

# AUDIT AND COMPLIANCE FRAMEWORK

## For Ultimate Fighting League – Sierra Leone (UFL-SL) and Formula and Solutions for Global Challenges (FSGChallenge), Inc.

### Organizations:

- Ultimate Fighting League – Sierra Leone
- Formula and Solutions for Global Challenges (FSGChallenge), Inc.

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## TABLE OF CONTENTS

1. Introduction
2. Purpose of the Framework
3. Scope of Application
4. Governance and Oversight Structure
5. Audit Principles
6. Compliance Principles
7. Legal and Regulatory Compliance
8. Financial Management and Accountability Framework
9. Internal Control Systems
10. Procurement Compliance Standards
11. Donor Compliance Framework
12. Safeguarding and Protection Compliance
13. Human Resource and Labor Compliance
14. Data Protection and Confidentiality Compliance
15. Programmatic Compliance and Performance Monitoring
16. Risk Management and Fraud Prevention
17. Anti-Corruption and Ethical Conduct Framework
18. Asset and Inventory Control Standards
19. Partnership and Subgrant Compliance
20. Documentation and Recordkeeping Standards
21. Internal Audit Procedures
22. External Audit Procedures
23. Monitoring, Evaluation, Accountability, and Learning (MEAL) Compliance

24. Incident Reporting and Investigation Procedures
25. Whistleblower Protection Mechanisms
26. Compliance Reporting Procedures
27. Corrective Action and Remediation Procedures
28. Audit Committee Terms of Reference
29. Continuous Improvement and Capacity Strengthening
30. Approval and Certification

# **1. INTRODUCTION**

This Audit and Compliance Framework establish the systems, standards, and procedures that guide accountability, transparency, compliance, and oversight for the collaboration between Ultimate Fighting League – Sierra Leone and Formula and Solutions for Global Challenges (FSGChallenge), Inc.

The framework supports:

- Strong governance
- Donor confidence
- Financial accountability
- Safeguarding compliance
- Ethical leadership
- Risk reduction
- Program integrity
- Legal compliance

# **2. PURPOSE OF THE FRAMEWORK**

The objectives of this framework are to:

- Establish accountability systems
- Ensure legal and donor compliance
- Strengthen financial integrity
- Prevent fraud and corruption
- Protect beneficiaries and stakeholders
- Promote transparency and ethical operations
- Improve operational effectiveness

# **3. SCOPE OF APPLICATION**

This framework applies to:

- Board members

- Executive management
- Staff
- Consultants
- Volunteers
- Implementing partners
- Contractors
- Subgrantees
- Joint programs and projects

The framework applies to:

- Financial operations
- Program implementation
- Procurement
- Safeguarding
- Data management
- Human resource practices
- Donor-funded projects

## 4. GOVERNANCE AND OVERSIGHT STRUCTURE

Oversight responsibilities shall include:

<b>Governance Body</b>	<b>Responsibilities</b>
Board of Directors	Strategic oversight and accountability
Audit and Compliance Committee	Audit supervision and compliance monitoring
Executive Management	Operational compliance implementation
Finance Unit	Financial controls and reporting
Safeguarding Unit	Protection oversight
MEAL Unit	Monitoring and reporting
Procurement Committee	Procurement oversight

## 5. AUDIT PRINCIPLES

All audit activities shall be guided by:

- Independence
- Transparency
- Accountability
- Objectivity
- Professional integrity

- Confidentiality
- Evidence-based assessment

Audits shall seek to:

- Improve systems
- Strengthen accountability
- Identify risks
- Ensure compliance

## **6. COMPLIANCE PRINCIPLES**

Compliance activities shall ensure adherence to:

- National laws
- Donor regulations
- Organizational policies
- Ethical standards
- Safeguarding standards
- Financial management standards

Compliance responsibilities apply to all personnel and par

## **7. LEGAL AND REGULATORY COMPLIANCE**

The organizations shall comply with:

- Nonprofit registration laws
- Tax regulations
- Labor laws
- Anti-corruption regulations
- Safeguarding obligations
- Financial reporting standards
- International donor regulations where applicable

