



UNICEF MENA

SPOT CHECK MANUAL

(Edition September 2023)

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Introduction

The purpose of this Spot Check manual is to provide a standardized framework for Spot Check operations and activities within UNICEF MENA Region, with the aim to support the Spot Checker in executing quality work by adhering to best practices.

This manual is not designed to be an all-inclusive outline for performing Spot Checks, but rather, has the following purposes:

1. To establish guidelines and standards for the planning, performance, and reporting of Spot Check work
2. To establish high level procedures intended to assist staff members in the discharge of their duties
3. To define responsibility, authority, and accountability
4. To standardize the Spot Check process within UNICEF in a manner to ensure the consistency in the application of Spot Check standards and activities.

The development of this Spot Check manual is structured to include all the necessary phases for maintaining an effective Spot Check based on a professional performed practice. Thus, to ensure the proper use and the complete understanding of this Spot Check process, users/ readers should refer consistently to each of the related sections in this manual depending on the phase or procedure intended for execution.

The Manual is meant to be used by UNICEF staff performing spot check test, training on and/ or quality reviewing HACT spot checks.

The [UNICEF Spot Check Guidance](#) constitutes the guiding reference in spot check. This Manual is complementing the Guidance.

Abbreviations

ABBREVIATION	FULL FORM
UNICEF	United Nations Children's Fund.
HACT	Harmonized Approach to Cash Transfer.
IP	Implementing Partner.
PCA	Programme Cooperation Agreement.
PD	Programme document.
FACE form	Funding Authorization and Certificate of Expenditure.
ICE	Itemized Cost estimate.
OIAI	Office of Internal Audit and Investigations.
CMT	Country Management Team.
FAM	eTools Financial Assurance Module.
DOA	Delegation of authority.
CFO	Chief Financial Officer.
CEO	Chief Executive Officer.
GRN	Goods Receipt Note.
PV	Payment Voucher.
PR	Purchase Request.
PO	Purchase Order.
JV	Journal Voucher.
RFQ	Request for Quotations.
RFP	Request for Proposals.
CSO	Civil Society Organization.
VAT	Value Added Tax.
SSC	Social Security Corporation.
PDPR	Programme Document Progress Report.



Definitions



TERM	DEFINITION
Micro Assessment	Overall assessment of the implementing partner's financial, operations and programme management policies, procedures, systems and internal controls ¹ .
Spot Check	A review of financial records to obtain reasonable assurance that amounts reported by the implementing partner on the <u>FACE form</u> are accurate ¹ .
Internal Controls	Internal controls are processes for assuring of an <u>IP's</u> objectives in operational effectiveness and efficiency, reliable financial reporting, and compliance with laws, regulations, and policies.
Spot Checker	The person responsible to conduct the Spot Check review.
Assurance Activities	Assurance Activities are activities that are performed to provide reliance on or development of business activities and processes.
Work plan	A schedule that specifies expected results and the activities to be carried out to achieve results, with a timeframe and budget for the activities.
Departments	Refers to an individual department within the IP.
Asset	"Asset" means a resource controlled by an IP as a result of past events and from which future economic benefits are expected to follow to the IP.
Delegation of Authority	"Delegation of Authority (<u>DoA</u>)" means the applicable Delegation of Authority, approved by the Board of Directors, and used for the purpose of decision making.
Programme Document	The Programme Document means the formal document (in standard format) that is attached to the <u>PCA</u> and concluded by the Parties and reflects expected results, detailed activities, timeframes, and budget, and defines what is to be accomplished.
Programme Manager	A Program Manager is a strategic project-management professional whose job is to help oversee and coordinate the various projects, products, and other strategic initiatives across an organization.
Financial Management	Financial Management means planning, organizing, directing, and controlling the financial activities such as procurement and utilization of funds of the enterprise in addition to applying general management principles to financial resources of the enterprise.
Cost Allocations	Cost Allocation is the process of identifying, aggregating, and assigning costs to cost objects.
Purchase Request	Purchase request (<u>PR</u>) means a document that is created by a needing department to request a purchase of goods or services from the designated department for this purpose. The PR includes descriptions, quantities and prices of the needed goods or services.
Purchase Order	Purchase Order (<u>PO</u>) means a purchase request for goods and services issued to an external third party on behalf of the IP.
Blanket Agreement	Blanket Agreement is a long-term agreement between an IP and a supplier to deliver goods or services with a set price on a recurring basis over a specified period.
Invoice	Invoice means a commercial document that itemizes a transaction between a buyer and a seller.
Goods Receipt Note	Goods Receipt Note (<u>GRN</u>) means a type of document that is used as a proof that the IP has received a delivery. This note plays an important role because it contains a list and description of the goods that have been received, including price, the number and quantity. Moreover, the role of GRN can be enhanced by including the PO and invoice number for reference and matching purposes.
Certificate of Completion	Certificate of completion means a document issued by an external third party to the Contractor stating that they have successfully completed the jobs/works assigned to them and submitted all necessary deliverables as required by the IP.
Logbook	Logbook is a book in which someone records details and events relating to something.
Travel Request Form	Travel Request Form means a document that is used to incorporate all the financial and programmatic information of the business trip that the employee is requesting.

¹ UNICEF Procedure on Harmonized Approach to Cash Transfers to Implementing Partners. (2018) (1) page 6

Definitions



TERM	DEFINITION
Log sheet	Log Sheet means a document that is used to record and track activities and events.
Engagement Letter	Engagement Letter means a document that defines the legal relationships between a professional Organization and its client. Engagement Letter includes the terms and conditions, the scope of the engagement, and the terms of compensation.
Journal Voucher	Journal Voucher (<u>JV</u>) means an accounting document that is used to record a financial transaction. The JV includes a unique number, date of transaction, accounts affected by the transaction, amount of the transaction, and a description of the transaction.
Payment Voucher	Payment Voucher (<u>PV</u>) means a document that is used to gather the needed approvals for making a payment to a supplier or a service provider. The PV mainly includes the amount to be paid, the beneficiary to whom the payment will be made, the method of payment i.e., using Cash or Cheque.
Proof of Payment	Proof of Payment means a document ensures that the applicable supplier or service provider had received the amount meant to be paid to them.
Expense Claim Form	Expense claim Form means a document that is used to reimburse and employee for a business expense he paid on behalf of the IP.
Vendor	"Vendor" is a person or business that supplies goods or services to a company.
Utilities	Utilities means services that are used by the public e.g., Water, Electricity, gas, and Sewage.
Inflated expenses	"Inflated expenses" are expenses that are overstated
Request for Quotations	Request for Quotations (<u>RFQ</u>) means a solicitation for goods or services in which a company invites vendors to submit price quotes and bid on the job.
Request for Proposals	Request for Proposals (<u>RFP</u>) means a business document that announces a project,
Cash for Work	Cash for Work means a sum of money in an amount determined in the Project Implementation Manual paid or to be paid to an eligible Cash for Work Beneficiary in remuneration of labor.
Value Added Tax	Value Added Tax (<u>VAT</u>) means a tax on the amount by which the value of an article has been increased at each stage of its production or distribution
Social Security Corporation	It is a socio-economic integral umbrella to protect the workforce social and economic rights, provides insurance benefits and privileges to the insured persons and their family members at the time of entitlement for such a pension whether owing to reaching the old age, disability, death, or work injuries.
eTools	eTools is a Financial Assurance Module used by UNICEF and by third party service providers (auditors).
Programme Document Progress Report	Programme Document Progress Report " <u>PDPR</u> " UNICEF's standard form of Workplan progress report.



