organisation. PCP does not take any responsibility for, nor makes any express or implied guarantee as to the accuracy or the comprehensiveness of this information as only the information provided voluntarily by the CSO forms the basis of this report. Additionally, certification being absolutely voluntary and optional does not entail any legal or other liability on part of PCP.

Table of Contents

Profile at a Glance	1
1. Inception	3
2. Major Programmes/Projects	4
3. Certification history	6
4. Certification	7
Evaluation Report	8
5. Objectives	8
6. Certification Parameters	8
7. Internal Governance	9
8. Financial Management	12
9. Programme Delivery	15
Board of Directors	20
Scoring Graphs	21
Financial Highlights	22
Financial Critique	24



Profile at a Glance

Name: AWAZ Foundation Pakistan: Centre for Development Services (AWAZCDS-Pakistan)

Registration Date: The organization was registered under The Voluntary Social Welfare Agencies (Registration and Control) Ordinance at Multan in 1997 (statutory mandate to operate in Multan only). The organization was re-registered with the same name under The Societies Registration Act, 1860 at Multan on 26th December, 2002 (Registration No. RM/123/S/2002) with a statutory mandate to operate across Pakistan including Azad Jammu & Kashmir and Gilgit Baltistan.

Major Programme: The Major Programmes are:

- Social & Economic Management
- Human Resource Management
- Agricultural & Rural Income Diversification (ARID)
- Water Hazards & Environmental Management
- Natural Disaster Preparedness & Management
- Policy Research, Advocacy and Partnership Development Program
- Information and Knowledge Management

Operational Area: The organization is implementing its core programs in 15 districts of South Punjab including

- Multan
- Mianwali
- Vehari
- Muzaffargarh
- Dera Ghazi Khan
- Rajanpur
- Bahawalpur
- Islamabad (Liaison Office)

The organization runs its policy research and advocacy program across Pakistan through its PARC networks and GCAP-Pakistan coalition members.

Head Office: AWAZCDS-Pakistan
H # 2440/N/8A, D-Block, Shamsabad Colony
Multan, 60000
Tel: 061-4784606
Fax: 061-45774049
Email: info@awazcds.org.pk
Website: www.awazcds.org.pk

Board of Director: 08 (6 Male, 2 Female)

Chairperson: Ms. Robina Feroze Bhatti

Chief Executive: Mr. Mohammad Zia-ur-Rehman



Staff Strength: 114 (69 Male; 45 Female)

Banks: Faysal bank
Account No: 031131490005254
Old Bahwalpur Road, Multan

Auditors: M. Yousuf Adil Saleem & Co (Deloitte)
Chartered Accountants
134-A, Abu bakar Block,
New Garden Town, Lahore
Tel: 042-35913595-7



1. Inception

Unlike traditional NGOs/CSOs which are formed after some disaster, AWAZCDS-Pakistan was formed in 1995 as a result of local university graduates students coming together, led by Mr. Mohammad Zia-ur-Rehman. The basic idea was to provide a platform for capacity building and facilitation of marginalized communities in order to raise awareness against socio-economic and political disparities of the region.



Today, AWAZCDS-Pakistan is working throughout Pakistan raising awareness through advocacy related programmes, its primary focus has been on 15 districts of South Punjab, where they have established 9 field offices, 53 PARC Networks and GCAP-Pakistan coalition members.

The following are some of the thematic areas where AWAZCDS-Pakistan intervenes, either in collaboration with donor organization or with its own resources:

- **Social Mobilization**

- Mobilization of communities through participatory programmes, formation of groups, Participatory Rural Appraisal (PRA) has played an important part in rural development and poverty alleviation.

- **Partnership and Network Building**

AWAZCDS is working on bringing together different segments of civil society, so that a common platform can be developed where issues can be discussed, debated and sustainable solutions which are mutually beneficial can be found.



- **Capacity Building**

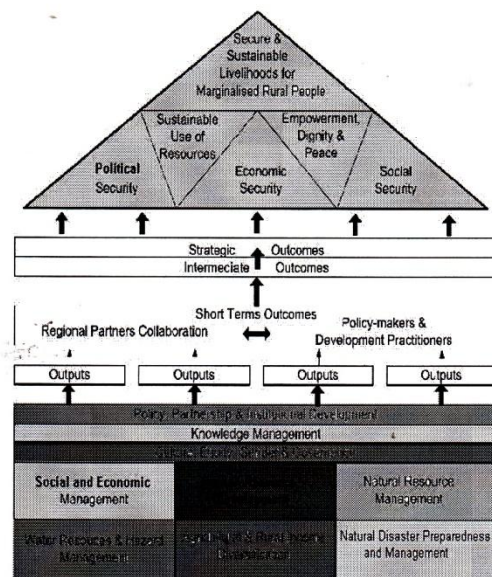
Human capital is a major contributor towards development and poverty alleviation, the primary focus being education, technical skills, enterprise and organizational abilities as well as health.

- **Reducing Poverty and Environmental Hazards**

AWAZCDS has been involved in poverty reduction as well as address environmental hazards and issues by carrying out various projects as well as policy advocacy.

- **Regional Cooperation**

Regional cooperation is an important facet to information sharing and policy coordination on issues which affect poverty and under-privileged communities. AWAZCDS places an emphasis on areas where countries can work together to streamline policies, procedures and regulations in order to bring peace and harmony, mitigate effects of droughts & floods, exchange of information as well as opening up market opportunities.



Currently AWAZCDS leads GCAP¹ in South Asia as Convener of South Asian Facilitation Group to review and plan post 2015 process.

• Policy Development and Advocacy

AWAZCDS is facilitating policy dialogue by increasing awareness among communities, working with CSOs on different platforms as well as assisting governments to help address emerging conflicts, developing livelihood opportunities and creating rural sensitive support infrastructure.

2. Major Programmes²

The major highlights of the programmes as provided by AWAZCDS and mentioned in their annual reports are as follows:

2.1 Social and Economic Management

Working with the flood affected community in South Punjab and around 380 VDCs (male and female), 137 VDCs (75 male, 62 female) were revived and re-established. 120 VDCs were given training in disaster preparedness as well as securing livelihoods and food needs.

40 Health camps were established where 3392 people got treatment and hygiene kits to 225 families were provided. Livestock health camps were also established where 978 animals were vaccinated.

In the Social Mobilization Project, through capacity building, 217 COs saved Rs. 15,58,505, 5288 new community members got CNICs and through BISP, 70 women got Rs. 840,000.

Through AWAZ Home Schools, children aged between 5 – 11 years are home schooled and through VDCs, 360 new children were enrolled, the majority being girls.

