



Internal Control System



Organization's Intent

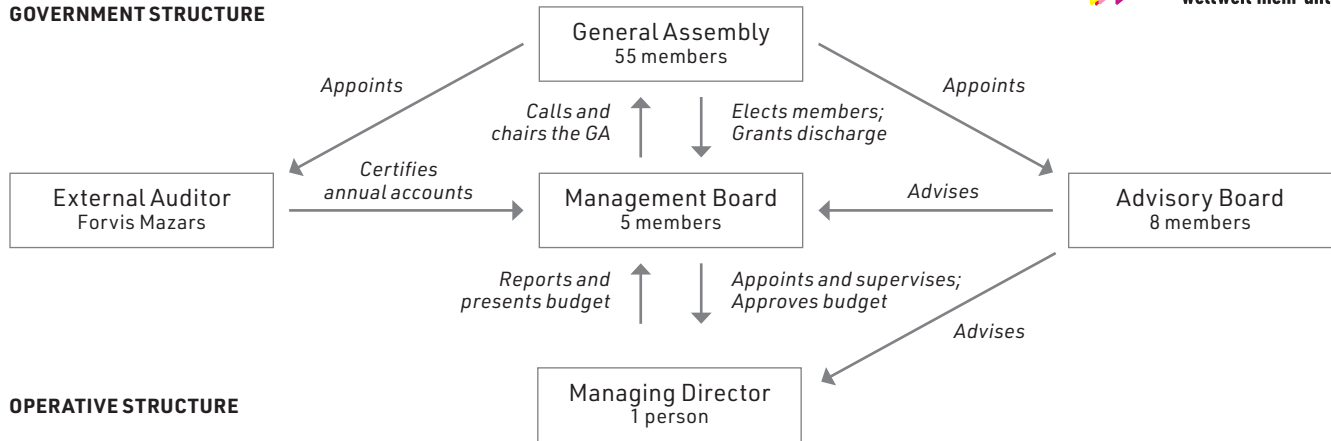
ICEP - *Verein für globale Entwicklung* is an Austrian non-profit development organisation accountable for its programs and finances to private donors and institutional partners, its members and contributors, as well as public and government regulators. To ensure transparency and accountability, ICEP has established a comprehensive system of policies and procedures designed to provide all stakeholders with clear decision-making processes and reasonable assurance regarding the prudent use of resources and accurate accounting.

The objective of ICEP's Internal Control System is to ensure that:

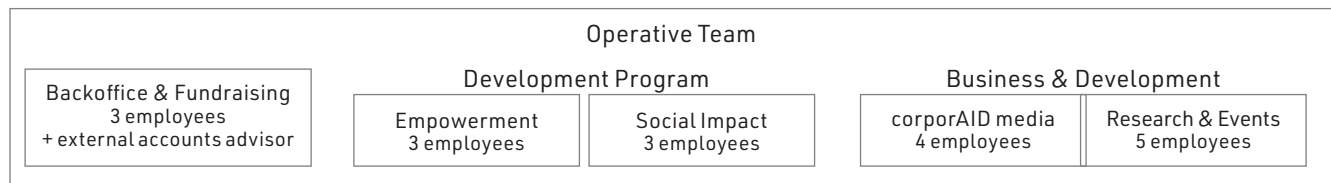
1. Resource use is consistent with laws, regulations, and policies.
2. Resources are safeguarded against waste, and misuse.
3. Reliable data is obtained, maintained, and disclosed in reports.

ICEP's Internal Control System pertains to its organizational decision making process and accounting control system. The following chart illustrates both and reflects ICEP's legal entity structure: an association with four statutory organs (the Government Structure) – the General Assembly, the Management Board, an Auditor, and an Advisory Board – as well as an Operative Structure set by a Managing Director and an Operative Team.