1 . Overview

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1 . Overview

1. 1. OBJECTIVE OF SPOT CHECK

The primary objective of a Spot Check is to “verify that amounts reported by the Implementing Partner (IP) on the FACE forms are accurate”. The secondary objective is to assess whether the underlying internal controls were functioning effectively as expected”.

1. 2. THE SPOT CHECK FIVE ACTIVITIES

The timeframe and responsibilities for each activity are summarized in the table below:

Table 1

ACTIVITY	WHEN?	HOW LONG?	WHERE?	BY WHOM?	FULL FORM
1.	Planning	At least 2 weeks before fieldwork.	1-2 days	UNICEF office	HACT Focal point
2.	Preparation	At least 1 week before fieldwork.	1-3 days	UNICEF office	Spot Checker.
3.	Fieldwork	Day of fieldwork.	1-3 days	IP's office	Spot Checker.
4.	Reporting	After completing the fieldwork	1-2 days	UNICEF office	Spot Checker.
5.	Monitoring and Follow-up	Varies in relation to issues identified.	1-2 days	UNICEF / IP office	HACT Focal point
			5-12 days		

1. 3. UNICEF POLICIES AND PROCEDURES RELATED TO SPOT CHECK

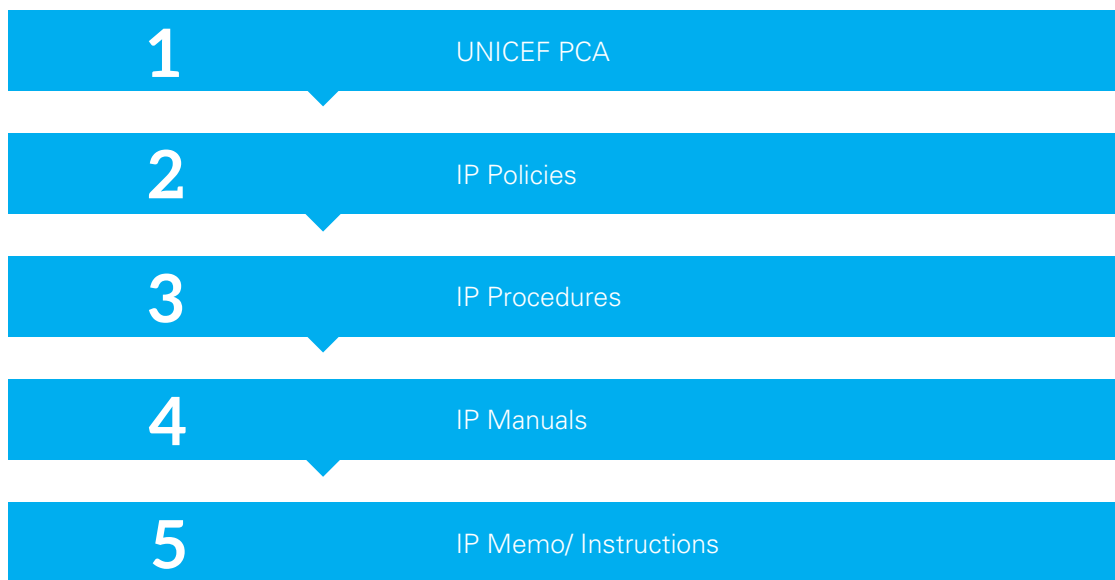
Links to Relevant Procedure:

- [UNICEF Spot Check Guidance](#)
- [UNICEF Guidance on the Follow-Up on Financial Findings from Spot Checks and Audits](#)
- [UNICEF Procedure on Programme Implementation](#)
- [UNICEF Programme Implementation Handbook](#)
- [A Guide to Financial Management for Implementing Partners](#)
- [Guidance on Budgeting and Financial Management](#)

1 . Overview

1. 4. Hierarchy of Instrument

The Implementing Partner (IP) has to comply with all the articles and clauses of the PCA signed with UNICEF. The below chart displays the hierarchy of instruments with UNICEF PCA as the overarching compliance instrument. In case of a conflict in the application of any two instruments, the hierarchy helps the Spot Checker determines which instrument has precedence (i.e., higher authority).



1 . Overview

1.5. SPOT CHECK ACTIVITY LIFECYCLE



Planning	Preparation	Fieldwork	Reporting	Monitoring & Follow-up
Determine the frequency of Spot Checks	Review relevant information	Changes in IP's internal controls	Prepare the draft Spot Check report	Timing of follow-up and escalation
Determine the timing of Spot Checks	Kick-off meeting	Bank account, FACE form & transaction list reconciliations review	Review and share the draft report	eTools
eTools	Requesting initial list of requirements	Expenditure's testing and specific procedures	Conduct formal Exit meeting	
Dos and Don'ts	Sample selection	Linking expenditures and programmatic outputs and results	Receiving Management responses	
	eTools	Ineligible expenditures identification	Issuing the final report	
	Dos and Don'ts	Dealing with red flags	eTools	
		Report red flags to management - Responseto Fraud	Dos and Don'ts	
		Discuss and validate initial findings		
		eTools		
		Dos and Don'ts		



2 . Planning Phase

- | | |
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| 2.3. Identify the Spot Checker(s) | 17 |

2 . Planning Phase

- 1. Objective** of this phase: Annual planning is undertaken at least quarterly in order to determine timing and frequency of the spot checks and to assign staff to perform the spot checks and actualize an Annual Plan to guide spot check activities.

2. Key risks in this phase:

Table 2

KEY RISKS	RELATED MITIGATION CONTROLS
Lack of proper planning, underestimating time required to complete an SC exercise, delaying the SC	At least 2 weeks before fieldwork, to last 2-1 days
Performing only the minimum at CO level; not performing the minimum SC at IP level	A regular monitoring (monthly) whether the minimum number of spot checks at the IP level is met is important. Often CO focuses on the total aggregate number of spot checks at the CO level without ensuring proper coverage at the IP level.
Lack of prioritization .	When deciding which IP to prioritize for spot check: UNICEF has no prior experience with; Had significant or High risk rated Micro Assessment; Had no Prior financial assurance activities; Had significant deficiencies identified in previous assurance activities; Has large, planned amounts of cash.
Conducting SC while IP was selected for an audit by HQ.	No spot check is required if a HACT audit is planned in same HACT calendar year.
No staff available to conduct SC, all SC outsourced to audit firms	Trained staff for spot checking and create roster of qualified spot checkers approved by Head of Office (or CMT)
No joint activity with UN agencies	Establish annual workplan for joint assurance activities with other UN agencies and regularly coordinate them as part of the UN HACT Inter-Agency forum.