AWAZ, in collaboration with Rutgers WPF, 46,000 students in schools were trained in SRHR³. 22 master trainers trained 300 school teachers. Capacity building of 60 CSOs also took place under this program.

37 CPI schemes, with a total of 29,184 beneficiaries were implemented in Sher Shah Town, Multan with the help of Concern World Wide. Major projects included road rehabilitation, latrines, water works.

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Major Successes
380 VDCs
53-PARC Networks at tehsil level
24 model villages
18 research studies
300 trained teachers in LSBE & SRHR
46,000 students trained in LSBE and SRHR
783 youth trained in social & political awareness

Flood Operations	
Activity	Beneficiaries
Distribution of Food	150,000 families
Livelihood	752 destitute women
Cash for Work	27,774 families
Livelihood Cash Grants	1500 families
Fertilizer and seed	22945 farmers
Livestock	6898 families
Tube wells rehabilitated	100
Agriculture Inputs	34,500 farmers
WASH Facilities	780 families
One room shelter	3272 families
Solar Power Water plants in Muzaffargarh	34
Rs. 10,000/- unconditional cash grant	10,000 recipients
Rs. 5,000/- conditional cash grant	5,000 recipients
Latrines	500
Hand Pumps	500
Precautionary Instruments for Disaster	28 UCs

¹ Global Call to Action against Poverty (www.gcappakistan.net ; www.whiteband.org)

² The facts and figures presented are from the Annual Report 2012 as well as data provided by AWAZCDS

³ Sexual and Reproductive Health Rights programme



Through AWAZ Home Schools, children aged between 5 – 11 years are home schooled and through VDCS, 360 new children were enrolled, the majority being girls.

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2.2 Human Resource Development

AWAZ has established SARTI⁵ with the support of Oxfam (Novib), which involves not just capacity building, but organizational development as well as institutional and legal framework development. 18 research studies were conducted under this institute.

DRR management trainings were conducted of 2961 members of 124 VDCs (both male and female) through 130 workshops. Various trainings and refresher courses were also conducted for 106 PARC⁶ members, 400 CO members trained in management skills, 105 youths trained in Active Citizenship and various SRHR workshops.

2.3 Agricultural and Rural Income Diversification (ARID)

7 AWAZ Women Skill Centres (AWSCs) were established where 70 girls are learning embroidery, handicraft and various other small business skills. These centres were established by VDCs on a self help basis on their own lands.

Road maintenance schemes are being run through RMTs⁷ (750 women members) working on 1500 KMs roads selected in various UCs.

2.4 Water Hazards and Environmental Management

AWAZ has been creating awareness through forums and seminars by celebrating environmental days where civil society activists, community members, elected representatives and government officials are brought together.

100 female community members were trained in the installation and use of smokeless stoves through 5 workshops, as a result of which 57 households started using these stoves.

2.5 Natural Disaster Preparedness and Management

- General food items were distributed among 200,000 beneficiaries in District Rajanpur, D.G. Khan and Muzaffargarh in collaboration with UN WFP, Concern WW, Care International and FAO
- 8324 beneficiaries were given medicines and treated at health camps
- Agricultural inputs were distributed among 22945 poor farmers
- Livestock packages were distributed among 6494 beneficiaries
- 2100 beneficiaries (1336 male and 764 female) were engaged in Cash for Work programme for 58 days
- 1444 beneficiaries received conditional cash grants to revive/establish small businesses
- 5000 beneficiaries (1024 male, 536 female) attended capacity building DRR sessions

⁴ Sexual and Reproductive Health Rights programme

⁵ Social Action Research and Training Institute

⁶ Peoples Awareness and Rights Committees

⁷ Road Maintenance Teams: 1 RMT consists of 5 women members paid Rs. 2250 fortnightly



2.6 Policy Research, Advocacy and Partnership Development Program

AWAZ has established various community based organizations and has a network of 53 PARCs (714 volunteers) functional across 15 districts of South Punjab.

Through various research projects, seminars, forums, conferences and demonstrations and social action initiatives, AWAZ has been striving to involve the community and build awareness. "Education for All" campaign was carried out at Govt. High School Shamsabad where over 5000 students attended.

2.7 Information and Knowledge Management

Through various initiatives like newsletters, annual reports, video documentaries as well as active partnership with media organizations and updating their website regularly, AWAZ has been able to make evidence-based knowledge available to local partners, policy makers, development professionals as well as the general public.

3 Certification History of AWAZCDS

AWAZCDS applied to Pakistan Centre of Philanthropy (PCP) for certification on 11th April 2008. Field evaluation was conducted in August 2008. The organisation's performance in achieving its aims and objectives was assessed against three broad sets of parameters in Internal Governance, Financial Management and Programme Delivery. AWAZCDS was successful in achieving the requisite score in each individual category and obtained an aggregate of 75.10% against a minimum requirement of 60%.

AWAZCDS Certification Score Sheet (2008)

Evaluation Parameters	Total Scores	Minimum Score Required	Score Obtained	Strength (%age)	Remarks
	(A)	(B)	(C)	(C/A %)	
Internal Governance	300	150	256	85.33	Qualified
Financial Management	300	150	242	80.66	Qualified
Programme Delivery	400	200	253	63.25	Qualified
Total	1000	600	751	75.10	Qualified

AWAZCDS's case was presented before the Certification Panel in their meeting held in October 2008. In view of the score obtained by the Organization, the Panel decided to grant certification to AWAZCDS. Consequently, PCP Certification Award was issued to the organisation up to 30th October 2011.



AWAZ Foundation Pakistan: Centre for Development Services

Application for certification received on: 20th October, 2011

Evaluation conducted in⁸: 17th and 18th July, 2012

Size of the organization: Large 3⁹

History of Tax exemptions: Already exempt as on 13-02-2009 under section 2(36) of the Income Tax Ordinance 2001 read with rule 212 of the Income Tax Rules 2002

Reasons for Applying: Inclusion in PCP directory and
Grant of tax benefits under section 2(36) read with Section 61 of the Income Tax Ordinance 2001 and under clause 58 of II Schedule of Income Tax Ordinance 2001.

Draft Report shared with the CSO: Yes

AWAZCDS Certification Score Sheet (2012)

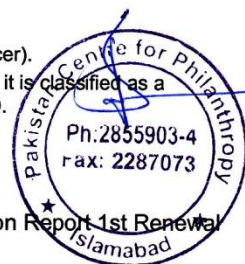
Evaluation Parameters	Total Score	Minimum Score Required	Score Obtained	Strength (% age)	Remarks
	(A)	(B)	(C)	(C/A %)	
Internal Governance	300	150	268	89.33%	Qualified
Financial Management	300	150	281	93.66%	Qualified
Programme Delivery	400	200	362	90.50%	Qualified
Total	1000	600	911	91.10%	Qualified

PCP Recommendation:**Recommended to be certified****Decision of the Certification Panel:****Certified¹⁰**

⁸ Evaluation Team: Mr. Syed Mansoor Saeed (Programme Officer) and Mr. Usman Nazir (Programme Officer).

