

Environmental Protection Society (EPS)

3rd Renewal Report

March, 2018

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Vision and Mission of Environmental Protection Society

Vision

Clean and healthy environment where all people live with dignity and peace

Mission

To strive for inclusive development with community participation for deserving people with care and respect

EXECUTIVE SUMMARY

Environmental Protection Society (EPS) applied for PCP Certification on 16th March, 2017. After initial scrutiny of submitted documents, application became complete upon fulfilment of mandatory requirements on 15st August, 2017. Subsequently, desk review of submitted documents was conducted (For details of desk review, see Annexure - A).

After desk review of the submitted documents, the case was ready for field evaluation. For that purpose, PCP team visited Environmental Protection Society's head office located in Swat on 2nd November, 2017. Evaluation team visited Environmental Protection Society's programme area located in Kabal Swat on 5th November, 2017. During field evaluation, PCP team also interacted with EPS's beneficiaries, management and staff.

Environmental Protection Society's performance, in achieving its aims and objectives as stated in its governing document, was assessed against three broad sets of parameters in Internal Governance, Financial Management and Programme Delivery (For details regarding objectives of PCP Certification, see Annexure - B).

Assessment process entailed literature review of submitted documents, field evaluation, consultation meetings and formal & informal interviews with organisation's management, programme staff, and beneficiaries. On PCP certification standards, EPS scored 926 out of 1000 (For detail regarding scoring, see page 2).

Environmental Protection Society (EPS) is a non-governmental organization founded in 1991, and was registered in 1994 under the Societies Registration Act, 1860. It is a not-for profit and non-ethnic organization concerned with the physical, social and cultural environment of the region. (For Mission and Vision of EPS, see Page - 1).

EPS is headed by a nine member Council which acts as a supervisory body for the management. Management is headed by an ED, who is appointed by the Council. The ED is assisted and supported by Finance and Programme Teams (For EPS Organogram, see Annexure - D).

During field evaluation, it was observed that there exist certain gaps in organizational internal governance, financial management and programme delivery. In this regard, PCP recommends a set of recommendations to the organization. With regards to internal governance, the organization is recommended to increase female representation on its Council and make its workforce gender balanced and lay down organizational and financial policies.

With regards to the financial management, the organization is recommended to prohibit signing of cheques by nominated signatories made payable to him/her, adopt the practice of internal audit, disclose its expenditure publically and lay down procurement and disposal of assets policies.

With regards to programme delivery, the organization is recommended to develop SMART indicators to monitor the progress of its programmes and develop organizational website.

The case of EPS will be presented to the Certification Panel in its upcoming meeting. (For details of PCP Certification Panel, see Annexure - E).

PROFILE AT A GLANCE

Name:	Environmental Protection Society
Application Type	Renewal
Application for certification completed on:	April 9th , 2017
Evaluation Conducted on 1:	2 nd and 5 th November, 2017
Registration:	The Society was founded in 1991 and was registered in April 1994 at Saidu Sharif Swat under The Societies Registration Act, 1860 (Registration No.4717/5/2474)
Thematic Area of Work:	Health, Education, Disaster, Environment, Advocacy.
Geographic Area of Work:	Pakistan
Council:	9 Members (1 Female, 8 Male)
Chairperson:	Prof. Abdul Wahab Khan
Executive Director:	Mr. Akbar Zaib
Staff Strength:	124 (21 Female, 103 Male)
Size of the Organization:	Large 3 ²
Address:	Darbar, Saidu Sharif, District Swat, Khyber Pakhtkhwa
Website:	www.eps-swat.org

Certification Score Sheet (2018)

Evaluation Parameters	Total Scores	Minimum Score Required	Score Obtained	Score (%age)	Remarks
	(A)	(B)	(C)	(C/A %)	
Internal Governance	300	150	285	95.00%	Qualified
Financial Management	300	150	260	86.66%	Qualified
Programme Delivery	400	200	381	95.25%	Qualified
Total	1000	600	926	92.6%	Qualified

PCP Recommendation:**Recommended for Certification****Decision of the Certification Panel:**

¹Evaluation Team: Mr. Farhan Shamim (Programme Officer).

² If the annual average receipts of an NPO during the last three years are between 100 Million and above, it is classified as Large 3 sized organization.

STATUS OF TAX COMPLIANCE

1.	Purpose of Application	Certification		
2.	Type of Application	Renewal		
3.	National Tax Number/Registration no	-		
4.	Filing of Income Tax Returns	No		
5.	Payment Exceeding 10,000 through Cross Cheques	No		
6.	Filing of Withholding Tax Statements	No		
7.	Salaries within 50% Limit <i>(In accordance with Rule 213 (2) (e) of Income Tax Rules 2002)</i>	2016	2015	2014
		14%	17%	15%
8.	Admin & Management Expenses within 15% limit <i>(Under Section 100 C (1) (d) of Income Tax Ordinance 2001)</i>	3%	6%	4%
9.	Restriction of Surplus up to 25% limit <i>(In accordance with Rule 213 (1) (i) of Income Tax Rules 2002)</i>	8%	3%	1%

CERTIFICATION HISTORY OF ENVIRONMENTAL PROTECTION SOCIETY

EPS applied to Pakistan Centre of Philanthropy (PCP) for certification on 28 September 2004. Field evaluation was conducted in November - December 2004. 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. EPS was successful in achieving the requisite score in each individual category and obtained an aggregate of 70.90% against a minimum requirement of 60%.

EPS Certification Score Sheet (2004)					
Evaluation Parameters	Total Scores	Minimum Score Required	Score Obtained	Strength (%age)	Remarks
	(A)	(8)	(C)	(CIA %)	
Internal Governance	300	150	195	65.00%	Qualified
Financial Management	300	150	224	74.67%	Qualified
Programme Delivery	400	200	290	72.50%	Qualified
Total	1000	600	709	70.90%	Qualified

EPS's case was presented before the Certification Panel in their meeting held in January 2005. In view of the score obtained by the Organization, the Panel decided to grant certification to EPS. Consequently, PCP Certification Award was issued to the organisation up to 30th June 2006.