3. Planning Phase and recommended Timeline

Table 3

PHASE	DETERMINE THE FREQUENCY OF SPOT CHECKS	DETERMINE THE TIMING OF SPOT CHECKS	IDENTIFY THE SPOT CHECKER(S)
When?	➤ At least 2 weeks before fieldwork		
How long?	➤ 1-2 days		

2 .1. DETERMINE THE FREQUENCY OF SPOT CHECKS

1. According to the [UNICEF Procedure on Programme Implementation](#) (para.54) “At a minimum, one spot check or audit is required for each qualified implementing partner every calendar year”. The minimum spot check requirements for IPs receiving UNICEF funds are outlined in [UNICEF Guidance Spot Check Guidance](#):

2 . Planning Phase

Table 4

CASH TRANSFER AMOUNT PER YEAR	RISK RATING	SPOT CHECKS
Up to 50.000\$	All risk ratings	Not required
\$50.001 - \$100.00	All risk ratings	1 or more per year
\$100.001 - \$350.00	Low or medium	1 or more per year
	Significant or High	2 or more per year
More than \$350.00	Low or medium	1 or more per year
	Significant or High	3 or more per year

2. The number of spot check to be conducted per country per year is available on the [HACT and FAM Dashboard](#).



TIPS 1

1. Ensure the IP is not scheduled for audit. No spot check is required if a HACT audit is planned in same HACT calendar year.
2. Table 1 only shows the minimum. However, it is highly encouraged to go beyond the minimum, in particular when the IP is high risk; the PD or operating context is complex and challenging; there were significant negative findings in recent assurance activities. However, UNICEF Offices should follow a balanced approach between risk, cost and value added of the additional spot checks.
3. When deciding which IP to prioritize for spot check: UNICEF has no prior experience with; Had significant or High risk rated Micro Assessment; Had no Prior financial assurance activities; Had significant deficiencies identified in previous assurance activities; Has large, planned amounts of cash.
4. When deciding which PD to prioritize for spot check (When you have to do 1 spot check on an IP with multiple ongoing PDs): The Office may prioritize using any of the following criteria (among others): PD with largest value 2) PD with delivery challenges based on recent PVs) 3) PD not yet spot checked. Remember that spot check is conducted on one Face Form at a time. Spot checking 2 Face Forms amount to 2 spot checks.
5. Spot checks are performed in the offices of implementing partners where financial records are kept.
6. Do not delay the Spot Checks for more than 3 months.

2 . Planning Phase



TIPS 1

7. Spot checks are performed on FACE forms that report the use of cash transfers. (direct cash transfer (DCT) i.e. liquidation; requested reimbursement of expenses; or requested direct payment to the vendor). While not required (nor typical), an office may decide to conduct the spot check prior to liquidation, reimbursement or direct payment for a specific IP. Offices may decide to take this exceptional approach in cases where: the IP is new and a micro assessment has not yet been conducted; or where previous assurance activities have identified significant internal control deficiencies or failure to obtain assurance on the programme expenditures reported.

2. 2. DETERMINE THE TIMING OF SPOT CHECKS

1. The **timing** of Spot Checks should be as early as possible either (i) within the quarter following the liquidation of the FACE form) or (ii) when reported in the HACT and FAM Dashboard.
2. Start conducting the Spot Checks from the beginning of the fiscal year (The first quarter) and as much as practical spreading the spot check activities fairly throughout the year; failure to do so can result in an unrealistic number of spot checks that have to be completed in the last quarter. The experience has shown that COs perform relatively low number of spot checks in Quarters 1 and 2 and play catch up in the last 2 quarters resulting in excessive burden and inadequate quality assurance.
3. **Monitor on monthly basis:** Compare actual performed Spot Checks versus planned Spot Checks to monitor the progress on a quarterly basis:
 - Spot Checks that are not yet completed or performed are to be rescheduled to the following quarters by adjusting the HACT plan.
 - A regular monitoring (monthly) whether the minimum number of spot checks at the IP level is met is important. Often CO focuses on the total aggregate number of spot checks at the CO level without ensuring proper coverage at the IP level. The below table is a typical example: while the CO has achieved the minimum spot checks, IP "E" was missed despite its high-risk rating.

2 . Planning Phase

Table 5

PARTNER NAME	CASH TRANSFER	RISK RATING	REQUIRED SC	COMPLETED SC
A	295,806\$	Medium	1	1
B	204,709\$	Medium	1	2
C	57,795\$	Medium	1	1
D	96,528\$	Medium	1	2
E	58,636\$	High	1	0
F	131,743\$	Low	1	1
		TOTAL	6	7

2. 3. IDENTIFY THE SPOT CHECKER(S)

1. While COs may decide to have audit firms undertake spot checks, they should also have qualified internal staff to undertake a minimum number of spot checks annually. For that purpose, COs should consider to have a roster of qualified spot checkers available during the year to conduct a minimum number of spot checks
2. According to (page 95) *UNICEF Programme Implementation Handbook* "The CMT determines whether qualified internal staff or external service providers (or a combination) undertake spot checks based on the recommendation of the Deputy Representative – Operations. If a UNICEF staff member undertakes spot checks, the individual must possess experience in financial management, knowledge of UNICEF-supported programmes, the programming context, the inter-agency HACT Framework and the terms of reference for spot checks. *Required experience in financial management may be replaced by documented on-the-job training, regular coaching and supervision by qualified UNICEF staff or quality assurance by an external service provider.*"
3. It is recommended that spot checker(s) undertake training (or refresher) on spot checking minimum once every 2 years. The training is available either through Agora (online) or the MENA Regional Office IP Management team (in-person)

2 . Planning Phase



TIPS 2

1. In order to prevent conflict of interest and self-review, UNICEF staff are not permitted to conduct spot checks on those programmes for which they have been involved in reviewing the FACE forms submitted by the IP. For example, if a Programme Assistant in the WASH section is qualified to conduct spot checks, s/he may not conduct spot checks on those programmes for which s/he is involved. However s/he may conduct spot checks on other programmes in the WASH section or in any other section.
2. Staff that meet or exceed the 5 years' experience still need to have knowledge of the UNICEF programme and programming context. For new staff or existing UNICEF financial staff with limited exposure to programming, this knowledge is often best gained through being accompanied on initial spot checks with programme staff.
3. Offices may find that they have staff that do not meet the experience requirements but have potential to undertake spot checks. In such situations, the office can put in place an approach of more extensive on-the-job training, supervision (through regular review of working papers and reports) and coaching by an experienced spot checker meeting the minimum experience requirements.