⁹ If the average of total annual financial receipts of a CSO during the last three years is Rs.50 - 100 million, it is classified as a Large2 sized organisation. The applicability of standards also varies in accordance with the size of the CSO.

¹⁰ Certificate No. PCP-R1/2012/155. Certified on: 01-10-2012. Expiry Date: 01-10-2015.



EVALUATION REPORT

Objectives of the evaluation:

Certification is based on an objective, professional and critical evaluation. It is aimed at enhancing an organization's credibility as a nonprofit organization, increasing its organizational capacity to streamline and improve its systems, helping in diversifying its resource base and facilitating in obtaining tax benefits from the Government of Pakistan (under section 2 (36) read with section 61 and clause 58(3) of the 2nd schedule of the Income Tax Ordinance, 2001). The profiles of certified organizations are included in the directory of certified CSOs "Gateway to Giving", the first of its kind in Pakistan. The profiles (also placed on the PCP web site) include a brief history of the organization, major programme activities, achievements and all such information that projects the organization as a credible and effective partner.

The certification process identifies the strengths and weaknesses of the organization within the parameters of assessment, emphasizes institutionalization of systems and processes, and allows policy inputs/ recommendations for further improvement in its internal governance, financial management and programme delivery structures.

Pakistan Centre for Philanthropy (PCP) evaluated AWAZCDS for certification against standardized parameters in Internal Governance, Financial Management and Programme Delivery as contained in the Certification Model¹¹. The evaluation (comprising a detailed desk review of organizational documents and a visit to Village Dhattaewallae, Shershah, Multan) was conducted where the programmes of AWAZCDS are under way in July 2012.

6 CERTIFICATION PARAMETERS

AWAZCDS's performance in achieving its aims and objectives during the last three years was evaluated against three broad sets of parameters in internal governance, financial management and programme delivery as contained in the Certification Model. Each category contains a certain number of parameters¹² with each being assigned a score against which a CSO is assessed. Stated below are findings/ observations of the certification team (based on the desk review of the organisation's documents and a field evaluation) that identify various strengths and weaknesses of the organisation in each category of parameters.

¹¹ Available at www.pcp.org.pk

¹² Internal Governance has 26, Financial Management has 25 and Programme Delivery has 29 parameters.



Compliance with PCP's Recommendations

7 Internal Governance

Recommendations	Actions Taken
<ul style="list-style-type: none"> In Article 1(ii) of AWAZCDS's governing document provides for a 17-member General Body whereas the present strength of this body stands at 30 members. Besides this disparity in the strength of the General Body it was also noted that this body is not functioning in line with its mandate. For instance, in event of a vacancy occurring in the Board due to retirement or resignation of a member, a Management Committee comprising of the CEO and Programme Managers nominates the candidates and selection is finalised from among them by the Board¹³. (Later GB also approves and rectifies all decisions in annual sessions regularly) As a rule*, in an organisation the General Body is responsible for maintaining an overall check on the functioning of the governing body, the Board of Directors in the case of AWAZCDS. In view of the importance of the role designated to this body AWAZCDS is advised to take the following measures for ensuring GB's active role in organisation's functioning in the future; ➤ Formal meetings of the GB should be held on an annual basis. In these meetings the members should; <ul style="list-style-type: none"> ✓ Appoint auditors for conducting Awaz CDS's annual organisational audit ✓ Review and approve organisation's annual audited accounts ✓ Review and approval organisation's annual budget ✓ Review and approve organisation's annual progress ✓ Review and approve plans for the next year ✓ Give policy level input and decisions (if required) ✓ Approve any amendments in the charter (if required) ➤ As GB also acts as the electoral body for the organisation's governing body i.e. the Board, it is suggested that a nominating committee from amongst itself should be set up which should undertake the task of nominating new members to the Board. A list of all nominees along with their C.V should be circulated among the GB members for their further perusal. Appointment of new members to the Board or renewal of the term of office of the old members must take place solely at the discretion of the GB. ➤ The practice of assigning the task of nominating Board members to a Committee comprising of the organisation's senior management staff should come to an end. Since in the existing situation it is not clear as to how can the Board maintain any kind of check on the administrative and 	<p>Observation: As per recommendation, the article has been revised and the minimum required strength for the GB is 17 members which is being followed. (Reference MoA Article 6)</p> <p>As per MoA Article 8, the GB meeting is supposed to take place atleast once every year which is being implemented. (Reference MoA Article 8).</p> <p>The GB is responsible for electing BoD members, and this article is being implemented in letter and in spirit. (Reference MoA Article 16)</p> <p>Status : Action taken</p>

¹³ Ref. Board Meeting held on 31st May, 2008.