1st Renewal

EPS applied to the Centre on 26th June, 2006 for 1st renewal of certification. The documents submitted by the organization were examined and analyzed. Exclusive reliance was placed on desk review of documents furnished by EPS. Given that the organization had mainly continued (and expanded) its existing services on the existing pattern and under the already evaluated governance, management and monitoring systems, the need for conducting a field evaluation was not felt.

2nd Renewal

On the conclusion of the period of the Certification period, EPS applied for 2nd renewal in 6th April 2012. The field evaluation was conducted in June 2012. The documents which were submitted were examined and analyzed. During the field evaluation, the meetings with different personnel were conducted. The meetings with beneficiaries of services were also conducted in Lahore. Consequently, PCP Certification Award (PCP-R2/20 12/0014) was issued to the organization on October 1, 2012, effective up till October 1, 2015.

EPS Certification Score Sheet (2012)					
Evaluation Parameters	Total Score	Minimum Score Required	Score Obtained	Strength (% age)	Remarks
	(A)	(8)	(C)	(CIA %)	
Internal Governance	300	150	275	91.66%	Qualified
Financial Management	300	150	242	80.66%	Qualified
Programme Delivery	400	200	350	90.00%	Qualified
Total	1000	600	867	86.70%	Qualified

Council

- 1 Prof. Abdul Wahab Khan, **Chairman**
Experience: Teaching, Research, Office Management, HRD and Publication
Qualification:
- 2 Prof. Fazal Subhan Afghani, **Vice Chairman**
Experience: Teaching, Research and HRD
Qualification:
- 3 Mr. Tahir Alam, **Press Secretary**
Experience: Financial Management
Qualification:
- 4 Prof. Muhammad Irshad Ali Khan, **Councillor**
Experience: Teaching, Research and HRD
Qualification:
- 5 Mr. Iftikhar Ali Khan, **Councillor**
Experience: HRD and Social Development
Qualification:
- 6 Mr. Muhammad Afzal Khan, **Councillor**
Experience: Community Development
Qualification:
- 7 Mr. Mian Bakht Zada, **Councillor**
Experience: Management
Qualification:
- 8 Ms. Huma Shakir, **Councillor**
Experience: Teaching, Research and HRD
Qualification:
- 9 Mr. Hameed Ullah, **Councillor**
Experience: Management
Qualification:

MAJOR PROGRAMMES OF ENVIRONMENTAL PROTECTION SOCIETY

2) Major Programmes/Projects: _____

Thematic Areas

Environmental Protection Society (EPS) takes initiatives which contribute directly or indirectly to its mission, objectives and program area. Following are some of the thematic areas where EPS intervened either in collaboration with donor organization or with its own resources during the past three years.

- ~ Social and physical development
- ~ Awareness and Advocacy
- ~ Water and Sanitation
- ~ Eco-Tourism
- ~ Health and Hygiene
- ~ Education
- ~ Agriculture and livestock
- ~ Disaster Management
- ~ Urban and Rural Management
- ~ Capacity Building
- ~ Poverty Reduction
- ~ Gender and Development
- ~ Research

Programme for Poverty Reduction

EPS with the collaboration of PPAF has implemented an Institutional development, Health and Education Sector strengthening, livelihood support and promotion of small community infrastructure project in SWAT.

The overall goal of the project was to contribute to the improvement of the general living conditions and quality of life of the poor population in the target areas. This project was aimed at benefitting the marginalized people through increased access to and sustainable utilization of social and economic infrastructure, increased employment and income opportunities for the poor and enhanced participation of local communities in the decision making process. This project had five main components,

1. Institutional Development:
Institutional development, social mobilization and strengthen the capacities of local communities to plan, implement and manage their resources.
2. Health Sector:
Health sector improvement through capacity building and infrastructure development
3. Community Physical Infrastructure Schemes:
Small scale infrastructure projects are undertaken targeting the identified community needs. To improve service delivery by providing the basic infrastructure using the blend of indigenous knowledge and engineering designs in the six target union councils
4. Livelihood Enhancement and Protection:
Livelihood enhancement and protection to facilitate the vulnerable communities in income generation through various types of livelihood trainings and market linkages in its target areas to develop small scale business activities
5. Education Sector:
Capacity building of education sector service providers and development of livelihood opportunities through development of small scale school

Programme For Poverty Reduction (July 2015-March 2016)		
1. Institutional Development		
Activities	Achievement	Budget
Number of COs revitalized	226	PKR 19,285,500
Number of Cos Formed	86	
Number of VO's Revitalized	24	
Number of VO's Formed	11	
Number of LSOs to revitalized	2	
Number of VDPs developed	35	
Number of UC'DPs Developed	2	
2. Health Sector		
Activities	Achievement	Budget
Trainings of Health CRPs on Health & Hygiene seeking behaviours conducted	6	PKR 15,821,904
Training Sessions at households level through trained CRPs on Health & Hygiene conducted.	620	
Training of Health CRPs on Nutrition, WASH & MNCH conducted.	6	
Training Sessions at households level through trained CRPs on Nutrition, WASH & MNCH conducted.	620	
Training of community Midwives conducted.	4	
Refresher trainings for midwives conducted.	14	
Kits for Midwives provided.	14	
Social enterprise trainings to midwives conducted.	10	
Equipment's and furniture provided to health facilities.	10	
Clinical waste disposal equipment provided.	10	
Social enterprise trainings around access to health centre conducted.	2	
Transport for the access to health centre provided.	1	
Renovation & Repair of SHU/Dispensary	2	
Equipment's and furniture SHU/Dispensary provided.	2	
Medicines provided to SHU/Dispensary	2	
Technical Staff capacity building of SHU/Dispensaries	4	
Clinical waste disposal facilities provided to SHU/Dispensary.	2	
Awareness campaigns (Polio vaccination, immunization & WASH) held	10	
ODF Latrines House hold level on Pilot Basis (90)	90	
IEC Materials for Health, WASH, Nutrition & epidemics developed and distributed	2	
Health & Nutrition sector Development Round Table meetings held	0	
Knowledge management (Documentation & dissemination) meetings	2	