3 . Preparation Phase

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3. Preparation Phase

1. Objective of this phase: to familiarize with the programmes, the operating context and the related risks.

2. Key risks in this phase

Table 6

KEY RISKS	RELATED MITIGATION CONTROLS
Not adequate time taken for preparation phase	At least 1 week before fieldwork, should take 1 to 3 days
Reconciliation is not completed and/or documented	Reconciliation is fundamental to ensure completeness of the transactions. See section 3.4 reconciliation.
Sample coverage does not meet the recommended guideline	The Spot Checker should select no less than %20 and no more than %80 of the expenditures, the goal should be to obtain coverage of approximately %50.
Sample selection is not risk-based	See section 3.4 risk-based sampling



3. Preparation Phase and recommended Timeline

Table 7

PHASE	REVIEW RELEVANT INFORMATION	RECONCILIATION	SAMPLE SELECTION
When?	➤ At least 2 weeks before fieldwork		
How long?	➤ 1-3 days		



TIPS 3

1. It is advised that preparation take place 1 week before the spot check so that the UNICEF Office can provide the sample selection to the IP in order to allow the IP to provide all required support documentation at the time of fieldwork.
2. Discuss with the Programme Manager any concerns related to the IP's financial management and internal controls.
3. As a general rule, give at least one week lead time for the IP to prepare all required documentation.

3. Preparation Phase

3. 1. REVIEW RELEVANT INFORMATION²

The Spot Checker responsible for conducting the Spot Check should review:

Table 8

DOCUMENT	OBJECTIVE
1. The programme document or workplan	To understand activities and outputs; this will allow meaningful analysis of the alignment of expenditures with the agreed outputs and activities
2. The micro assessment report if available	To understand risk rating, state of internal controls and open action points to follow up
3. Latest programmatic visit and progress reports	To understand progress on activities, risks and operating contexts
4. The FACE form requesting funding, the ICE and the FACE form reporting on the actual programme expenditures	To define scope and coverage of the spot check
5. Results of previous audits or Spot Checks	To understand the state of internal controls and open action points to follow up



3. 2. KICK-OFF MEETING

The Spot Checker should do the following:

1. Send an introductory email to the IP identifying the team member,
2. Schedule a meeting/call time to brief the IP on the Spot Check cycle, relevance, and timeline of the assignment,
3. Discuss initial requirements (see table 2), the IP is given at least 5 working days to provide the supporting documents.
4. Agree on a date to visit the IP to conduct the Fieldwork, Fieldwork visit should take minimum 1 working day.

Ask the IP to provide the logistics; Location(s), designated room for the Spot Checker, permits if required, transportation if required

Table 9

LIST OF REQUIREMENTS
1. Transaction list extracted from the accounting system (i.e. general ledger) covering the Face form period.
2. ICE report.
3. All bank reconciliation for the period stated in the FACE Form. (Only if bank account exclusively used for UNICEF funds)
4. List of changes in internal controls since the latest issued Micro Assessment (if available)
5. Change in Organization structure
6. Changes in key policies (i.e., Procurement Policy, HR policy, Finance policy, Delegation of Authority)

² FRG Guidance 001 UNICEF Spot Check Guidance 30 June 2015, page 11

3. Preparation Phase

3.3. RECONCILIATION

1. After receiving the list of financial transactions supporting the amounts reported in the selected Face Form, the Spot Checker should perform the following reconciliation to ensure the completeness of the data provided by the IP.

Table 10

DOCUMENT	OBJECTIVE
1. Obtain the transaction list covering the FACE form period from the accounting system.	Understand and inquire the accounting system used (manual such as Excel or automated). If no automated accounting system exists, add this in the initial list of findings to be validated in <u>Discuss and validate initial findings step</u> .
2. Reconcile the transaction list obtained with the FACE form, (Date, Total amount, Currency, and exchange rate).	<p>The list of transaction submitted by the IP is reconciled with the amounts in the Face Forms:</p> <ul style="list-style-type: none"> • The total amount of transactions on the list is equal to the total amount on the FACE form: No action is required. • The total amount on the list is smaller: The difference is deemed ineligible in the initial list of findings to be validated in <u>Discuss and validate initial findings step</u>. • The amount on the list is higher: the IP must justify the difference. The issue is reported as high priority finding highlighting weakness in internal controls in the initial list of findings to be validated in <u>Discuss and validate initial findings step</u>.

3.4. RISK-BASED SAMPLE SELECTION

Table 11

PREPARE	DISCUSS	RISK-BASED SAMPLING
3. Filter the transaction list by budget line and analyse the activities' relevance to the nature of the project.		<ol style="list-style-type: none"> 1. Select samples from each activity/budget line that is equal to or exceeds 5% of the actual expenditure reported on the FACE form. 2. For activities/budget lines that are less than 5% of the actual expenditure reported on the FACE form, then select the transaction with the highest amount from each budget line.
4. In case of any activities found that do not relate to the nature of the project.	Discuss with the IP to further understand the nature of these activities and how they relate to the project. If no appropriate justifications provided, add this in the initial list of findings to be validated in <u>Discuss and validate initial findings step</u> .	<ol style="list-style-type: none"> 1. Select all transactions that are not related to the budget line that it was charged on (E.g., a salary transaction that is charged under stationary budget line). 2. Select all transactions that do not relate to the nature and purpose of the project. 3. Select transactions that have general or vague descriptions. 4. Select transactions that are not logical to the nature of the expense type. (E.g., Transportation expense with higher amount reported for short distance transportations).

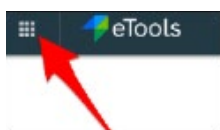
3 . Preparation Phase

PREPARE	DISCUSS	RISK-BASED SAMPLING
5. Filter the transaction list by all duplicate amounts excluding salaries transactions (as the nature of the expense has the same amount monthly).	Discuss and analyse the remaining transactions through descriptions, dates, and nature of transactions.	Select all the transactions that have duplicate amounts and descriptions from each activity/budget line taking into consideration the overall samples percentage.

- It is not required to test every transaction reported by the IP. Depending on the type of expenditures, the Spot Checker should select no less than 20% and no more than 80% of the expenditures, the goal should be to obtain coverage of approximately 50%. The Spot Checker uses a risk- based approach during selection, identifying large and unusual expenses.
- After the sample selection is completed, share the sample list with the IP at least 5 working days before field visit.

3. 5. e tools

- eTools is used to document and follow-up on the Spot Check status in addition to recording high risk rated findings and assign follow-up actions from current Spot Check.
- Open eTools and use the Financial Assurance Module (FAM).
- In the FAM site you create new engagement type (spot check).
- Kindly find below the step by step for eTools that is required to be filled by the Spot Checker in the Planning Phase1.
 - Log into eTools using your UNICEF email and password.
 - Click on the Menu icon in the top left corner of the screen to open menu.

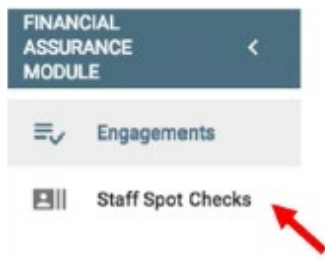


- Select Financial Assurance Module.