GOVERNMENT STRUCTURE

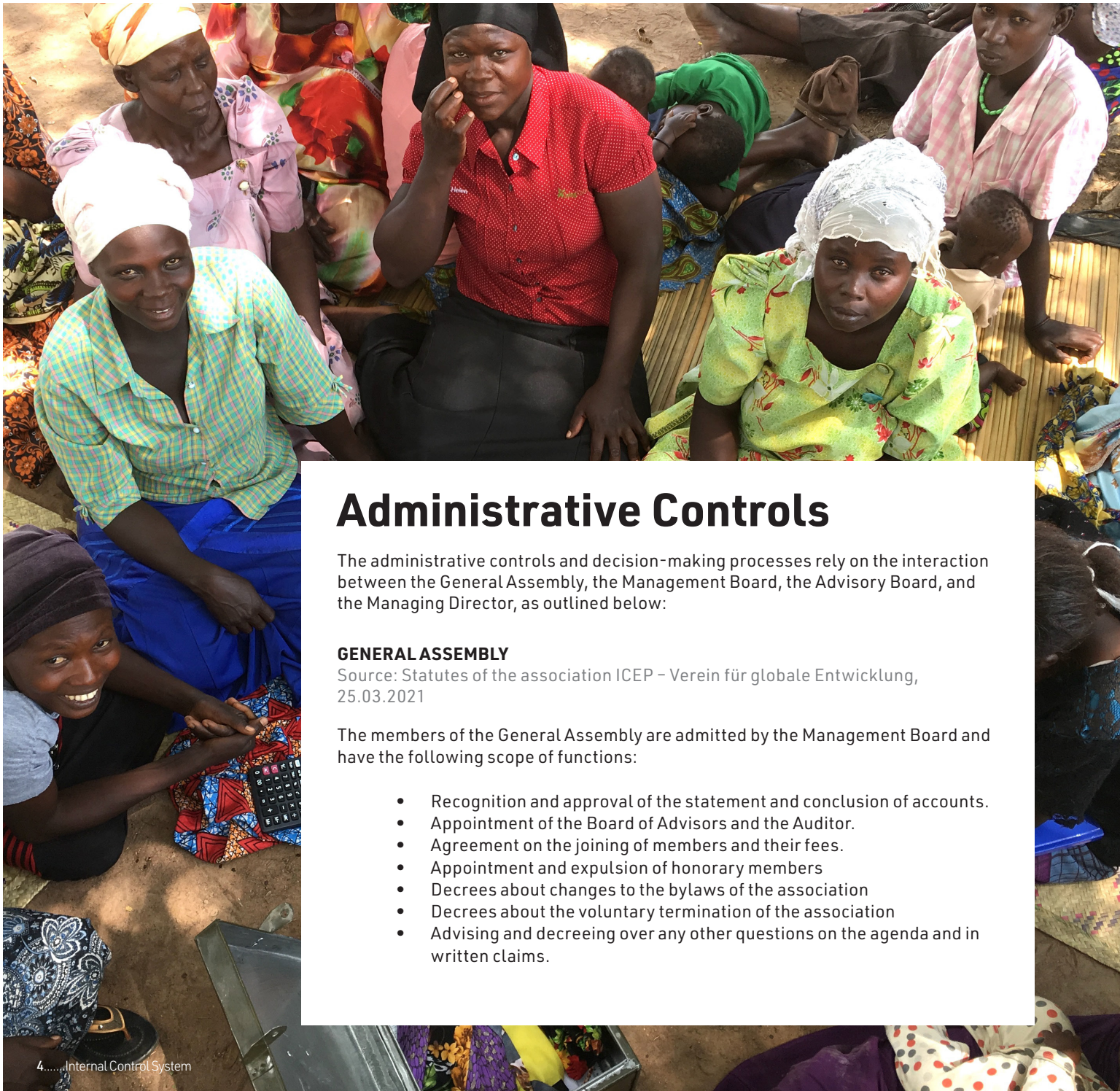


OPERATIVE STRUCTURE



2025





Administrative Controls

The administrative controls and decision-making processes rely on the interaction between the General Assembly, the Management Board, the Advisory Board, and the Managing Director, as outlined below:

GENERAL ASSEMBLY

Source: Statutes of the association ICEP - Verein für globale Entwicklung, 25.03.2021

The members of the General Assembly are admitted by the Management Board and have the following scope of functions:

- Recognition and approval of the statement and conclusion of accounts.
- Appointment of the Board of Advisors and the Auditor.
- Agreement on the joining of members and their fees.
- Appointment and expulsion of honorary members
- Decrees about changes to the bylaws of the association
- Decrees about the voluntary termination of the association
- Advising and decreeing over any other questions on the agenda and in written claims.

MANAGEMENT BOARD

Source: Statutes of the association ICEP – Verein für globale Entwicklung, 25.03.2021, as well as the ICEP's Internal Rules Procedures for the Management Board 10.09.2024.

The Management Board consists of five members (the president, the vice-president, the general secretary, the secretary and the treasurer) and is elected by the General Assembly.

The Management Board leads ICEP and oversees all activities not assigned to other bodies within the association. Its responsibilities include:

- Establishment of an estimated annual budget and composition of a statement and conclusion of accounts.
- Preparation and the calling of the ordinary and extraordinary General Assembly.
- Administration of ICEP's assets.
- Admission of full members of ICEP and the expulsion of full and supporting members of ICEP.
- Decreeing the terms and conditions for the Management Board and for possible Managing Directors, as well as appointment and dismissal of Managing Directors.
- Without relinquishing its directive and controlling rights, the Management Board can, after consultation of and in line with the rules of procedure, grant the Managing Director certain directive and representative rights.
- Appointment and dismissal of members of the Board of Advisors.
- Written dispatches and announcements, especially deeds that bind the association, are to be signed by two members of the Management Board or by one member of the Management Board together with the Managing Director appointed by the Management Board.



Management Board: Othmar Sailer, Andrea Jungmann, Thomas Plötzeneder (President), Martina Kutscha, Thomas Aringer

Each member of the Management Board has determined functions:

THE PRESIDENT is the highest functionary of ICEP and represents the association. The President chairs both the General Assembly and the Management Board. In emergencies, the President is authorized to take independent measures, assuming full responsibility, even if these actions fall within the purview of the General Assembly or Management Board. However, these actions must retroactively be approved by the respective organs of ICEP. The President represents the rights and concerns of the members. The President represents the rights and concerns of the members. The President represents the rights and concerns of the members.

THE VICE-PRESIDENT supports the President in executing official functions and serves as the deputy, representing the President in case of absence

THE GENERAL SECRETARY ensures adherence to the rules of procedure by the Management Board and the Managing Director, as well as compliance with resolutions made by the various organs of ICEP. In particular, the General Secretary monitors the activities of the Managing Director.

THE SECRETARY is responsible for maintaining and taking the minutes of General Assembly and Management Board meetings. The minutes must be signed by the Secretary and counter-signed by the General Secretary.

THE TREASURER is responsible for the orderly fiscal conduct of the association.

Members of the Management Board conduct their duties according to the criteria of fair and faithful legal representation. Breaching these rules and regulations constitutes a breach of duty towards the association.

The Management Board makes decisions by simple majority. In case of a tie, the President's vote is decisive. According to ICEP's Internal Rules for the Management Board, the following decisions require prior approval from the Management Board:

- Acquisition, alienation, and burden of properties and entitlement of properties, in whole or in part.
- Opening and altering of bank accounts and bank details belonging to the association, excluding the opening and closing of sub-accounts for project accounts.
- Acceptance of credit, granting of credit, and entering into a bill of exchange exceeding the respective credit lines.
- Issuance of bank guarantees and acquisition of bonds exceeding existing credit lines.
- Termination of contracts related to projects and programs within the association's constitution involving co-payments of more than 25,000 EUR.
- Termination of ongoing contracts with an annual total exceeding 3,000 EUR or articles of association, particularly those with foreign partners.
- Construction, reconstruction, and purchase of items for the facilities, as well as service contracts, provided the cost for each individual case does not exceed 10,000 EUR or the credit line.
- Termination, alteration, or completion of contracts between the association and a member of the association or Management Board, where the latter may act in their own name or on behalf of someone else.