Establishment of District Development Platform	2	
3. Community Physical Infrastructure Schemes		
Activities	Achievement	Budget
Community Surveys undertaken	38	PKR 39,560,400
Preparation of BOQs	38	
Initiation and implementation of Community infrastructure schemes	38	
4. Livelihood Enhancement and Protection		
Activities	Achievement	Budget
Sector CRPs Trainings conducted	29	PKR 13,581,500
Asset Provision to Livelihood beneficiaries	115	
Vocational Technical Skills Trainings provided	130	
Networking, Market linkages & exposure meetings	32	
Capacity Building of Livelihood Institutions	36	
5. Education Sector		
Activities	Achievement	Budget
CRPs training conducted	8	PKR 23,738,497
Awareness Sessions undertaken by CRPs	60	
School development plan trainings provided	12	
Strengthening PTMCs	20	
Education sector stakeholders meetings conducted	12	
Support to SDP Schools	20	
Quality improvement Teachers trainings	27	
Coaching centers established	6	
Utilities and maintenance cost provided to schools	7	
Teachers quality trainings conducted	14	
Infrastructure support provided to schools	7	
School entrepreneurship trainings provided	7	
Extracurricular events for students held.	5	

The Concept & Rational

Environmental Protection Society is implementing prime minister interest free loan project in collaboration with Pakistan poverty Alleviation Fund with the objectives to bring productive micro-loans to the doorsteps of the poor so that those who are unbanked and/or are lacking access to financial services may have resources to micro-enterprises, enhance their incomes, and improve the quality of their lives.,

The project support productive micro-enterprise activities through a maximum loan of Rs. 50,000 for those who score upto 40 on the Poverty Score Card (PSC).

Some specific objectives of the PMIFL project are as follows:

1. Make Interest Free Loans (IFL) available to men, women and youth from poor, vulnerable and marginalized households, not yet tapped by the microfinance sector, so that they may engage in productive economic activities that will improve their lives and allow them to positively contribute to the economy.
2. Establish Union Council based Community Loan Center, capable of assessing, distributing and recovering Interest Free Loans to those households on a Poverty Scorecard of 0-40.
3. Support female participation and inclusion in economic activities, by disbursing at least 50% of the loans to women and persons with different abilities.
4. Encourage behavioural change by demanding loan beneficiaries to ensure specific health and education practices.
5. Enhance the entrepreneurial competencies amongst loan beneficiaries by extending services as a PLUS dimension of the Scheme, e.g. enterprise training and counselling, market linkages, financial literacy and numeracy training.

Following are the major statistics of the programme:

Prime Minister Interest Free Loan (PM-IFL)			
Donor	Activities	Achievement	Budget
Pakistan Poverty Alleviation Fund (PPAF)	• Loan provision to beneficiaries	1500	PKR 32,400,000
	• Business guidance provision	1500	
	• Establishment of loan center.	1	

For details of Projects completed during the last three years see Annexure-E

Internal Governance

A nine member council provides guidance and supervision to the Environmental Protection Society (EPS). The Council provides direction and guidance to the management. The organization's management is headed by an ED who is supported by Programme manager, Human resource and Finance Manager and their teams. Based on examination of Council's structure and activities and organizational policies, various strengths as well as recommendations have been identified which are aimed at improving organization's functioning and capacity

Previous Recommendations	Status
The governing document of the organization should stipulate a maximum allowable period for the office of the Chairperson. It is recommended that this period should not exceed 10 years.	<p>Observation:</p> <p>It is appreciated that EPS has stipulated maximum allowable period of 10 years for the office of the Chairperson.</p> <p>Status: Action taken</p>
The organization should lay down a clearly defined Conflict of Interest Policy applicable to Council members and senior management staff, which should be strictly adhered to.	<p>Observation:</p> <p>In line with the recommendation, the society has prepared a new SOP for the organization, which also includes a formal conflict of interest policy. This new SOP is approved by the Council.</p> <p>Status: Action taken</p>
<p>Since EPS also wants to use certification for getting tax exemptions under section 2(36) read with section 61 and Clause 58 of the II Schedule of the Income Tax Ordinance, 2001, it is recommended that EPS makes the following amendments in its AOA in accordance with the mandatory requirements as contained in Rule 213 clause (d), (h) and (i) of the Income Tax Rules, 2002 .</p> <ul style="list-style-type: none"> •. That in the event of dissolution of EPS, for whatsoever reason, its assets will be transferred, after meeting all liabilities, to another nonprofit organization which is an approved nonprofit organization, within three months of the dissolution under intimation to the Commissioner of Income Tax . •. That EPS shall restrict the moneys validly set apart or not utilized up to twenty five percent of the income including surplus worked out of the amount from donations made to it. Any additional amount shall be invested in Government Securities or in the scheduled banks including NIT units or any mutual funds registered with the State Bank of Pakistan or Securities Exchange Commission of Pakistan. 	<p>Observation:</p> <p>It is appreciated that AOA in accordance with the mandatory requirements as contained in Rule 213 clause (d), (h) and (i) of the Income Tax Rules, 2002 EPS has made all the recommended additions to its AOA.³</p>

