|  |
| --- |
| STAR Project |
| Due Diligence Questionnaire |
|  |

|  |
| --- |
| March 2015 |
| This questionnaire contains xx pages |
|  |
|  |

Contents

1 Introduction 1

2 Organization, Structure and Personnel 2

3 Information Technology 3

4 Communication 5

5 Archiving practices 6

6 Asset Management practices 6

7 Investment Projects 6

8 Legal Matters 7

9 Financial information 8

# Introduction

The following documents and information are requested from each LGU for the purposes of performance of operational and financial due diligence.

The information requested should preferably be made available in soft copy, where possible.

Additional information requests may appear in the process of review and analysis of documentation received. With respect to this, the due diligence teams may request the LGU for additional information and documentation not included in the current list.

The information requested for the purpose of the due diligence refers to the year ended 31 December 2014, unless specified otherwise.

# Organization, Structure and Personnel

|  |  |  |  |
| --- | --- | --- | --- |
| **No.** | **Information/documentation required** | **Yes/No and Date**  | **Notes** |
|  | Approved internal regulation on the organization of the activities of the LGU administration, administrative structures and respective responsibilities for the current year  |  |  |
|  | Decision of the LGU Council on ‘Approval of the organic structure, number of employees and salaries of the LGU administration”, for the current year |  |  |
|  | LGU’s personnel listing for the current year  |  |  |
|  | Full information on personnel on the following:* *full name*
* *job position*
* *administrative structure where each employee is assigned*
* *starting date of work in the LGU*
* *type of relationship (i.e. fixed or indefinite term employment contract or civil servant status)*
* *education*
* *identify whether the employee falls under the protected category or not*
 |  |  |

# Information Technology

| **No.** | **Information/documentation required** | **Yes/No and Date**  | **Notes** |
| --- | --- | --- | --- |
|  | Complete the IT inventory tables enclosed to this questionnaire.* IT Inventory
* Software inventory
* Hardware devices inventory
 |  |  |
|  | Current IT strategic plan and/or short and long term IT operating plans.  |  |  |
|  | Copies of job descriptions and/or performance reviews for key IT personnel. |  |  |
|  | Details of any existing employment and/or consulting contracts. |  |  |
|  | IT organization chart, including management team and staff, including headcount by function and specify any part-time or contractor positions.  |  |  |
|  | Staffing levels, budgeted and actual, for previous year and current year to date |  |  |
|  | Specify use of any consultants, contract programmers, or professional services firms in support of the IT function, including nature of work, annualized or project based fees billed for previous year and current year (projected). |  |  |
|  | Key projects in progress and how they relate to the LGU strategy and plans for growth, including: Description, key benefits to be realized, capital budget, total budget, time and cost incurred to date, anticipated time and cost to complete |  |  |
|  | Current application architecture depicting inbound/outbound interfaces among key applications. |  |  |
|  | Technical architecture diagram including servers, storage devices, operating systems and databases |  |  |
|  | Network topology diagram (may be included in Technical Architecture diagram) illustrating: Wide area network, Local area networks, Internet connections, Virtual private networks and any other point-to-point segments, Firewalls, Routers, Switches |  |  |
|  | Hardware inventory, including item description, vendor, model, age, primary function |  |  |
|  | Description of server rooms and/or data centers (insourced or outsourced), including locations, security, backup power and environmental equipment and controls in place, and available capacity (e.g., square footage, racks). |  |  |
|  | Current disaster recovery plan and most recent test results. Include details on procedures for data backup and recovery, use of testing scenarios.  |  |  |
|  | List and short description of the current Applications used in the LGU. Location of the main databases for the respective applications and location of the support/helpdesk team |  |  |
|  | Key enterprise systems description such as ERP, data warehouse, BI etc., including: Vendor and version, date implemented, number of users, number of licenses acquired, consumed and available (by enterprise application), number of instances, operating system, database and hardware platform |  |  |
| General IT Controls applicable items |
|  | Information Security Policy |  |  |
|  | Current version of procedures for control over the set up/change of user access rights (on application, database, network level) and encryption keys |  |  |
|  | List (employee names) of the individuals who joined and have left the LGU and those who changed job function during financial year. |  |  |
|  | Current screenshot with password configuration on application, database and network level |  |  |
|  | Copies of any recent (within last 12 months) security, controls or compliance reviews conducted by internal or external parties.  |  |  |
|  | Current documented change control procedures and emergency changes procedures |  |  |
|  | List of change requests for the financial year by ID number and access to the documentation on requested, developed and implemented changes during the year |  |  |
|  | Current version of documented system development methodologies and standards. Provide documented testing procedures and policies.  |  |  |
|  | Current version of documented procedures for incident and problem management |  |  |
|  | Current version of documented backup and recovery procedures |  |  |
|  | Details on projected IT expenditures for the next 12 months, including: item or project, and description of capitalized expenditure (e.g., capitalized labor, software licenses, hardware, and equipment). |  |  |
|  | Schedule of existing software license agreements, software and hardware maintenance contracts, and service contracts (e.g., telecom, outsourcing providers). Copies of agreements/contracts may be provided in lieu of a schedule, but the following information is required: Vendor, contract authorization and expiration dates: Term of contract, contract provisions for early termination and change of control, license fees, annual maintenance, service fees.  |  |  |
|  | Details on any software compliance audits performed within the last 12 months.  |  |  |

# Communication

| **No.** | **Information/documentation required** | **Yes/No and Date**  | **Notes** |
| --- | --- | --- | --- |
|  | Complete the communication inventory tables enclosed to this questionnaire.* Communication systems
* Internet/telephony communication inventory
 |  |  |
|  | A description of the electronic means of communication, such as electronic mail, including any procedures related to its use. |  |  |