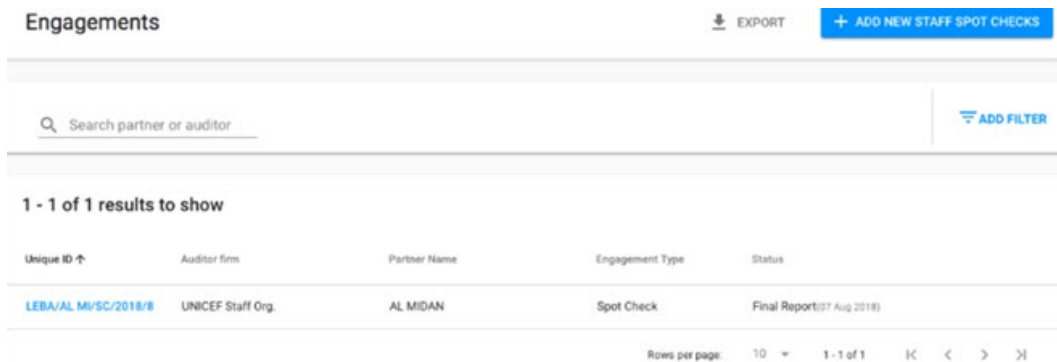


3. Preparation Phase

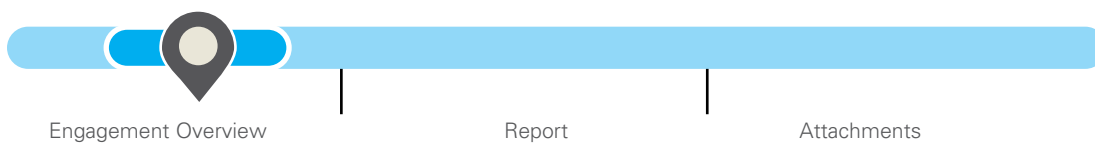
4.4. From the list of engagement that will open, click on Staff Spot Checks on the left of the screen.



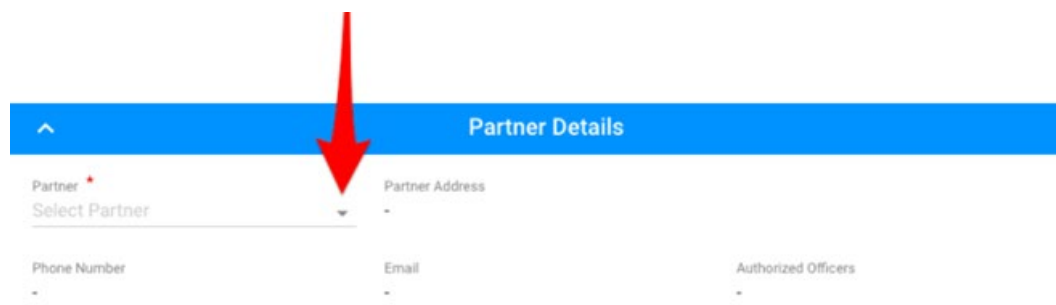
4.5. Click on Add New Staff Spot Checks.



4.6. Engagement Overview page will open. Enter required information.



4.7. In the partner details click on Partner drop-down list to select the partner. Once the partner selected, their details will be automatically populated (from VISION).



3. Preparation Phase

- 4.8. Scroll down to Audit Staff Team Members section and select at least one UNICEF Staff Member for this spot check. If UNICEF staff member is not listed, you can add them by clicking on the plus sign on the right corner.

Audit Staff Team Members (2)						
Has Access	Position	First Name	Last Name	Phone Number	E-mail Address	
<input checked="" type="checkbox"/>	-	Slavi	Nikolov	-	slavinikolov@outlook.c...	
<input type="checkbox"/>	Jr Tester	Jan	Panchalingam	123456789	janpanchalingam@gma...	

- 4.9. Enter new Audit Staff Team Member contact information (email, first and last name) and click on Add. Once you added a new Audit Staff Team Member, do not forget to check mark the box Has Access.

Add New Audit Staff Team Member

E-mail Address *
 Enter E-mail

First Name *
 Enter First Name

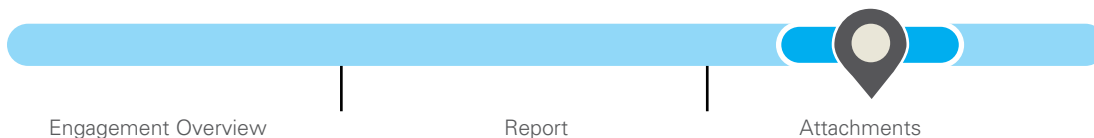
Last Name *
 Enter Last Name

Position
 Enter Position

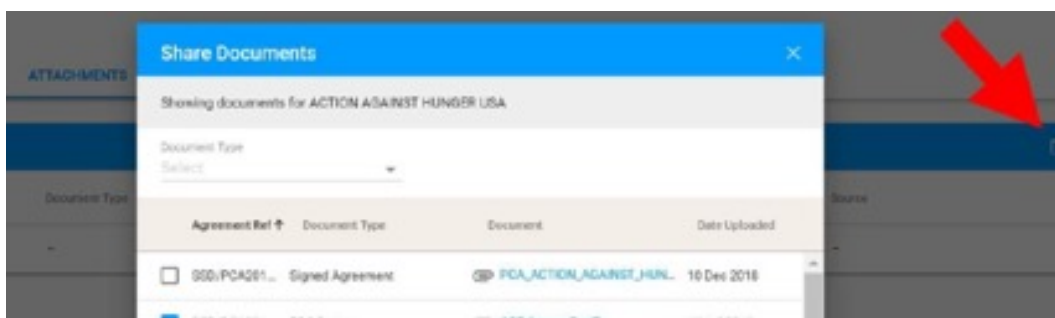
Phone Number
 Enter Phone

☒ Has Access

CANCEL
ADD

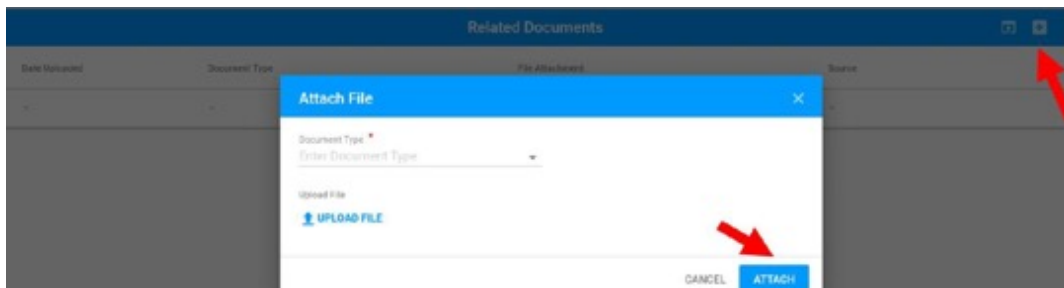


- 4.10. To share attachments related to the partner and/or programme that are already uploaded on eTools. Click on the upload button. A pop up will appear showing the available documents from the eTools library. You can select multiple files and click on Share to attach to the audit.