ADVISORY BOARD

Source: Statutes of the association ICEP – Verein für globale Entwicklung, 25.03.2021

The Management Board on account of their particular experiences and the willingness to accord this to ICEP chooses the members of the Advisory Board. The Board of Advisors is invited to the General Assembly and may, by request of the Management Board, be called into consultation. Beyond their advisory role, the Advisory Board is expected to support the association in its public relations efforts.

THE MANAGING DIRECTOR

Source: Statutes of the association ICEP – Verein für globale Entwicklung, 25.03.2021, as well as ICEP's Rules of Internal Procedure for the Managing Director, 10.09.2024.

The decision-making and responsibilities of the Managing Director of ICEP are defined in ICEP's Rules of Internal Procedure for the Managing Director (Annex B). The Managing Director (MD) is expected to act in conformity with the following rules and regulations:

- The MD reports to the Management Board and bears the sole responsibility for the conduct of the association.
- The MD has a seat on the Management Board but no voting rights.
- The MD is authorized full power of attorney on behalf of all persons, public authorities and public institutions belonging to the organization and must ensure that the Association's interests are fully represented and its objectives pursued.
- Contracts that bind the association must be finalized in writing and countersigned by a member of the Management Board, unless otherwise decided. As far as the MD's rights to professional substitution are concerned, the MD can delegate authority to other ICEP staff under the Managing Director's supervision and control.
- The MD is authorized to handle all legal matters of the association, including the employment and dismissal of ICEP employees. The MD is responsible for establishing a reasonable operating structure and can entrust the direction of different departments to employees.
- The MD must promptly present a formulated statement of accounts, the final financial statement as well as a compilation of the annual estimate for the approval of the Management Board and is also responsible for the adequate and orderly implementation of the association's proposed annual budget.
- Any deviations in individual sectors of the annual budget exceeding 10% must be approved by the Management Board.
- Within the boundaries of the annual budget, the MD may independently make decisions regarding the composition and submission of all development projects as well as projects in the area of advocacy for political development education with public and private contractual partners.
- Project contracts requiring a co-payment of up to 25,000 EUR may be independently authorized by the MD. Contracts involving a co-payment of over 25,000 EUR must be submitted to the Management Board for approval.
- Building, reconstruction and purchase of items for the facilities must be approved by the Management Board if each individual case exceeds 10,000 EUR, the limits of the annual budget, or the credit line. The same applies to rent and all other leasing contracts with an annual total of over 3,000 EUR.
- The MD is authorized to draw funds within the credit line from the administration account.
- The MD, along with a member from the Management Board, or two members from the Management Board together, are authorized to withdraw funds from the projects accounts.
- The MD is expected to regularly update the Management Board about recent activities and must submit a written report once a year.



Bernhard Weber,
Managing Director



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Responsibility of internal monitoring lies with the MD. ICEP's quality management includes internal evaluation and monitoring to contribute to the planning and implementation of future work programmes and the organisation of project teams.

The MD and Management Board appoint external consultants to conduct annual qualitative performance analyses for specific work components. External evaluations serve as quality and fiscal control vis-à-vis contracting authorities and support individual and institutional learning. They are implemented annually as externally moderated workshops that serve to analyse the experiences and conceptualize possible strategies for the future.

Accounting Controls

Source: Statutes of the association ICEP – Verein für globale Entwicklung, 25.03.2021 as well as the Agreement between ICEP and Forvis Mazars.

ICEP has established and maintains a plan of organization, procedures, and records to ensure the safeguarding of assets and reliability of financial records controls. This provides reasonable assurance that:

- Transfers are executed in accordance with management's general or specific authorization.
- Transfers are recorded to permit preparation of financial statements in conformity with generally accepted accounting principles to maintain accountability for assets.
- The recorded accountability for assets is compared with the existing assets at reasonable intervals, and appropriate action is taken with respect to any discrepancies.