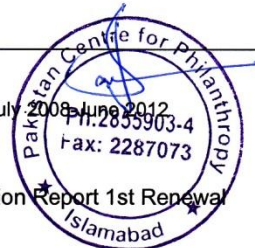


<p>programmatic functioning, when that very administrative and programmatic staff has moulded its structure in accordance with its best judgement.</p>	
<ul style="list-style-type: none"> According to the documents submitted the Board holds its formal meetings on an annual basis. To ensure better supervision of organisation's operations and its overall progress and to keep the members regularly updated about its activities, holding of bi-annual Board meetings needs to be ensured. <p>The documents submitted by the organisation brought forward that a decision to this effect was taken in the BoD meeting held in 2006 however, it was soon reverted. During evaluation it was also highlighted that the Board holds informal meeting frequently during the year. This state of affairs indicates that the Board is fully cognisant of the importance of holding frequent meeting during the year however, it needs to take some proactive measures to ensure adherence to the same.</p>	<p>Observation : As per MoA Article 26, the Board meetings are to be held atleast once a year. As per minutes provided by AWAZCDS, except for 2010 in which one Board meeting was held, they have held a minimum of two board meetings every year since 2008.</p> <p>The second board meeting in 2010 could not be held because of flood disaster response activities.</p> <p>Status : Action taken</p>
<ul style="list-style-type: none"> The AWAZCDS all Board members were found to attend the meetings regularly and no instance of continual absenteeism on the part of any member from these meetings could be observed during the last 3 years (2005-07). While two members, Mr. Aftab Alexander Mughal and Dr. Nasira Jabeen were found to be more absent than present in the meetings, the fact that each time a formal leave of absence was granted to them was duly noted. However, at the same time it was also felt that an organisation can only get benefit from the wisdom of its members if and when they attend meetings regularly. In the absence of some members, the very notion of using the medium of Board meeting for generating an interactive working environment for the benefit of the organisation and using it as a platform for organisational decision making is undermined. <p>To address the highlighted situation and also to facilitate the organisation for the adequate handling of any instance of continual absenteeism of a member from the Board meetings (if and when it occurs) the following line of action is proposed;</p> <ul style="list-style-type: none"> ➤ The organisation should adopt the practice of preparing an attendance sheet in a matrix format. This sheet should have attendance record of all meetings attended by each member during the year. This sheet should be sent to all members along with the minutes. It is believed that this will serve not only as an automatic check but also as a reminder on the frequency of meetings attended. ➤ A formal leave of absence obtained by a member from the Board meetings should be recorded for future reference. The organisation may even consider specifying a limit for the Leaves of Absence that may be granted to a member. ➤ A clearly outlined formal procedure for the appropriate handling of any instance of absenteeism on the part of an Board member from the meetings should form part of the charter and be strictly adhered to. For instance, the 	<p>Observation: In line with the recommendation, as per MoA Article 53 (c), members who are absent from three consecutive meetings without leave of absence from the board will have to vacate their seat.</p> <p>The organization has also adopted a formal system for getting attendance of the Board members.</p> <p>Records of leaves of absence are available with AWAZ.</p>



<p>organisation may consider vacating the office of a member who remains absent from three consecutive meetings without obtaining a formal leave of absence.</p>	<p>Status : Action taken</p>
<ul style="list-style-type: none"> The Foundation's governing document specifies a term of 2-years for its Board members whereas; in practice members are being elected to the Board for a 4-year term of office¹⁴. In the existing situation the organization is advised to either adhere to the provisions given in its governing document or otherwise amend the same so as to bring them in line with the practices in force. 	<p>Observation: As per AWAZCDS ED, there was miscommunication as Board Members are elected for a four year term limit and this limit is being adhered to as per Article 17 of MoA.</p> <p>Status: Action taken</p>
<ul style="list-style-type: none"> AWAZCDS claims to be an equal opportunity employer. During evaluation the staff hired also appeared to be gender balanced in terms of the nature of work. However, at the same time it was noted that not only was the existing female representation in organization's workforce below the minimum acceptable limit of 33% but also there was a decrease in their representation from 32% as in July 2007 to 27% as in July 2008. <p>Adequate female representation in an organization helps to ensure that, (a) due account is taken of and proper consideration is given to instilling a gender balanced approach in programme designing and implementation and (b) the organization's functioning on the whole remains sensitive to the needs and desires of those belonging to the female gender.</p> <p>In view of the same the Foundation is advised to take proactive measures to increase and maintain the level of female representation in its Board as well as staff to the minimum acceptable limit of 33%.</p>	<p>Observation: Currently, the percentage of female employees in the organization is 40% and as per management, both males and females are given equal opportunities to get employed.</p> <p>Currently, the Board has 2 females as members, one of whom is the chairperson. It is thus recommended that female representation in the board be increased to a maximum of 33%.</p> <p>Status: Action Partially taken</p>
<ul style="list-style-type: none"> While the Foundation has not laid down a formal procedure for handling employee grievances, the staff members interviewed reported at having an amiable environment which enabled them to access their concerned heads for the amicable resolution of internal conflicts. <p>In interest of institutionalizing good practices the Foundation is encouraged to lay down detailed guidelines for the quick and effective resolution of employee grievances, if and when they arise in the future.</p>	<p>Observation: Taking note of the recommendation, the Foundation has formulated a formal grievance policy, approved by the board.</p> <p>This policy is being implemented in letter and in spirit.</p> <p>Status: Action taken</p>
<ul style="list-style-type: none"> At AWAZCDS guidelines have been set in place for regulating national travel. However, the policy for abroad travelling provides only for the types of admissible expenses. Given the likelihood of international travel in the future, the organization is advised to consider adopting the following measures; <ul style="list-style-type: none"> ➤ A comprehensive international policy whose scope extends to both Board as well as Staff members should be devised. ➤ A criteria for selection of a Board member or employee for 	<p>Observation: A comprehensive policy has been formulated for both National and International travel has been formulated, which has also been approved by the board.</p> <p>This policy is being followed for all National and International travel.</p>

¹⁴ Ref. Minutes of BoD meeting held in May 2008 when the Board approved nominees as members from July 2008 to June 2012



an event involving international travel, whether on organization's expense or through funding provided by an external organization, should be specified.

- Formal approval of all international travel whether undertaken by a Board or staff member must be obtained either in the Board meeting or in the meeting of a subcommittee delegated with the task and recorded as such.
- Finally, at the culmination of the trip a brief report by the concerned member must form an agenda item of the Board or concerned subcommittee meeting.
- A mechanism should be developed whereby detailed records (for instance; a copy of the ticket, boarding card stubs, travel approval form, minutes of the meeting in which the approval was given and the report submitted by the concerned person) of all such travel undertaken are appropriately maintained.

Status: Action taken

Additional Recommendation

- It is appreciated that the governing body appoints the CEO, approves the terms & conditions of his/her appointment as well as his/her salary and periodically evaluates his/her performance before renewing the contract. In line with best international practises, it is recommended that GB members be involved in the process as well as approval of appointment of Senior Management.
- Review of the employee personnel files showed that the files were properly maintained, a copy of the respective advertisement for the position was not present in the file. It is appreciated that the organization is following its written recruitment policy and it is recommended a copy of the respective advertisement of the position be placed in the file for proper record keeping.

8 Financial Management

- AWAZCDS has set in place the following system for operating its bank accounts;

Head Office:

Group A: Prime Signatories: Chairperson and Treasurer
Alternate Signatory: CEO

Group B: Prime Signatory: CEO
Alternate Signatory: Finance Manager

Cheques of all amounts are to be signed by one signatory from each group.

Field Offices:

Accounts are operated by Manager Field Office and Finance Manager or CEO.

The attempt on the part of the organization to ensure transparency in its functioning by putting in place a joint signatory system with brackets of signing authority for

Observation :

It is appreciated that there is a joint signatory system in the organization with two groups of signatories as well as alternates.

Group A:

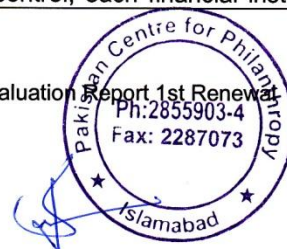
Prime Signatories: Chairperson and Treasurer
Alternate Signatory: CEO

Group B:

Prime Signatory: CEO
Alternate Signatory: Finance Manager

Financial brackets have also been defined in the policy manual, Group B is Prime Signatory for Rs. 1,000,000/- while for amounts greater than Rs. 1,000,000/-, Group A is the Prime Signatory.