Failure to comply may result in:

- Disciplinary action
- Contract termination
- Legal consequences
- Funding suspension

## **8. FINANCIAL MANAGEMENT AND ACCOUNTABILITY FRAMEWORK**

Financial management systems shall ensure:

- Proper budgeting
- Accurate accounting
- Timely financial reporting
- Proper documentation
- Segregation of duties
- Bank reconciliation
- Donor compliance

Financial transactions must:

- Be authorized
- Be documented
- Align with approved budgets
- Support organizational objectives

## **9. INTERNAL CONTROL SYSTEMS**

Internal controls shall include:

- Segregation of duties
- Approval hierarchies
- Procurement controls
- Asset verification
- Access controls
- Financial reconciliations
- Audit trails

Internal controls shall reduce risks of:

- Fraud
- Misuse of funds
- Errors
- Unauthorized transactions

## **10. PROCUREMENT COMPLIANCE STANDARDS**

Procurement processes shall ensure:

- Fair competition
- Value for money
- Transparency
- Proper documentation

Procurement compliance requirements include:

- Competitive quotations
- Tender evaluations
- Procurement approvals
- Supplier vetting
- Conflict-of-interest declarations

Procurement irregularities shall be investigated immediately.

## **11. DONOR COMPLIANCE FRAMEWORK**

All donor-funded projects shall comply with:

- Grant agreements
- Reporting deadlines
- Procurement requirements
- Branding and visibility rules
- Budget restrictions
- Audit requirements

Donor reports shall be:

- Accurate
- Evidence-based
- Submitted on time

## **12. SAFEGUARDING AND PROTECTION COMPLIANCE**

The organizations maintain zero tolerance for:

- Abuse
- Exploitation

- Harassment
- Violence
- Neglect

Safeguarding compliance measures shall include:

- Safeguarding policies
- Incident reporting systems
- Staff training
- Safe recruitment
- Confidential referrals

All safeguarding incidents must be documented and investigated appropriately.

## **13. HUMAN RESOURCE AND LABOR COMPLIANCE**

HR compliance shall ensure:

- Fair recruitment
- Non-discrimination
- Legal employment practices
- Workplace safety
- Staff welfare
- Ethical conduct

Personnel records shall be maintained securely.

## **14. DATA PROTECTION AND CONFIDENTIALITY COMPLIANCE**

Confidential information shall be:

- Protected from unauthorized access
- Stored securely
- Used only for authorized purposes

Data protection controls shall include:

- Password protection
- Access restrictions
- Secure filing systems

- Data backup systems

## **15. PROGRAMMATIC COMPLIANCE AND PERFORMANCE MONITORING**

Programs shall comply with:

- Approved work plans
- Donor objectives
- Safeguarding standards
- Monitoring requirements

Program monitoring shall assess:

- Activity implementation
- Beneficiary reach
- Quality standards
- Risk indicators

## **16. RISK MANAGEMENT AND FRAUD PREVENTION**

Risk management systems shall identify and address:

- Financial risks
- Operational risks
- Reputational risks
- Safeguarding risks
- Legal risks

Fraud prevention measures shall include:

- Internal audits
- Whistleblower systems
- Financial controls
- Procurement ove

## **17. ANTI-CORRUPTION AND ETHICAL CONDUCT FRAMEWORK**

Prohibited activities include:

- Bribery
- Kickbacks
- Fraud
- Procurement manipulation
- Abuse of authority

All personnel must:

- Declare conflicts of interest
- Avoid unethical conduct
- Report suspected corruption

## **18. ASSET AND INVENTORY CONTROL STANDARDS**

Assets shall be:

- Registered
- Tagged where appropriate
- Monitored regularly
- Verified periodically

Inventory systems shall track:

- Equipment
- Sports materials
- Office supplies
- Program resources

## **19. PARTNERSHIP AND SUBGRANT COMPLIANCE**

Implementing partners and subgrantees shall:

- Sign formal agreements
- Comply with organizational policies
- Maintain financial records
- Participate in monitoring and audits

Due diligence assessments may be conducted before partnership approval.