# Archiving practices

|  |  |  |  |
| --- | --- | --- | --- |
| **No.** | **Information/documentation required** | **Yes/No and Date**  | **Notes** |
|  | Provide rules and procedures on archiving practices in the LGU, in terms of organization, physical premises, procedures for keeping, preserving, processing of physical and electronic documents/information, through  |  |  |
|  | Complete the “Technical Requirements checklist” for archiving, enclosed to this questionnaire. |  |  |
|  | Indicate your practice of transfer of documents to regional state archives. |  |  |

# Asset Management practices

|  |  |  |  |
| --- | --- | --- | --- |
| **No.** | **Information/documentation required** | **Yes/No and Date**  | **Notes** |
|  | Complete the Asset Management Requirements Checklist” enclosed to this questionnaire.  |  |  |
|  | Provide a copy of internal policies, registers maintained by the LGU in relation to asset management |  |  |

# Investment Projects

|  |  |  |  |
| --- | --- | --- | --- |
| **No.** | **Information/documentation required** | **Yes/No and Date**  | **Notes** |
|  | List of investments projects which have been already funded which are either expecting to start implementation or that are being implemented. The information should include:• Project title• Current status of project implementation• Actual costs incurred to date• Approved total estimated funding required for the investment |  |  |

# Legal Matters

|  |  |  |  |
| --- | --- | --- | --- |
| **No.** | **Information/documentation required** | **Yes/No and Date**  | **Notes** |
|  | Provide all ongoing contracts concluded between LGU and third parties on provision of public services (examples: water and sewage, waste management, cleaning, snow removal and common area maintenance, etc.)  |  |  |
|  | Provide all ongoing contracts concluded between the LGU and third parties, such as: lease, purchase, supply etc. |  |  |
|  | Listing of all ongoing court cases where LGU is involved, including:* Court cases for which a final judgment is issued and enforcement procedures, either voluntarily or compulsory through bailiff, by or against the LGU has already initiated
* Court cases for which a final judgment is issued and it is expected enforcement procedures, either voluntarily or compulsory through bailiff, by or against the LGU to be initiated

The information to specify the following:* *Type of the case*
* *Description of the legal issue*
* *Capacity of the LGU*
* *Contestant party*
* *Amount of claim*
* *Current status of the case*
* *Amount to be paid/received by the LGU*
 |  |  |

# Financial information

| **No.** | **Information/documentation required** | **Yes/No and Date**  | **Notes** |
| --- | --- | --- | --- |
|  | Stand-alone and consolidated Financial Statements as of 31 December 2014, in the event the LGU has subsidiaries, such as water & sewage or cleaning.  |  |  |
|  | Detailed Chart of accounts, copies of the trial balances and general ledgers for the year ended 31 December 2014  |  |  |
|  | Copies of all accounting policies and procedures, internal regulations, manuals and guidelines that detail policies and procedures for the daily activities of the LGU. Copies of all internal control systems manuals and reporting systems manuals |  |  |
|  | Any internal or external audit reports and/or recommendations for the current year and any communications with governing bodies.  |  |  |
|  | All decisions of LGU Council in relation to budget and local taxes. |  |  |
|  | Fixed assets register as at 31 December 2014 in the format provided as *Template N1 Fixed Assets.*Detailed list of inventory as at 31 December 2014 in the format provided as *Template N2 Inventory list.*Description of the policy for safekeeping of all assets.  |  |  |
|  | Inventory (stock) as of 31December 2014, including article name, quantity and purchase price.A listing of damaged, as well as expired goods. A list of goods purchased with funds from grants or donations.  |  |  |
|  | List of outstanding accounts receivable, including debtor name, category (e.g. sales of goods, tax, advances, etc.) and amount as of 31 December 2014, in the format Provided as *Templates N3 Receivables from employees, Prepayments and Penalties and Template N4 Different Debtors*. |  |  |
|  | Signed inheritance act for the year ended 31 December 2014 in the format Provided as *Template N5 Inheritance act.* |  |  |
|  | A description of the cash collection procedures, its deposit in the bank accounts and internal controls relating to the safekeeping of cash. |  |  |
|  | List of accounts payable to suppliers and other parties specifying supplier name, category (e.g. goods, services, etc.), purchase date, as well as aging of the accounts payable as of 31 December 2014, in the format Provided as *Template N6 Creditors.* |  |  |
|  | List of other liabilities, such as salaries, social security contributions, personal income tax, VAT, etc. as of 31 December 2014. |  |  |
|  | Reconciliations with the Treasury Department of the Ministry of Finance for the year 2014, in the formats provided as *Template N7 Expense Reconciliations and Template N8 Revenue Reconciliation.* |  |  |
|  | List of investments in subsidiaries in the format provided as *Template N9 Investments in Subsidiaries* |  |  |
|  | List of loans and borrowing as of 31 December 2014 in the format provided as *Template N10 Loans and borrowings.* |  |  |
|  | Grants received during 2014, in the formal provided as *Template 11 Donor Grants.*  |  |  |
|  | Annual budget for the years 2014 and 2015 for revenue from own sources, as well as central government conditional and unconditional grants. |  |  |
|  | Actual vs. budget reports for the year 2014, for all revenue and expense (capital and operational) accounts, including explanations for large variances from approved budgeted amounts. |  |  |
|  | Detailed list of LGU own source revenues from local taxes and other sources for the year 2014.  |  |  |
|  | A list of all LGU properties leased out/rented out to third parties, including details as follows:* *A description of the property*
* *The rent amount*
* *Renting party*
* *Length*
 |  |  |
|  | Any other invoices, contracts, central and local government decisions that may have an effect on the financial statements, as at 31 December 2014.  |  |  |