³ Clause 17 (b) of AoA, Clause 15 (d) of AoA and clause 18 (b) of AoA

<p>∴ No amendment in the AOA would be made without prior approval from the Commissioner of Income Tax.</p>	<p>Status: Action taken</p>
<p>At present, there is no female representation in the Council. Sufficient female representation in the organization helps to ensure that,</p> <p>∴ Due account is taken of and proper consideration is given to instilling a gender balanced approach in programme design and implementation and</p> <p>∴ The organization's functioning on a whole remains sensitive to the needs and desires of those belonging to the female gender.</p> <p>In view of the above, EPS is advised to ensure female representation in the Council to the minimum acceptable limit of 33%.</p>	<p>Observation:</p> <p>It was observed during the evaluation that the Society has added a female member to its Council however the overall female representation is still quite lower than the minimum acceptable limit of 33%.</p> <p>It is again advised that the society may further increase female representation on its Council.</p> <p>Status: Partial action taken</p>
<p>It is appreciated that recruitment in the organization is gender sensitive. Keeping in the mind the cultural and social environment of the region, it is recommended that the organization work towards proactively promoting employment of women.</p>	<p>Observation:</p> <p>It is appreciated that the organization has adopted the practice of proactively promoting female employment through its advertisement and recruitment policy.</p> <p>Status: Action taken</p>

Financial Management

At Environmental Protection Society (EPS), Finance department is currently headed by a Finance Officer. Based on examination of organization's financial management practices, procedures and policies, various strengths as well as recommendations have been identified which are aimed at improving organization's functioning and capacity in future.

Previous Recommendations	Status
<p>It is recommended that the organization should formalize an Investment Policy. In view of the fact that in future the organization plans on investing 40% of the surplus obtained from the MRDP for creating an Endowment Fund for the Society, it is essential that an investment policy be clearly defined so as to assist the organization in streamlining its investment decisions.</p>	<p>Observation:</p> <p>It was observed during the evaluation that EPS has laid down a clear investment policy, exclusively authorizing Council members for making all the investment decisions.</p> <p>Status: Action taken</p>
<p>Although the organization has not disposed off any assets as yet, a need for this might arise in the near future. In view of this it is recommended that the Society develop a formal disposal of asset policy and formally place it before the Council for approval.</p>	<p>Observation:</p> <p>The society has formulated an asset disposal policy which is approved by the Council.</p> <p>Status: Action taken</p>
<p>It is appreciated that the organization has a joint signatory system with the Chairperson and the ED as the signing authority. During our field visit, it transpired that when the ED is away on travel, there is no alternate signing authority. Either the ED signs blank cheques or the Finance department waits for him to return in order to get the cheques signed.</p> <p>Thus it is recommended that the pool of signatories should be larger than the minimum required so even if one signatory is not available, the financial transactions do not come to a halt.</p>	<p>Observation:</p> <p>It was observed during the evaluation that the organization has developed a pool of signatories larger than the minimum required for signing of cheques. The organization has also defined signing brackets for signatories. The new signatory system is approved by the Council.</p> <p>Status: Action taken</p>
<p>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.</p>	<p>Observation:</p> <p>It was again observed during the evaluation that the organization has not taken any action on the previous recommendation.</p> <p>In view of the advocated benefits the organization is again advised to consider taking action on earlier recommendation.</p> <p>Status: Action not taken</p>

<p>In view of the increase in organization's size which will increase the financial transactions and expand its services, an internal audit of the organization should be carried out on regular basis. This would help in an assurance and consulting service involving an independent review of an organization's records, operations and procedures to evaluate for efficiency, effectiveness, compliance and the existence of adequate internal controls to mitigate risks to the achievement of the organization's objectives. Simultaneously, since it would be an internal exercise conducted under the direction of the management, it would help assessing the effectiveness of internal administrative and accounting controls and would also help ensure conformance with managerial policies.</p>	<p>Observation:</p> <p>It was observed during the evaluation that EPS has taken action on the recommendation and internal audit of the organization is carried out regularly.</p> <p>Status: Action taken</p>
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Additional Recommendation

- To obtain an overall picture of the organization's functioning as a whole EPS is recommended to prepare annual organizational budgets and variance reports. Since, an annual organizational budget presents a consolidated picture of the organization's sources of income, facilitates in the appropriate allocation of funds for the activities undertaken and provides viable information about the financial growth or otherwise of the organization. An annual organizational budget once prepared can be then presented to the Council Members for a review and approval.
- After the incorporation of Section 130C in the Income Tax Ordinance, 2001 through the Finance Act 2014, the tax related benefits are not available for the Not for Profits (NPOs) unless they fulfil the conditions mentioned in the concerned section 130C i.e. filing of income tax return and submission of monthly withholding tax statements. It is, therefore, recommended to deduct at source withholding tax before making any payments subject to withholding tax law.

Programme Delivery

The success of an organization in meeting its aims and objectives is assessed from its programme delivery. Field evaluation (involving interaction with the staff and review of the documents) has been used as a model to form an opinion. The monitoring system (instruments and tools) were also examined. The main intention of these instruments is to continuously examine and evaluate effectiveness of ongoing activities and preparation accordingly for future programmes.