## **20. DOCUMENTATION AND RECORDKEEPING STANDARDS**

Required records include:

- Financial records
- Procurement files
- HR documentation
- Donor reports
- Safeguarding reports
- Audit reports

Records shall be:

- Accurate
- Organized
- Retained securely

## **21. INTERNAL AUDIT PROCEDURES**

Internal audits may assess:

- Financial transactions
- Procurement compliance
- Asset management
- Donor compliance
- Program implementation
- Safeguarding systems

Internal audit findings shall include:

- Risks identified
- Compliance gaps
- Recommendations
- Corrective action

## **22. EXTERNAL AUDIT PROCEDURES**

Independent external audits shall be conducted periodically according to:

- Legal requirements
- Donor agreements

- Organizational policy

External auditors shall have unrestricted access to:

- Financial records
- Supporting documentation
- Operational information

Audit reports shall be presented to the Board.

## **23. MONITORING, EVALUATION, ACCOUNTABILITY, AND LEARNING (MEAL) COMPLIANCE**

MEAL systems shall ensure:

- Reliable data collection
- Indicator tracking
- Beneficiary feedback
- Accountability systems
- Learning and adaptation

Data quality assurance procedures shall be maintained.

## **24. INCIDENT REPORTING AND INVESTIGATION PROCEDURES**

Incidents involving:

- Fraud
- Safeguarding violations
- Security breaches
- Misconduct
- Financial irregularities

must be:

- Reported immediately
- Documented formally
- Investigated confidentially
- Addressed promptly

## **25. WHISTLEBLOWER PROTECTION MECHANISMS**

Whistleblowers reporting concerns in good faith shall be protected from:

- Retaliation
- Harassment
- Victimization

Anonymous reporting channels may be established.

## **26. COMPLIANCE REPORTING PROCEDURES**

Compliance reports may include:

- Audit findings
- Risk assessments
- Donor compliance updates
- Safeguarding reports
- Procurement reviews

Reports shall be shared with:

- Management
- Board committees
- Donors where required

## **27. CORRECTIVE ACTION AND REMEDIATION PROCEDURES**

Where weaknesses or violations are identified:

- Corrective action plans shall be developed
- Timelines shall be established
- Follow-up reviews shall be conducted

Serious violations may result in:

- Suspension

- Termination
- Legal action
- Financial recovery measures

## **28. AUDIT COMMITTEE TERMS OF REFERENCE**

The Audit and Compliance Committee shall:

- Review audit reports
- Monitor corrective actions
- Strengthen internal controls
- Monitor compliance risks
- Support accountability systems

The committee shall report regularly to the Board.

## **29. CONTINUOUS IMPROVEMENT AND CAPACITY STRENGTHENING**

The organizations shall promote:

- Staff training
- Compliance awareness
- Governance strengthening
- Operational improvement
- Learning and adaptation

Lessons learned shall inform future systems strengthening.

## **30. APPROVAL AND CERTIFICATION**

This Audit and Compliance Framework has been reviewed and approved by the leadership of:

- Ultimate Fighting League – Sierra Leone
- Formula and Solutions for Global Challenges (FSGChallenge), Inc.

**FOR UFL-SL**

**BOARD CHAIRPERSON**

Name: \_\_\_\_\_

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

## **EXECUTIVE DIRECTOR**

Name: \_\_\_\_\_

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

## **FOR FSGCHALLENGE, INC.**

### **BOARD CHAIRPERSON**

Name: \_\_\_\_\_

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

### **EXECUTIVE DIRECTOR/PRESIDENT**

Name: \_\_\_\_\_

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

## **JOINT ORGANIZATIONAL DECLARATION**

UFL-SL and FSGChallenge, Inc. remain committed to transparency, accountability, safeguarding, ethical leadership, financial integrity, and responsible stewardship of resources in all collaborative programs and operations.

**“Fight Drugs. Build Champions.”**