EXTERNAL ACCOUNTING

The General Assembly of ICEP appoints an Auditor (organ of the association), an independent auditing company, for a functioning period of three years or until a new auditor has been appointed. Re-election is possible. The Auditor is responsible for the monitoring of the fiscal conduct and for the conclusion of statement of accounts.

In the event of the Auditor's resignation, the Management Board must appoint another appropriate auditing company in their stead, subject to the retroactive permission of the next General Assembly. The resignation must be addressed to the Management Board. When requested to do so by the General Assembly, the Auditor must report back on the state of the accounts.

ICEP's fiscal conduct is verified by Forvis Mazars, an external audit, tax and advisory services firm, on the basis of a decision of the General Assembly of May 7th 2024. Forvis Mazars annually verifies the organizational accounts and is responsible for independent auditing. The audit recommendations are being followed up as follows: When the auditors make recommendations regarding legal accounting obligations, they are presented to the Management Board and are subject to implementation.

ICEP's investment conduct is certified by the "Spendegütesiegel" (Certificate for Prudent Donation Management), which is issued annually by the Austrian chamber of chartered public accountants and tax accountants (Kammer der Wirtschaftstreuhandler).

The project expenditures of ICEP's local partners can be verified by local auditors. These audit reports/certifications of expenses are presented to the respective donors and are available to Forvis Mazars upon request.

INTERNAL ACCOUNTING

The Managing Director elaborates and presents annual budget plans to the Management Board. All investments must be in line with these plans. ICEP does not make investments that are not directly required for the fulfillment of its mission. Any major investments (over 10.000 Euro) require authorization from the Management Board.

The accounting and administration department carries out annual internal accounting under the supervision of the Managing Director. An external accounts adviser advises regularly throughout the year with regards to prudent accounting practices.

Employees' Responsibilities

Source: ICEP Code of Conduct, ICEP Gender Policy, ICEP Environmental Policy, in the applicable version

GENERAL COMMITMENT OF THE EMPLOYEES

ICEP employees adhere to the ICEP Code of Conduct: the Code of Conduct is based on the following common values of the members, bodies and employees of ICEP. It is expected that project partners comply with or respect these rules of conduct:

- Independent, responsible, and professional work
- Recognition of the dignity of all people and non-discrimination based on gender, race, religion, culture, education, age, nationality and social background
- Incorruptibility/ethical fundraising
- Separation of private and professional areas
- Compliance with contracts
- Confidentiality
- Protection of the environment

GENERAL PROCEDURE RULES FOR EMPLOYEES WITH REGARDS TO FUNDS

ICEP's employees are directed to study each grant agreement and donor guidelines to determine what administrative controls are appropriate for public as well as private grants. If questions arise, they should be directed to their immediate supervisor or, if necessary, to ICEP's Managing Director. ICEP has established and maintains the following administrative controls that relate to grant accountability:

- Monitoring cash flow to ensure that recipients and sub-recipients draw funds regularly and avoid excessive balances or deficits of grant funds
- Monitoring sub-recipients to ensure that weaknesses and non-compliance are promptly corrected
- Ensuring that only allowable expenses are charged to grants
- Ensuring that all resources are used sparingly

SANCTIONS FOR NON-COMPLIANCE

ICEP employees are expected to determine and implement the appropriate internal control procedures relating to their areas. Should an ICEP employee deliberately and gravely breach internal control rules, the Managing Director is obliged to inform the Management Board and propose to the Management Board appropriate measures, ranging from a formal warning to dismissal.





ICEP is an independent Austrian development organisation with a business-oriented focus. ICEP works with partner organisations in Africa and Latin America as well as with Austrian companies and implements projects worldwide with the aim of getting more people actively involved in economic life. The corporAID platform is an initiative of ICEP.

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