Previous Recommendations	Status
<p>The organization has now been successfully running its programme for 10 years. It is time that an objective evaluation of the organization - internal as well as external - be conducted. It is also suggested that the Society develops the practice of conducting internal as well as external evaluation of its undertaken programmes. This will help in identifying the weak areas and will in turn facilitate the organization in making more feasible and foolproof plans for the future.</p>	<p>Observation: It is appreciated that the organization has undertaken external as well as internal organizational evaluation.</p> <p>Status: Action taken</p>
<p>In view of the diverse nature of the programmes being undertaken by the Society it is advised that the organization develop a more formal monitoring system. In this respect, the organization should develop SMART indicators and then develop and make use of different monitoring tools so as to check the progress and output of the activities undertaken, in light of the devised indicators, on a regular basis.</p>	<p>Observation: It is appreciated that in accordance with the previous recommendation the organization has developed SMART indicators for monitoring the performance of its programmes.</p> <p>Status: Action taken</p>
<p>It is appreciated that senior management of EPS is regularly visiting programme areas. It is recommended that the Council members also visit the programme areas on regular basis. In this way, the board always gets first-hand information about all the field activities of the organization.</p>	<p>Observation: It is appreciated that in accordance with the previous recommendation the organization's council members has adopted the practice of visiting programme areas regularly.</p> <p>Status: Action taken</p>
<p>It is appreciated that EPS is publishing annual and periodic reports. It is recommended organization needs not concentrate on the overall presentation of the report and allocate a large amount of funds for the purpose. Rather the emphasis should be on the quality of content contained therein. In this respect organization's annual and periodic reports should contain:</p> <ul style="list-style-type: none"> o An overview of its activities undertaken during the year; 	<p>Observation: It is appreciated that EPS has continued the practice of preparing annual reports additionally the organization has adopted the practice of ensuring financial transparency by providing details of its income and expenditure.</p> <p>The society is further advised to make its future plans part of its annual report.</p>

<ul style="list-style-type: none"> o Bring to light any noteworthy achievements; o Clearly outline plans for the future; o Ensure financial transparency by providing details of organization's annual finances o Report the findings of any evaluation that might have been carried out and o Highlight the feedback received from its beneficiaries <p>Organization instead of formally printing its annual reports may even consider placing them on its website for wider public dissemination. The annual, quarterly or monthly reports of the organizations are the manifestation of their performance. They give a chance to review the work of the organizations. These reports update the stakeholders on its programmes as well.</p>	<p>Status: Partial action taken</p>
<p>The Organization is advised to prepare a long-term operational plan. The operational plan (OP) is both the first and the last step in preparing an operational activity. As the first step, the OP provides a plan for resource allocation; as the last step, the OP may be modified to reflect policy decisions or financial changes made during the budget development process. Operational plans should be prepared by the people who will be involved in implementation. There is often a need for significant cross-departmental dialogue as plans created by one part of the organization inevitably have implications for other parts. Operational plans should contain:</p> <ul style="list-style-type: none"> ./ clear objectives ./ activities to be delivered ./ quality standards ./ desired outcomes ./ staffing and resource requirements ./ implementation timetables ./ a process for monitoring progress. 	<p>Observation:</p> <p>It is appreciated that in accordance with the previous recommendation the organization has prepared a comprehensive long term plan.</p> <p>Status: Action taken</p>

FINANCIAL HIGHLIGHTS

Environmental Protection Society Financial Highlights For the year 2016,2015 and 2014			
Description	2016 (Rs)	2015 (Rs)	2014 (Rs)
Income			
Grants Related to Income(Restricted funds)			
Opening Balance	-	37,842,805	31,214,612
DWHH Pak 1050 EM	-	-	4,882,450
DWHH Pak 1050 BMZ	-	-	5,701,851
PPAF Disability New	-	-	44,173,211
LEP	-	-	3,462,345
LACIP-KFW	-	44,286,701	61,340,969
Transition Shelter	26,604,800	2,687,000	-
SDC	-	1,410,646	10,043,772
WAP	-	14,972,784	2,844,500
KARCPP	2,927,940		
LEED	55,627,039	15,476,219	26,791,781
Water Aid	17,270,759	-	-
PPR	156,597,191	66,822,873	-
PM-IFL	5,733,491	45,100,000	16,500,000
ID	-	6,934,299	1,618,133
CPI	-	11,500,000	-
Digital hub	-	1,905,700	-
Less: Transferred to restricted funds	-	(102,213,220)	(37,842,805)
Unspent grant repaid to donor	-	(832,252)	-
Profit on projects bank accounts	-	1,641,247	2,511,000
EPS Income (Unrestricted Funds)			
General Donations	13,088,000	8,103,650	3,835,000
Projects Contribution	6,807,722	4,778,542	3,018,660
Membership fee	3,600	2,550	8,750
Eps Endowment fund	1,500,021	1,610,629	2,986,883
Miscellaneous Income	996,090	637,000	21,043
Exchange gain/loss	-	-	15,058
Bank Profit	132,899	24,658	-
Gain on sale of Vehicle	914,344	-	-

Gain on sale of land	12,794,090	-	-
Grant related to income realized	768,329	1,276,171	1,598,872
Total Income	301,766,315	163,968,002	184,726,085
Expenditure			
Program Cost			
Salaries	33,747,212	20,603,126	22,912,944
Endowment Fund	1,518,680	2,726,562	3,211,489
Staff insurance	-	-	219,603
Loan disbursed	-	-	2,395,000
Skilled and Unskilled workers	25,922	18,990	3,332,000
Construction & material cost	81,555,174	61,368,733	61,629,215
Seminars, workshops and Hygiene sessions	6,941,412	1,009,702	66,000
Proposal development and sanitation analysis	506,300	228,400	70,000
Contingencies	-	-	790,968
Distribution of livestock to ultra vulnerable poor	52,026,982	17,527,003	24,312,855
Office supplies	1,676,654	1,496,001	945,377
Training capacity building/TOTs	-	31,061,881	22,959,881
Transportation cost	1,170,000	-	390,548
Office/IT equipment	12,796,681	1,512,326	630,190
Office rental and warehouse cost	1,751,396	1,290,966	1,314,000
Utilities/Communication cost	308,950	255,982	366,986
Audit charges	-	-	180,000
Vehicle rentals	5,292,775	3,029,613	3,508,000
Vehicle POL and maintenance	4,684,663	2,610,517	4,072,869
Other activities for Disables	-	-	865,400
Publications and video cost	1,106,920	984,500	522,000
Camps (Assistive Devices)	-	-	18,306,790
Relief Activities/ Special Initiatives	-	-	265,805
Staff trainings expense	2,413,969	-	-
Community trainings and wage compensation	44,399,045	-	-