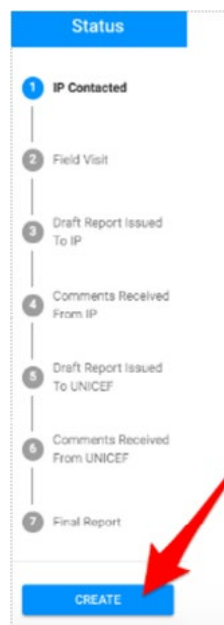


3. Preparation Phase

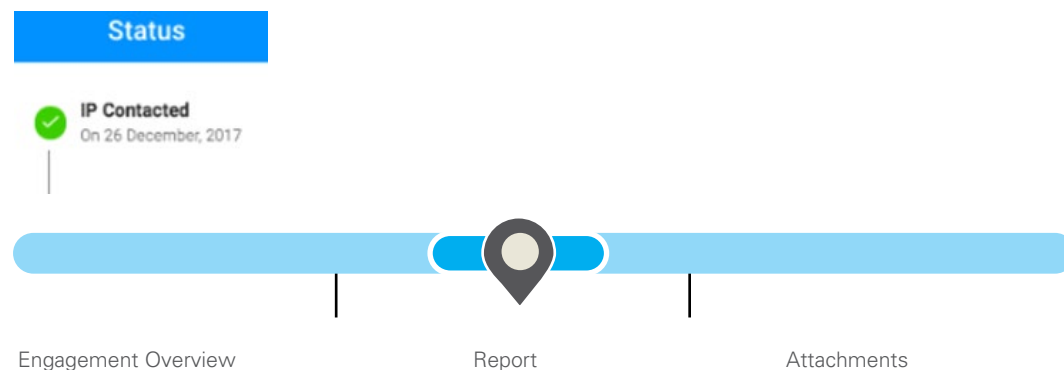
4.11. To upload attachments, click on the upload button and attach the relevant files.



4.12. Click on Create in the Status bar.



4.13. The status of your engagement will change to IP Contacted (including the date IP was contacted). The Audit Staff Team Members will receive an e-mail informing them of their selection for the engagement.



3. Preparation Phase

5. Engagement Status³

5.1. Enter the Date of the Field Visit, once you enter the Date of the Field Visit into the report, the status will update to coincide with this date

6. Overview

6.1. enter the Date of the Field Visit, once you enter the Date of the Field Visit into the report, the status will update to coincide with this date

³ Shape1. FRG Guidance 001 UNICEF Spot Check Guidance 30 June 2015, page 11

4 . Fieldwork phase

4.1. Changes in IP's internal control	29
4.2. Bank account, FACE form and transaction list reconciliations review	30
4.3. Expenditure's testing and specific procedures.	30
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4.9. Do's and Don'ts	48

4. Fieldwork phase

1. Objective of this phase: review changes in internal controls and carry out detailed tests of selected transactions to ensure accurate reporting and proper use of funds

2. Key risks in this phase:

Table 12

KEY RISKS	RELATED MITIGATION CONTROLS
Not adequate time taken for fieldwork phase	Minimum of 1-3 person-day
Internal controls meeting not documented, no follow up of prior action points	Fieldwork exercise should include follow up on the status of implementation of previous action points . Duly complete all spot check templates: <ul style="list-style-type: none"> • Annex A: Spot Check Checklist • Annex B: Spot Check Report • Annex C: Test of Expenditures Worksheet • Annex D: Detailed Findings and Recommendations
Potential fraud or other red flag detected not adequately addressed	Expand sample size if red flag identified, use enhance pot check procedures, consult with Regional IP management team



3. Reporting Phase and recommended Timeline

Table 13

PHASE	CHANGES IN IP'S INTERNAL CONTROL	BANK RECONCILIATION	EXPENDITURE'S TESTING
When?	➤ Fieldwork		
How long?	➤ 1-3 days		

4.1. CHANGES IN IP'S INTERNAL CONTROL

- Follow-up on recommendations of high risks from the Micro assessment and prior Spot Check (if available)
 - Obtain the latest Micro assessment and most recent Spot Check report,
 - Identify only the recommendations associated with high risk rated findings in both the Micro assessment and the Spot Check report,
 - Arrange for a meeting with management (focal points for all areas of high risk) to follow-up on the status of these recommendations and the agreed-on action plans to rectify the finding,
 - If no actions were implemented, ask management for justification to understand and document the rationale behind lack of actions and possible root causes (e.g., lack of resources, high turnover, gross negligence, willful misconduct, etc.),
 - If actions were implemented, request for documents supporting the actions taken. (e.g., written policies, forms established),
- Ask management if any major changes have occurred in their organization since the last Spot Check conducted, such as but not limited to the following:

4. Fieldwork phase

- Management structure hierarchy and reporting lines,
 - Key team members such as: Director, Manager, CFO, CEO, etc.,
 - Key departments and their responsibilities,
 - Changes in internal policies such as: HR, procurement, and finance,
 - Basis of accounting changes such as cash basis to accrual basis, payments methods (cash, cheques, bank); and
 - Changes in accounting system such as shifting from using excel sheets to an automated system.
- 3.** Ensure that all prior recommendations and changes identified are documented in the “internal control” section in the Spot Check report.

4. 2. BANK ACCOUNT, FACE FORM AND TRANSACTION LIST RECONCILIATIONS REVIEW

- 1.** If the IP has a separate bank account for UNICEF funds, then perform the following: Make sure that all the below steps are in accordance with the IP’s finance manual or its equivalent:
- Review evidence indicating that the bank reconciliations were prepared,
 - Check whether the bank balance reconciles with the transaction list balance and FACE form balance, any differences if applicable, should be listed in the reconciliation sheet,
 - Check that reconciling items if applicable are resolved in a timely manner (procedures for resolving those outstanding items as per the IP’s applicable procedures),
 - Check whether the preparer’s name of the bank reconciliation and signature are evidenced,
 - Check whether the reviewer’s name of the bank reconciliation and signature are evidenced,
 - In case of any difference between the transaction list and the FACE form, sum the transactions of each budget line separately to tally the total amount on the FACE form. Also, clarify any unusual balances and differences with management and obtain justification relating to these differences,
 - Ensure that all outcomes of this review are documented in the “Bank Account” section in the Spot Check report.
- 2.** If the IP doesn’t have a separate bank account for the UNICEF, then document this in the related section in the report.

4. 3. EXPENDITURE’S TESTING AND SPECIFIC PROCEDURES.


- 1.** The Spot Checker should follow the following steps and document them in the section “Program related expenditure” using the related template Expenditure testing worksheet.
- 2.** Obtain the sample list and their related supporting documentation (ensure that all supporting documentation are original not copies), the sample size should be as

4. Fieldwork phase

mentioned in the preparation phase section “3.4 Sample Selection” and perform the following steps:

3. Expenditure test worksheet


Table 14



Procedure 1: Sample expenditure description and voucher number
Procedure 2: Sample expenditure amount reported
Procedure 3: Documentation exists to support expenditure in accordance with IP's applicable rules and procedures and agreements with the agency? (Y/N) – document the evidence reviewed
Procedure 4: Activity is related to expenditure in accordance with work plan? (Y/N) – document the line item in the budget or work plan
Procedure 5: Expenditure has been reviewed and approved in accordance with IP's applicable rules and procedures and agreements with the agency? (Y/N) – document the level of review and approval
Procedure 6: Expenditure was reflected on a certified FACE form submitted to the agency and in IP's accounting records and bank statement? (Y/N)
Procedure 7: Supporting documents are stamped 'PAID from XXX grant', indicating which agency funded the transaction or coded to and recorded in a UNICEF specific fund? (Y/N)
Procedure 8: Expenditure was recorded in the IP's accounting records and reflected in a certified FACE form in the period in which it was incurred (Y/N)
Procedure 9: Price paid for goods or services against United Nations agreed standard rates (if readily available)
Procedure 10: Review mathematical computation of individual payments and total payments against the expenditure.
Procedure 11: Comment/ finding

Procedure 1: Sample expenditure description and voucher number


Table 15



DOCUMENTS TO OBTAIN	DETAILED STEPS
Transaction list	Document the transaction's voucher number (reference) and transaction's description.
All original supporting documents	Match the transaction's voucher number (reference) and transaction's description to the supporting documents.