As an additional control, each financial instrument



operating organizational accounts is acknowledged. Having said that, for purposes of financial transparency and in interest of appropriate financial control, the following improvements are suggested;

- The organization is advised to incorporate brackets of signing authority within its signatory system. For the purpose it is proposed that Group A should comprise only of Board members while Group B should include members from among the organization's senior management. While cheques for less amount (for instance Rs. 20,000 and below) may be jointly signed by any two members from the above two groups, for cheques above this amount signature of one member from Group A should be made mandatory.

This system once devised must be placed before the Board for their review and consideration. Board's formal approval of the same must then be placed on record for future reference. *(If the proposed system is not found viable; AWAZCDS may develop signing brackets in accordance with its own feasibility. However the devised signatory system should be in line with the proposed guidelines).*

- No member whether from among the Board or Management should be designated as signatory in both groups.
- It must be ensured that members in a signatory pool are not related to each other either by blood or marriage.

above Rs. 1,000,000/- should bear three signatures from both groups. The signature of the CEO is a must in all transactions.

Status : Action taken

Observation:

It is appreciated that the internal auditor is visiting different field offices on a periodic basis to conduct audits and prepare reports. Furthermore, these reports are duly being submitted to the Board.

- Since April 2008 AWAZCDS has been conducting internal audit of its accounts. Earlier this was being carried out by the same firm which had been conducting the organization's external audit however, now the Foundation has appointed a qualified person for the job. To make this exercise fruitful adoption of the following measures is suggested;

- The internal auditor should visit each field office on a periodic basis, conduct audit and prepare a report. This report should give recommendations pertaining to different financial aspects in an attempt to ensure that international accounting standards are properly followed. These recommendations may be prioritized as high, medium and low.
- An integral part of the internal audit system is that, for purposes of financial transparency an internal auditor works directly under the governing body and does not report to the organization's management. In due compliance with this AWAZCDS may consider appointing the Board's Treasurer as head of the Internal Audit Department on voluntary basis. All internal audit reports should be submitted directly to him and through him to the BoD.
- Once reviewed by the Board members a copy of this report should be submitted to the head office. Internal audit is primarily a management tool and the organization is not



required by law to share its internal audit reports with external auditors; however it is advised that the Foundation should consider sharing such reports with its external auditors.

Status: Action taken

Observation:

As per the concerned recommendation, organizational budgets are duly being prepared and shared with the Board.

Further, variance reports are also being generated and are being provided to the Board members.

Status: Action taken

Observation:

It is appreciated that the Foundation has a formal Investment Policy and it is recommended that this policy be followed in letter and spirit.

Status: Action taken

- For obtaining a picture of the organization's sources of income; the appropriate allocation of funds for its undertaken activities and getting an idea about its financial growth, AWAZCDS follows the practice of preparing annual organizational budget. The same is also presented before the BoD for their review and approval. While the organization's adherence to best practices for the judicious management of its funds is appreciated, following measures are advised for the improvement of the existing system.
 - As a standard practice the organization should carry out a mid term evaluation of the budget. At that time a thorough review should be conducted to see the possibility of any re-allocations under different heads. All major re-allocations along with reasons for the same should be presented before the BoD for approval.
 - At the end of financial year a detailed variance report should be prepared containing therein the differences between actual and budgeted expenses as well as justifications for the same. To facilitate BoD members at the time of finalizing budget for a financial year, variance report and annual audited accounts of the previous financial year should also be circulated among members.
- At present AWAZCDS does not have any investments however, the BoD is cognizant of the fact that for the judicious, effective and most importantly transparent management of organizational funds, if and when the need so arises, some guidelines need to be laid down. For the purpose instructions to the management pertaining to the hiring of an experienced firm for devising an investment policy have also been given. With reference to the same the Foundation is advised to keep the following things in consideration;
 - The organization's defined strategy should aim at protecting and optimizing the value of large cash balances that accumulate during the year. The proposed line of action while staying within the regulations set by the Federal of Revenue (FBR)¹⁵ should ascertain the maximum possible yield while protecting the actual portfolio from loss.
 - The Foundation should ensure that, investment of organizational funds and encashment of invested funds, both should take place with the complete knowledge and approval of the Board members. Moreover, formal record of this approval should be maintained for future reference as

¹⁵ Ref. Rule 213 (1(i)) and Rule 220 A (3(e (vii))) of Income Tax Rules 2002.



well as record.

- Over the years, AWAZCDS has maintained its status as a donor-funded organization. While Foundation's complete reliance on external funding cannot be looked upon favourably. However, at the same time it should be noted that the organization's major donors (Oxfam NOVIB, Plan International, and Heinrich Boll Foundation) have been providing funding to the organization for the last many years. This relationship does not indicate any sign of coming to a close any time in the foreseeable future rather, the amount of financial assistance provided by its principal donors shows an increase from one year to the next.

In the existing situation AWAZCDS does not appear to be facing any imminent threats to its operational sustainability. However, at the same time organization is advised that in interest of ensuring long term sustainability a strategy aimed at diversifying organization's resource base and reducing its exclusive reliance on external donors, be chalked out at the earliest. During evaluation the Board members interacted with also appeared to be cognizant of the same and shared some plans aimed at creating organization's own resources for generating income for instance, establishing a training institute for provision of training to staff of other nonprofit organizations at a certain fee.

The organization is strongly encouraged to work towards the materialization of the planned ventures. Besides this it is also advised to consider the following options for increasing its source of income generation;

- Establishment of an Endowment Fund.
- Diversification of donor base by contacting the Country's Corporate Sector and National Donor Organisations like Trust for Voluntary Organisations, Infaq Foundation, etc.
- Placing a price tag on its publications and information material.

Observation:

It is appreciated that the Organization has multiple sources of funding.

The Board Members appreciate the importance of sustainability, diversification of donor base and an Endowment fund and are looking into various options for it.

Status: Action taken

Additional Recommendation

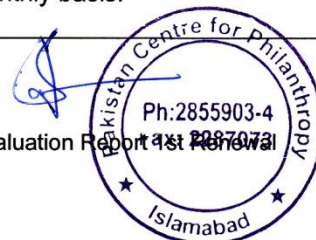
- No policy document prohibits signing of cheques by a nominated signatory payable to him or her. It is advised that organizational policy documents should clearly mention that cheques made payable to a nominated signatory shall not be signed by him or her. This will add transparency to the existing accounting systems in the organization.