Livelihood Trainings	4,563,990	-	-
Hygiene Kits (Medicines for CD)	5,838,530	-	-
Furniture and Fixture expenses	188,600	692,800	-
Students research support/Proj Evaluation	-	540,000	-
Consultancy	2,061,600	563,600	-
Meetings	185,765	14,100	-
Administrative Expenses			
Salaries & benefits	7,335,829	6,680,514	5,138,240
Utilities/Communication cost	214,732	114,381	107,878
POL & maintenance	327,658	838,270	403,546
General repairs and maintenance	65,564	151,030	121,958
Meetings	142,432	139,387	109,932
Entertainment	154,761	144,483	92,668
Contingencies	-	81,975	219,176
Office and Warehouse rent	1,260,000	1,130,000	432,000
Office supplies	174,610	101,955	179,193
Publications and video cost			38,710
Audit charges	140,000	195,000	140,000
Proposal Dev & Situation Analysis	-	29,850	90,000
Consultancy fee	-	-	20,000
Seminars, workshops and Hygiene sessions	80,750	37,460	56,585
Miscellaneous	168,000	10,600	5,475
Membership & Renewal of EPS	16,325	5,850	-
Advertisement	18,700	-	-
Publications and video cost	102,675	-	-
Bank Charges	200	-	-
Depreciation on property and equipment	1,494,901	1,406,445	1,756,119
Amortization on intangible assets	5,294	5,573	5,862
Total Expenditure	276,463,651	158,607,575	182,185,262
Surplus for the year	25,302,664	5,360,427	2,540,823

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Rafaqat Mansha Mohsin Dossani Masoom & Co (OCR Rated Firm)
House # 76 E/1 Rehman Baba Road University Town Peshawar

Pakistan

Status of Tax Compliance (Details)

	2016		2015		2014	
	Amount (Rs.)	%	Amount (Rs.)	%	Amount (Rs.)	%
SALARIES(Within 50% Limit)						
Total Receipts	301,766,315	14	163,968,002	17	184,726,085	15
Total Salaries	41,083,041		27,283,640		28,051,184	
Total Expenses	276,463,651		158,607,575		182,185,262	
ADMINISTRATION & MANAGEMENT EXPENSES(Within 15% Limit)						
Total Receipts	301,766,315	3	163,968,002	6	184,726,085	4
Total Administration & Management Expenses	10,202,236		9,660,755		7,155,357	
Total Expenses	276,463,651		158,607,575		182,185,262	
SURPLUS(Up to 25% Limit)						
Total Receipts	301,766,315	8	163,968,002	3	184,726,085	1
Total Expenses	276,463,651		158,607,575		182,185,262	
Total Surplus of the years	25,302,664		5,360,427		2,540,823	

FINANCIAL CRITIQUE

ANNEXURE-A**Desk Review**

Desk review of submitted documents is an important first step in the evaluation process. By review of available information, team prepares itself for conducting field evaluation. Desk review helps the evaluation team to have a basic understanding about the organisation's objectives, programmes, partners, etc. Importantly, certain gaps might also be identified at this stage, which can further be probed during field evaluation.

A detailed list of all documents that formed part of desk review in EPS case is given as under:

1. Memorandum of Association of EPS
2. Copy of registration Certificate of EPS
3. List of Council
4. Minutes of Council Meetings for last three years
5. Annual Audit Reports for last three years

ANNEXURE- B**Objectives of Certification/Evaluation**

PCP certification/evaluation process examines the operations of organization in the light of objectives as stated in the governing document of the organization and certifies that the organization meets the requirements as per the set standards agreed with the FBR.

Certification is based on an objective, professional and critical evaluation. It is aimed at enhancing an organization's credibility as a non-profit 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 61,100 (C) and section 159 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 at PCP website) 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.

Non-Profit Organizations are evaluated for certification against standardized parameters in Internal Governance, Financial Management and Programme Delivery as contained in the Certification Model. The evaluation comprising a detailed desk review of organizational documents and visit to its programme areas are conducted. Each category contains a certain number of parameters with each being assigned a score against which a non-profit organization is assessed.

Internal Governance:

The objective of having an internal governance system is to have clearly drawn out rules on how an organization is to be run, the procedures for daily operations, and interactions of employees with the management and Board of Directors of the organizations. The idea is to institutionalize mechanisms, rules, procedures and means to operationalize organizational interventions. The governance system should 1) ensure transparency and participation in decision making at all levels within the organization, 2) reflect the organization's values and 3) ensure policies in human resource management that would effectively increase an organization's performance.

Financial Management:

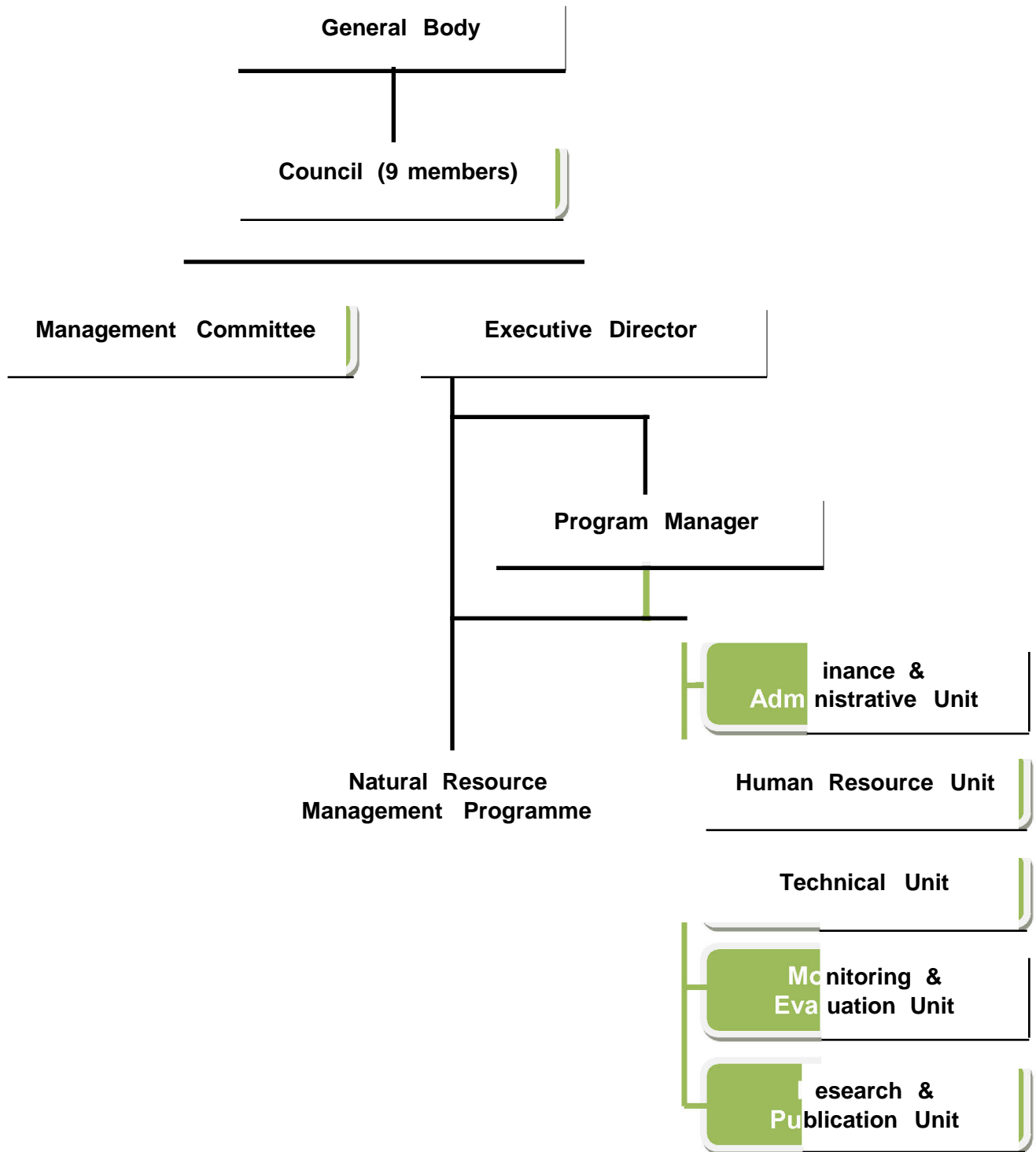
What an organization can do depends to a certain extent on the resources available and how they are managed and utilized. A viable civil society organization would have systems and procedures in place to regularly plan or budget to meet financial needs. It would ensure that it has the necessary funds to purchase the goods and services it requires for the smooth functioning of its programmes and subsequently have proper mechanisms in place to record and account all financial transactions.

Programme Delivery:

The success of an organization in meeting its aims and objectives is assessed from its programme delivery. Field evaluation of organization's programme areas involving interaction with the programme staff and the beneficiaries is used as a model to form an opinion. The monitoring system (instruments and tools) are also examined.

ANNEXURE-C

Organizational Organogram: Environmental Protection Society



ANNEXURE- D

Certification Panel

Certification Panel is a body which is independent of PCP's Board. Panel consists of seven (7) members including representatives from civil society, government (EAD & FBR) and eminent citizens. After evaluation, report on findings is presented before the certification Panel for decision. Decision of certification Panel with regards to grant of PCP certification is final.

ANNEXURE-E

Projects Accomplished

S.No	Client	Project or Program	Summary of the assignment	Project Dates	Contract Value
9.1	Custodian of Two Holy Mosques Relief Campaign for Pakistan	King Abdulla Relief Campaign for Pakistani People (KARCPP)	<ul style="list-style-type: none"> Installation of 13 Hand Pumps along with bore hole 11 water supply schemes 	January 01,2016to December 31,2016	PKR 12,667,015
9.2	Water Aid in Pakistan	School WASH in Swat	<ul style="list-style-type: none"> Mobilizing teachers and students. Establishing and improving drinking water sources. Building and/or rehabilitating toilets and sanitation systems. Promoting hygiene education by mobilizing teachers and students. Building capacities of teachers, students and officials of local education department. 	October 1, 2014 to March 31, 2015	PKR 6,496,000
9.3	Pakistan Poverty Alleviation Fund (PPAF)	Program for Poverty Reduction	<ul style="list-style-type: none"> ~ Institutional Development Number of COs to be revitalized (226) Number of Cos to be Formed (86) Number of VOs to be Revitalized (24) Number of VOs to be Formed (11) Number of LSOs to be revitalized (02) Number of VDPs to be developed (35) Number of UCDPs to be Developed (02) 	July 2015-Mar 2016	PKR 19,285,500
			<ul style="list-style-type: none"> • ~ Health Sector Training of Health CRPs on Health & Hygiene seeking behaviors (6) Training Sessions at households level through trained CRPs on Health & Hygiene (620) Training of Health CRPs on Nutrition, WASH & MNCH (6) 	July 2015-Mar 2016	PKR 15,821,904