Procedure 2: Sample expenditure amount reported

Table 16



DOCUMENTS TO OBTAIN	DETAILED STEPS
Transaction list	Document the transaction's amount that is stated in the transaction list.
All original supporting documents	<ol style="list-style-type: none"> 1. Ensure that the transaction's amount that is stated in the transaction list matches the amount in the original supporting documents. 2. In case of any differences between the transaction's amount and the amount in the original supporting documents, then discuss with management.

4 . Fieldwork phase

Procedure 3: Documentation exists to support expenditure in accordance with IP's applicable rules and procedures and agreements with the agency? document the evidence reviewed

Document the full information of the original supporting documents reviewed; the date, number, the amount, and type of document which include but not limited to the following:

Table 17

TYPE OF EXPENDITURE	DOCUMENTS TO OBTAIN	DETAILED STEPS
A. Procurement	<ol style="list-style-type: none"> 1. Procurement Policy 2. DOA 3. <u>Purchase Request (PR)</u> 4. <u>Purchase Order (PO)/ blanket agreement</u> 5. <u>Invoice</u> 6. <u>Goods Receipt Note (GRN)</u> 7. <u>Certificate of completion</u> 8. Bid Analysis 9. <u>Logbook</u> 10. Signed contract/ <u>engagement letter</u> 11. Timesheet 	<ol style="list-style-type: none"> 1. Ensure that the applicable procurement process with defined thresholds of purchasing was followed as per IP's procurement policy for each transaction tested. 2. Ensure that all procurement supporting documents that are mentioned in the policy are approved by authorized personnel as per DoA. 3. Ensure that the PR is approved by authorized personnel, (if applicable). 4. Ensure that a Request for Quotations (RFQ)/ Request for Proposals (RFP) was sent as per IP procurement policy, (if applicable). 5. Ensure that the quotations were received in a timely manner as per defined deadline, (if applicable). 6. Ensure that all quotations received were evaluated based on a systemic approach (price, quality, delivery time, etc.), reviewed and approved by the appropriate personnel, (if applicable). 7. Ensure that the vendor rewarded was the best in terms of evaluation standards and the rewarding was approved, (if applicable). 8. Ensure the existence of a contract/agreement/PO and that it was signed by both the vendor and the IP (as per the DOA), (If applicable). 9. In case of services, ensure that the vendor/service provider provided the IP with a certificate of completion, and ensure that there was evidence indicating the completion of the service provided, such as: reports/materials, attendance sheet, visuals, statement from UNICEF representative. 10. In case of goods, ensure that there is a goods receipt note, and ensure that the goods received are matched with the PO in terms of quantity and description. 11. In case of consultancy service, ensure that the time of the consultant is monitored through a timesheet to demonstrate the time spent on providing the service related to the service. 12. Ensure that certificate of completion/ goods receipt note is signed by the Receiver from the IP side. 13. Ensure the procurement supporting documents that are stated in the policy follow the correct sequence of issuing, for example the regular cycle is (PR>PO>Invoice>GRN/Certificate of completion>PV) 14. Ensure that a three-way match was performed which is the process of comparing the PO; the GRN/ certificate of completion and the vendor's invoice before approving a vendor's invoice for payment, by checking the PV date and amount. 15. Ensure that the relevant supporting documents dates are during the period of the FACE form.

4 . Fieldwork phase

TYPE OF EXPENDITURE	DOCUMENTS TO OBTAIN	DETAILED STEPS
B. Payroll	<p>1. HR Policy</p> <p>Local employees:</p> <ol style="list-style-type: none"> 1. Approved payroll 2. Contract 3. Timesheets 4. Salary slip <p>Expat employees:</p> <ol style="list-style-type: none"> 5. Contract, 6. Timesheet, 7. Proof of payment (either salary slip or receipt confirmation through email), 8. Calculation sheet from HQ. 	<p>Local Employees:</p> <ol style="list-style-type: none"> 1. Ensure that the payroll register/sheet is approved by the authorized personnel as per the HR policy and DoA. 2. Recalculate the employees' salary as per the IP's calculation (any deductions, taxes, social security, additions, project,) to ensure that the amount recorded on the transaction list matches the amount on the approved payroll register/sheet. 3. If the employee being reviewed is not solely working on UNICEF funded project, ensure the amount charged on the transaction list is calculated based on a systematic methodology such as timesheets reflecting time spent on the project. 4. Ensure that the employee's salary does not exceed the salary as per project budget.= 5. Ensure the employee contract is signed by both the employee and the IP as per DoA. 6. Ensure that the employee signature on the contract is matching with timesheet and the payslip. 7. Ensure that the amount reported on the transaction list agrees to the employee contract also to any salary amendments letters during the period. 8. Match the percentage of time spent on the project reflected on the transaction list with the percentage on the timesheet and with the percentage used in calculating the salary on the payroll register/sheet. 9. Ensure that the relevant supporting documents dates are during the period of the FACE form. 10. Ensure there is a valid work permit for not nationals' employees. 11. Ensure that there are no bonus payments as they are considered "Ineligible Expenditures". <p>Expat employees:</p> <ol style="list-style-type: none"> 1. Matches the percentages in the calculation sheet received from the HQ with the approved budget. 2. Obtain evidence indicating paying the salary to Expat employees.
C. Travel	<ol style="list-style-type: none"> 1. Travel procedures related policy, 2. Approved <u>travel request form</u>, 3. Per diem policy, 4. Original boarding pass, 5. Copy of entering/ exiting stamp 	<ol style="list-style-type: none"> 1. Ensure that travel expenditure is adequately supported as per the IP's travel procedures such as: boarding pass, travel request form, invoice from travel agent, etc. 2. Ensure that the supporting documents (any claims and forms) examined is approved by the authorized per-sonnel as per DoA. 3. Ensure that the relevant supporting documents dates are during the period of the FACE form. 4. Ensure that the purpose of the travel is in line with the project's nature and activities, and there is document-ed evidence supporting the purpose of the travel.
D. Rental	<ol style="list-style-type: none"> 1. Rent contract, 2. Vehicle <u>log sheet</u>. 	<ol style="list-style-type: none"> 1. Ensure that the procurement procedures were followed to select the third party. (If applicable). 2. Ensure that the contract signed by both parties. 3. Ensure that the contract is valid for the period covering the FACE form. 4. Ensure that the amount of rental paid matches the approved percentage.