9 Programme Delivery

- At the organization high level of reliance of the Monitoring Department on the information provided by the Field Offices was noted. Monitoring can only be most effective if it is conducted objectively and is independent of all influences In view of this the staff at AWAZCDS's monitoring department is

Observation:

As per recommendation, the organization has taken steps to ensure comprehensive and systematic monitoring on a monthly basis.



encouraged to (a) undertake visits to field offices on a regular basis and (b) to develop a checklist for assessing the functioning, output level and adherence to organization's operational policies of each field office. The observation recorded against the defined criterion should form an integral part of the consolidated monitoring report prepared by the Head Office on a monthly basis.

Regular visits are being made to field offices and programme areas and consolidated monitoring reports are being prepared.

AWAZCDS has recently initiated its new Quality Assurance Unit (QAU), which includes a Program Manager, Internal Auditor and Manager HR & Operations and the unit is lead by Chief Executive. They conduct regular visits in the field and check the quality of the programs in the field. They submit the reports to the Chief Executive, who further look in to the matter and then reports are further shared with the relevant Program Manager and the teams. After that regular follow-up of the programmatic activities are taken by QAU.

Status: Action taken

Observation :

It is appreciated that AWAZCDS has a formal system for monitoring its programmes and a separate M&E department.

It is also appreciated that SMART and comprehensive indicators are being used to monitor the interventions.

The Foundation is also making sure that meetings are being held on a monthly and quarterly basis where targets are being set, monitored and input from team members is taken.

The Board members and senior management of the Foundation are involved in the programme areas and it is very encouraging that visits are taking place on a regular basis. It is recommended that more

- AWAZCDS has devised a system for monitoring its programmatic interventions. However, in interest of further improving the Foundation's quality of service delivery adoption of the following measures is advised;

- The Foundation should consider devising SMART¹⁶ and comprehensive progress indicators for each of its programmes¹⁷. These indicators besides providing a criterion against which the success of each intervention can be judged, also give baseline information on areas where more funds may need to be allocated or more efforts to be concentrated and can even serve as input for launching of future initiatives.

A brief report based on the data obtained against all the progress indicators devised for all its interventions should be placed before the BoD on a bi-annual basis. This data

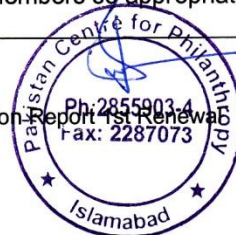
¹⁶ Specific, Measurable, Achievable, Relevant and Time Bound

¹⁷ For instance, the following indicators can be used as a sample;

- ✓ No. of male/female VDCs established in a year
- ✓ %age of male/female VDCs that became inactive in a year
- ✓ No. of trainings of VDC members held in a year
- ✓ %age of male/female VDCs undertaking seminars events/activities in a year
- ✓ %age of male/female VDCs that were transformed into CCBs in a year
- ✓ Amount of funding secured by these CCBs in a year
- ✓ Number of events/campaigns arranged by each Public Awareness and Right Committee (PARC) in a year
- ✓ Number of participants attending each event in a year
- ✓ Number of publications prepared by the organization in a year
- ✓ Number of Student Development Clubs established in a year
- ✓ No. of students enrolled in home based schools in a year
- ✓ Attendance level of students in home based schools
- ✓ %age of students achieving A and A+ grade in Math, English and Science
- ✓ %age of students promoted to next class
- ✓ Drop out rate in schools.



<p>will help to provide members with a year wise portfolio of the nature and scope of AWAZCDS's activities thereby, facilitating them in conducting comparative evaluation of the performance of an intervention from one year to the next or comparing the performance of one intervention with the other. The Foundation may also consider placing the data obtained against these indicators in its Annual Reports.</p> <ul style="list-style-type: none"> ➤ The Board and/or Senior Management may also consider specifying certain targets for the programmes on a yearly basis. Progress against these targets may be examined on a quarterly or bi-annual basis. ➤ Foundation's Board members should develop the practice of visiting its field offices on a regular basis. This is particularly encouraged as this will provide them an opportunity to get first hand knowledge of the activities undertaken; assess the quality of service and weigh its contribution towards the achievement of organization's mission and vision; enable them to closely monitor and personally check the quality of services delivered; create an occasion where they can interact with the staff and receive feedback from the beneficiaries and will indirectly provide the concerned hospital's workforce with an impetus for working more effectively. 	<p>board members visit the programme areas.</p> <p>Status: Action taken</p>
<ul style="list-style-type: none"> • Although organization claimed that it shared the external evaluation report with board members however the evidence of presenting the findings reported in organization's external evaluation reports to its Board members could not be found. As knowledge of the same can facilitate the members in chartering a future strategic path for the organization and identifying options for its long-term growth and expansion, sharing of the same with the governing body members is imperative and must be ensured in the future. 	<p>Observation :</p> <p>It is appreciated that project/programme evaluation is taking place and the Foundation is developing strategic plans, the latest one is from 2008 to 2017.</p> <p>It is recommended that an overall organizational evaluation be commissioned and the report be presented to the Board members.</p> <p>Status: Action taken</p>
<ul style="list-style-type: none"> • To provide the local community members an opportunity of providing feedback about the quality of service delivery, the organization has placed feed back boxes at its field offices. The keys of these boxes were reported to be in the custody of the senior management however, evidence of opening these boxes and analyzing the feedback therein (if any) could not be found. <p>While this action on the part of the organization is greatly appreciated, for bringing further improvement in the same the following measures are proposed;</p> <ul style="list-style-type: none"> ➤ The keys of feedback boxes should remain in the custody of the staff at Monitoring Department and should be opened during their visit to the concerned office. ➤ Once or twice during a year a member of the Monitoring Department from the Head Office should be assigned for carrying out a surprise beneficiary feed back survey for assessing the quality of services being offered. For the purpose detailed survey forms may be developed and these 	<p>Observation :</p> <p>In order to properly monitor and provide an opportunity for feedback from the community, in addition to feedback boxes, the organization has placed banners in all its field offices/programme areas specifying a number which can be called in order to give feedback/make complaints.</p> <p>This number is present with a member of the Quality Assurance depart and Follow-Up Unit and is operational from 9 am – 5 pm. A proper mechanism is followed to log each feedback/complaint and proper measures are taken in response.</p> <p>It is recommended that more awareness should be instilled in the target communities regarding the feedback number in order to get more comprehensive feedback. All the findings need to be shared with the Board members so appropriate action can be taken.</p>



should concentrate on exploring the level of community satisfaction with the type of services offered.