S.No	Client	Project or Program	Summary of the assignment	Project Dates	Contract Value
			<ul style="list-style-type: none"> • Training Sessions at households level through trained CRPs on Nutrition, WASH & MNCH (620) • Training of community Midwives (4) • Refresher trainings for midwives (14) • Kits for Midwives (14) • Social enterprise trainings to midwives (10) • Equipments and furniture (10) • Clinical waste disposal (10) • Social enterprise trainings around access to health centre (2) • Transport for the access to health centre (1) • Renovation & Repair of SHU/Dispensary (2) • Equipments and furniture SHU/Dispensary (2) • Medicines SHU/Dispensary (2) • Technical Staff capacity building SHU/Dispensary (4) • Clinical waste disposal SHU/Dispensary (2) • Campaigns/awareness (Polio vaccination, immunization & WASH) (10) • ODF Latrines HH level on Pilot Basis (90) • IEC Materials for Health, WASH, Nutrition & epidemics (2) • Health & Nutrition sector Development • Round Table (2) • Knowledge management (Documentation & dissemination) (2) • District Development Platform (2) 		
			<p>~ Community Physical Infrastructure Schemes:</p> <ul style="list-style-type: none"> • Preparation of 38 Surveys • Preparation of 38SOQs • Initiation of 38 new Schemes • Completion of 38 Schemes in total 	July 2015- Mar 2016	PKR 39,560,40 0
			<p>~ Livelihood Enhancement and Protection</p> <ul style="list-style-type: none"> • Sector CRPs Trainings (29) • Asset Provision (115) • Vocational Technical Skills Training (130) 	July 2015- Mar 2016	PKR 13,581,50 0

S.No	Client	Project or Program	Summary of the assignment	Project Dates	Contract Value
			<ul style="list-style-type: none"> • Networking, Market linkages & exposure (32) • Capacity Building of Livelihood Institutions (36) 		
			<ul style="list-style-type: none"> ~ Education Sector • CRPs training (08) • Awareness Sessions by CRPs (60) • School development plan trainings (12) • Strengthening PTMCs (20) • Stockholders meetings (12) • Support to SOP Schools (20) • Quality improvement Teachers trainings (27) • Establishment coaching centers (06) • Utility maintenance cost to schools (07) • Teachers quality trainings (14) • Infrastructure support to schools (07) • School entrepreneur trainings (07) • Events for students (05) 	July 2015- Mar 2016	PKR 23,738,49 7
9.4	Concern Worldwide Rapid Fund	Transitional Shelter Support for Earthquake Affected Families district Shangla	~ Construction of 250 Transitional Shelter for Earthquake affected families	Dec 07, 2015 to March 08, 2016.	PKR 26,873,20 0
9.5	Pakistan Poverty Alleviation Fund (PPAF)	(A) Creating a positive mass effect in district Buner	<ul style="list-style-type: none"> ~ Community Physical Infrastructure (CPI) ~ 214 physical infrastructure schemes. ~ Human & Institutional Development (HID) ~ Formation and strengthening of 277 COs. ~ Formation and strengthening of 20 VOs and 2 LSOs 	Nov1, 2012 to April 30, 2015	PKR 136,340,0 00
		(B) Institutional Development (10)	<ul style="list-style-type: none"> ~ Third Tiers Trainings or Activities (9) ~ Second Tiers Trainings or Activities (34) ~ Staff Trainings (2) ~ Seminars & Documentary (2) 	October 1st, 2013 to September 30th, 2014	PKR 4,300,000
		(C) 10, CPI & LEED Batch 62	<ul style="list-style-type: none"> Institutional Development • Community Resource Persons development (28) • Institutional Capacity building around wide range of trainings • Peace, Pluralism and Inter Provincial Harmony 	April, 2015 to September ,2015	PKR 27,000,00 0

S.No	Client	Project or Program	Summary of the assignment	Project Dates	Contract Value
			<ul style="list-style-type: none"> Networking/Platforms Advocacy Staff Trainings Community Re-engagement through CRPs / POs CPI <ul style="list-style-type: none"> 12 Small scale infrastructure Projects LEED <ul style="list-style-type: none"> Provision of Assets to 100 ultra & vulnerable poor Trainings (200) Institutional Network establishment & Strengthening 		
		(D) Livelihood Enterprise & Employment Development (IEED)	<ul style="list-style-type: none"> ~ Number of livelihood Investment Plans (400) ~ Assets Transfer to ultra and vulnerable Poor (400) ~ Short term Training(EDT, AMST, CIF beneficiaries etc.) (1200) ~ Medium term (For Innovative project and Ideas) (400) ~ long term trainings (20 Pax for Vocational Trainings) (100) ~ Wage compensation (200 ultra poor) ~ CIGs linkages (10) 	October 1st, 2013 to December 31st, 2014	PKR 45,970,000
9.6	Swiss Development Cooperation (SDC)	Provision of Improved Water Supply Scheme to Village Shokain, Madyan Swat	<ul style="list-style-type: none"> ~ Formed 04 Water Committees. ~ 37 Health and Hygiene Sessions conducted. ~ 03 capacity building events for community conducted. 	December 02, 2013 to September 30,2014	PKR 16,672,730
8.2	Water-Aid in Pakistan	Girls Friendly WASH in School	<ul style="list-style-type: none"> Provision of Water & Sanitation and Solid Waste Management Facilities in 60 Govt; Girls Middle/High Schools Menstrual Hygiene Education Baseline & Feasibility Study around affordable sanitary pads Policy & Plans review around WASH rights & MHM Ensuring sustainable supply chain of Sanitary Pads Advocacy toward policy level change for MHM friendly environment IEC materials development & dissemination District WASH forums Capacity building of line departments & community 	April 01,2015 to March 31, 2018	PKR 50,861,843

S.No	Client	Project or Program	Summary of the assignment	Project Dates	Contract Value
			<ul style="list-style-type: none">Schools WASH Clubs		
			<ul style="list-style-type: none">		