- All feedback received must be properly documented and thoroughly analyzed. As feedback can serve as one of the best measures for, judging the effectiveness of organization's interventions; bringing improvement in the quality of service delivery and streamlining an organization's future course of action, the findings obtained must as a rule be shared with the Board members so that appropriate action can be taken.

Status: Action taken

- In 2005 AWAZCDS published a report titled, *Saga of Endeavours* which documented the organization's progress over the last 4 years. Following this another annual report was published in 2006 and then in 2007. These reports were found to contain organizational achievements in the specified period, feed back from the community, plans for the future and scanned copies of audit report. For dissemination to a wider audience the organization has made both these reports accessible through its website.

For the purpose the Foundation need not concentrate on the overall presentation of the report and allocate a large amount of funds for its publishing and printing. Rather the emphasis should be on the quality of content contained therein. In this respect care must be taken to ensure that the annual report prepared should contain an overview of the organization's structure and functions; provide details of the activities undertaken during the year; bring to light any noteworthy achievements; clearly outline plans for the future; ensure financial transparency by providing details of organization's annual finances; report the positive findings of any evaluation (internal or external) that might have been carried out and highlight any significant success stories and/or the feed back received from its beneficiaries.

The organization should also consider using these reports as well as other publication material for providing update to its major organizational donors from within the country as well as abroad.

Observation :

It is appreciated that annual reports are being published annually by AWAZCDS. In addition, the website is comprehensive and also has reports of project evaluations, annual reviews & plans as well as annual progress reports.

Status: Action taken

Additional Recommendation

- It is appreciated that senior management of AWAZCDS is regularly visiting programme areas. It is recommended that the GB members also be involved in organizational matters and visit the programme areas on regular basis. In this way, the board always gets first hand information about all the activities of the organization.
- An organization's website plays a critical role in disseminating information about the organization and the nature of its programme to the general public. It also facilitates in making a wide scale appeal for fund raising for undertaken activities. In line with the same AWAZCDS has not only developed its own website but also ensures that it is kept updated. While the website is updated as and when required, it lacks basic information about the organization.

Therefore, it is recommended that AWAZCDS's website should provide all the information regarding its programme, its finances and its future plans. On the same lines all the important information

AWAZCDS - Pakistan- Evaluation Report 1st Renewal



regarding finances and organizational activities should be available at the website and should be updated regularly.



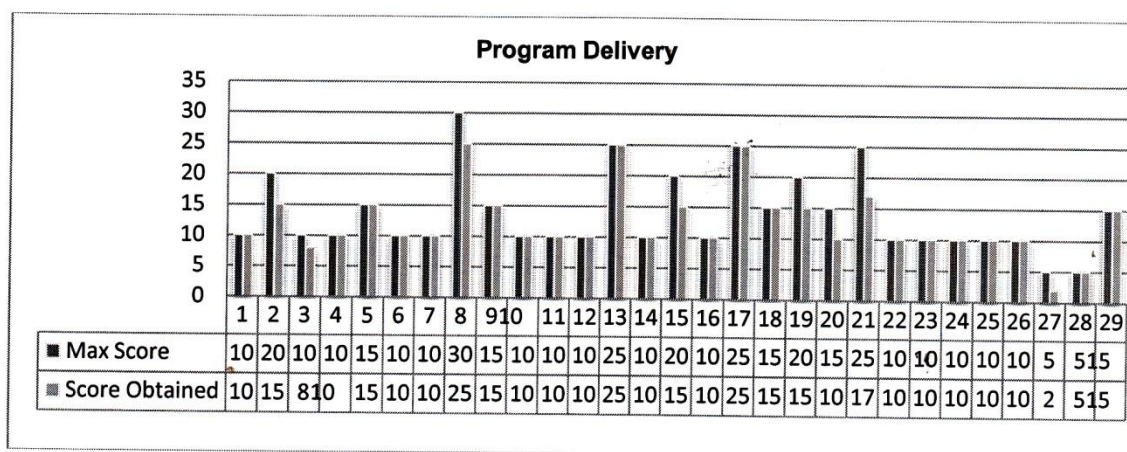
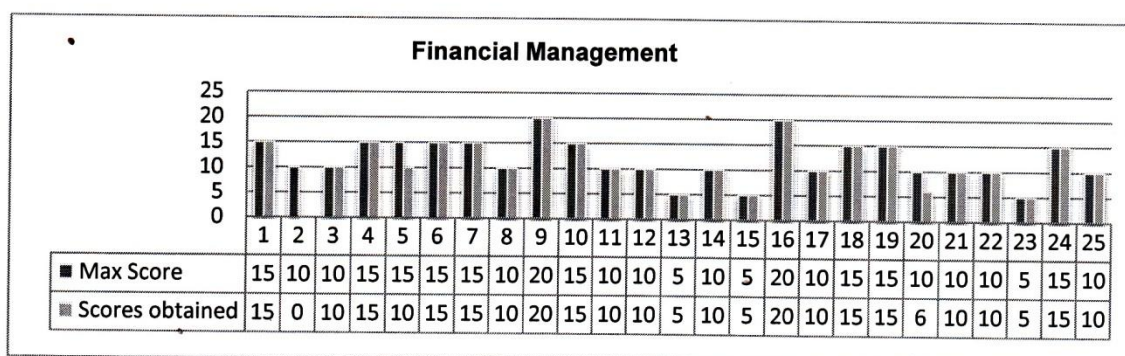
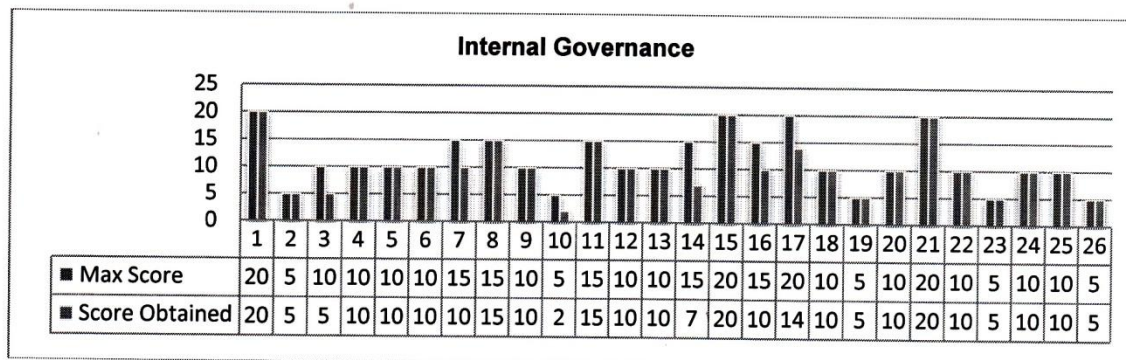
Board of Directors

1. Ms. Robina Feroze Bhatti
Chairman
2. Mr. Maqbool A. Babri
Vice-Chairman
3. Dr. Muhammad Mumtaz Khan
Treasurer
4. Ms. Sayyada Mujeeba Batool
Member
5. Dr. Sajid Mahmood Awan
Member
6. Dr. Alwin Vincent Murad
Member
7. Mr. Khalid Saeed
Member
8. Mr. Mohammad Zia-ur-Rehman
Secretary

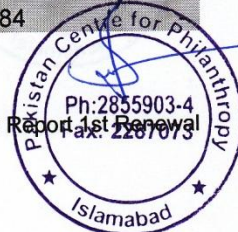
Brief Profile

Ms. Robina Feroze Bhatti has a Masters in Development Studies, KDSC- Dublin Ireland (2008) and Masters in Chemistry, Baha-ud-Din Zakriya University, Multan Pakistan (1993). She worked as a lecturer in Chemistry in Government Girls College, Sargodha. Later, she founded Tangh Waseb Organization in 1998 and since then she is recognized as women and minority rights activist at national and international level.



Certification Score Sheet (AWAZCDS)

AWAZCDS-Pakistan Financial Highlights For the year 2011, 2010 & 2009				
Description	2011	2010	2009	
Income				
Grants	-	-	-	
CWW-ECHO	48,328,556	-	-	
WFP	39,687,954	-	-	
OCHA	19,909,942	-	-	
Oxfam Novib - ICDEP	15,560,037	16,771,612	11,701,383	
CWW - WASH	11,994,303	-	-	
CARE - CBHA	7,501,048	-	-	
IRD	7,390,622	-	-	
CARE-CIIP	7,320,216	-	-	
PPAF CPI	7,033,796	4,822,551	-	
CARE-CFW	6,384,235	-	-	
PPAF SMP	6,133,413	6,979,550	-	
UNDP CRP	5,093,070	-	-	
RutgerWPF-SRHR	2,683,065	-	-	
Response - ERF/RAPID	2,553,302	-	-	
CWW-DFID	1,966,537	-	-	
CARE- DRP Health	1,798,163	-	-	
Concern WW-SLPS	1,604,776	1,111,432	-	
GCAP (UNMC, CIVICUS & Oxfam Novib)	1,536,416	2,243,966	1,549,343	
CWW-DRP	1,484,250	-	-	
FAO	1,413,759	-	-	
CARE-Scale Up	869,931	-	-	
Asia Foundation-STAEP	711,503	-	-	
RutgerWPF-LSBE	146,964	-	-	
World Population Foundation-LSBE	-	415,702	990,530	
British Council	-	305,303	762,228	
EU, WPF-SRHR	-	2,248,624	-	
PPAF Exposure	-	10,750,000	149,354	
Misc grants	-	40,000	-	
SAP PK	-	-	250,000	
Henrich Boll Foundation	-	-	326,000	
Oxfam GB	-	-	898	
Other Income	-	-	-	
Staff Benefit Reserve Fund	4,033,769	4,093,372	165,471	
Bank Profit	754,667	1,236,716	413,048	
Vehicle Reserve Fund	62,000	27,140	194,356	
Transferred from Capital Grants	2,378	3,299	4,365	
Gain on disposal of fixed assets	-	125,818	-	
Membership fee	-	3,960	3,960	
Technical Assistance Interest Income - TARF	-	114,540	124,639	
Others	2,654,765	4,384	-	



Total	206,613,437	51,297,969	16,635,575
Expenditures			
Program Cost	109,015,898	24,942,942	-
Staff Salaries	41,800,406	14,716,366	7,171,313
Administrative Cost	332,590	2,047,393	778,576
Office Rent	1,569,295	-	706,400
Warehouse Rent	408,980	-	-
Utilities	441,591	358,608	303,537
Office supplies	1,248,605	-	-
Communication	789,742	420,225	326,784
Postage	121,019	-	-
Repair & Maintenance	427,156	-	-
Stationary & photocopies	1,134,433	-	-
Networking & Linkages	-	306,873	1,147,765
Bank Charges	366,266	213,921	71,110
Professional Fee	170,000	-	-
Audit Fee	200,000	219,990	150,000
Depreciation	1,220,602	742,935	454,670
Travelling & transportation	39,219,452	2,452,425	1,055,245
Vehicle Repair & Maintenance	-	-	475,523
Staff Medical Allowance & EOBI-SBRF	-	-	754,892
Technical Assistance-TARF	-	-	109,600
Training and workshops	-	-	352,827
Establishment of VDC offices	-	-	455,905
BOD & Staff meetings	-	-	624,188
Forums & Seminars	-	-	371,052
Printing & Publishing	-	-	634,825
SUTA Rallies by PARCs	-	-	666,560
Advocacy Events	-	-	1,168,417
Volunteer expenses	-	-	145,011
Legal research & professional consultancy charges	-	-	760,500
Bad debts	-	-	168,556
Total	198,466,035	46,421,678	18,853,256
Surplus/deficit for the year	8,147,402	4,876,291	(2,217,681)
Balance brought forward	1,217,867	(3,658,424)	(1,440,743)
Balance Carried forward	9,365,269	1,217,867	(3,658,424)

Auditors

M. Yousuf Adil Saleem & Co (Deloitte)
Chartered Accountants
134-A, Abu Bakar Block, New Garden Town, Lahore
Tel: +92 42 35913595-7



Financial Critique: Conducted by the Finance Section of PCP

After review of the audited financial statements for the three years (Jul 2008 to Jun 2011) and considering the size of the organization, following are the major findings:

- 1) Organization is maintaining two types of funds namely i) General Fund; ii) Reserve Fund. The reserve fund further comprises of a) Vehicle reserve fund; b) Staff benefits reserve fund & c) Technical assistance revolving fund.

As per the stated policy (note 5), "the reserve funds are for specific purposes and funds are routed through the General fund". This means that any increase or decrease in the reserve funds should be routed through general fund. However treatment in audited accounts is not in-line with the policy.

- 2) There are no details of the Program Cost, which is around 55% of the total expenditure (2011: Rs.109m; 2010: Rs. 25m). The organization only reflects a lump sum amount for the Program Cost. In order to give more clarity to the readers of audited accounts, it is suggested to add additional notes to the accounts providing the details of Program Cost.



Pakistan Centre
for Philanthropy

H. 1-A, St. 14, F-8/3
Islamabad - Pakistan

Tel: +92 51 - 2855903-4, 2855078-9

Fax: +92 51 - 2855069

mail@pcp.org.pk www.pcp.org.pk