4 . Fieldwork phase

TYPE OF EXPENDITURE	DOCUMENTS TO OBTAIN	DETAILED STEPS
E. Cost Allocation	<p>Documentation to request:</p> <ul style="list-style-type: none"> • Allocation sheet, • All supporting documents related to the type of expense. <p>The following are the most common expenses to be used cost allocation mechanism</p> <ol style="list-style-type: none"> 1. Rent 2. Fuel: invoice from vendor, gas station card, 3. Utilities: invoices from the government, 4. Transportation: invoices from taxis, uber and any other method of transportation, 5. Telecommuni-cations: statement of account from the telecommuni-cation company or invoice. 	<ol style="list-style-type: none"> 1. Ensure that the completeness of supporting documents related to each type of shared expenditure. 2. Recalculate the amount charged on the transaction list using the percentage reflected on the cost allocation sheet of the month and multiplying this percentage by the total expenditure amount for each type of expenditure. 3. Review the cost allocation methodology and basis is fair and rational and cost allocated to UNICEF funds are only attributable to activities related to deliver UNICEF programme
F. Trainings	<ol style="list-style-type: none"> 1. Training instructions, 2. Signed contract, 3. Attendance sheet, 4. Venue booking, 5. Meals and accommodation, 6. All supporting documents relating to the training 	<ol style="list-style-type: none"> 1. Ensure that the purpose of the training matches the objectives of the project funded by UNICEF. 2. Ensure that there is a procurement process that is in accordance with IP's procurement policy for meals, venue booking and accommodation. 3. Ensure there is a signed attendance sheet which includes the list of the attendees along with their signatures.
G. Cash for Work	<ol style="list-style-type: none"> 1. Selection criteria, 2. Proof that the selected beneficiaries went through the selection process, 3. Copy of all selected beneficiaries IDs. 	<ol style="list-style-type: none"> 1. Ensure that there is a contract with beneficiaries in case of cash for work. 2. If the cash is paid as allowance for transportation or food related to an activity (incentive), ensure there is an attendance sheet and ensure that their names exist on this attendance sheet. 3. If the cash paid is for work done by the beneficiaries, ensure there are documents supporting that the work had been produced. 4. Ensure that a receipt voucher exists as a proof that all beneficiaries have received the payment.
H. Consultancy	<ol style="list-style-type: none"> 1. Signed contract/ engagement letter, 2. Certificate of completion, 3. Timesheet. 	<ol style="list-style-type: none"> 1. Ensure that the IP contracted the consultant based on a fair, competitive, and transparent process. 2. Ensure that the consultant provided the IP with a certificate of completion and ensure that there was evidence indicating the completion of the service provided, such as reports/materials, attendance sheet, visuals, and a statement from the UNICEF representative.

4 . Fieldwork phase

Procedure 4: Activity is related to expenditure in accordance with work plan? document the line item in the budget or work plan

Table 18

TYPE OF DOCUMENT	DETAILED STEPS
Project Budget/Work plan	<ol style="list-style-type: none"> 1. Ensure that the sample of expenditure is in accordance with the nature of the project funded by UNICEF. 2. Ensure that the budget line item that is stated in the transaction list matches the one stated on the original supporting documents. 3. Match the budget line item stated in the transaction list with the budget line item reflected on the budget/work plan. 4. Document the budget line item that this expenditure was charged on in the accounting system. 5. If the budget line items didn't match, ask the IP focal point for proper justification for the difference.

Procedure 5: Expenditure has been reviewed and approved in accordance with IP's applicable rules and procedures and agreements with the agency? document the level of review and approval Refer to the explanation of each column as per column number

1. Ensure that the Journal Vouchers (JV) are approved by authorized personnel and attached to the supporting documents mentioned in the table below.
2. Ensure that the following expenditures documentation was reviewed and approved as per IP's applicable policies and Delegation of Authority (DoA) and document the reviewer and approver, as per the table below:

Table 19

AREA	TYPE OF DOCUMENTS
A. Procurement	<ol style="list-style-type: none"> 1. PR 2. PO/blanket agreement 3. Invoice 4. GRN 5. Certificate of Completion 6. Bid Analyses 7. Logbook 8. Signed contract/ Engagement Letter 9. <u>Payment Voucher</u> (PV) 10. Other documents as IP applicable procedures
B. Payroll	<p>Local employees:</p> <ol style="list-style-type: none"> 1. Payroll 2. Timesheets 3. Salary slip <p>Expat employees:</p> <ol style="list-style-type: none"> 4. Contract 5. Timesheet 6. Proof of payment (either salary slip or receipt confirmation through email) 7. Calculation sheet from HQ

4 . Fieldwork phase

AREA	TYPE OF DOCUMENTS
C. Travel	<ol style="list-style-type: none"> 1. Travel request form 2. Per diem policy 3. Original boarding pass 4. Copy of entering/exiting stamp 5. PV
D. Rental	<ol style="list-style-type: none"> 1. Rent contract 2. Vehicle log sheet
E. Cost Allocation	<ol style="list-style-type: none"> 1. Fuel: invoice from vendor, gas station card 2. Utilities: invoices from the government 3. Transportation: invoices from taxis, uber and any other method of transportation 4. Telecommunications: statement of account from the telecommunication company or invoice 5. Allocation sheet 6. All supporting documents related to the type of expense
F. Trainings	<ol style="list-style-type: none"> 1. Signed contract 2. Attendance sheet 3. All procurement documents related to venue booking, meals and accommodation
G. Cash for Work	<ol style="list-style-type: none"> 1. Selection criteria 2. Proof that the selected beneficiaries went through the selection process 3. Money receipt

Procedure 6: Expenditure was reflected on a certified FACE form submitted to the agency and in IP's accounting records and bank statement

Table 20

TYPE OF DOCUMENT	DETAILED STEPS
A.Transaction list and FACE form	Document amount that tallies with both the transaction list and with the FACE form.
B. Bank statement	Trace the expenditure to the related bank statement. If the expenditure was not paid through bank, check the nature of the expenditure, and trace it to the proper payment method (e.g., Fuel paid directly through cash).

Procedure 7: Supporting documents are stamped 'PAID from XXX grant', indicating which agency funded the transaction or coded to and recorded in a UNICEF specific fund (Y/N)

Table 21

TYPE OF DOCUMENT	DETAILED STEPS
Invoice and other relevant supporting documents.	Ensure that the invoice of expenditures is stamped as "PAID by UNICEF" indicating project reference.

Procedure 8: Expenditure was recorded in the IP's accounting records and reflected in a certified FACE form in the period in which it was incurred (Y/N)

4 . Fieldwork phase

Table 22

TYPE OF DOCUMENT	DETAILED STEPS
Transaction list	Ensure that the sample selected of transactions are recorded in the period it was paid, and related to the current FACE form being inspected.



Procedure 9: Price paid for goods or services against United Nations agreed standard rates (if readily available)

Table 23

TYPE OF DOCUMENT	DETAILED STEPS
Budget / ICE report / United Nations agreed standard rates if available	<ol style="list-style-type: none"> 1. Check if the unit cost/price in the ICE report/budget matches the actual price in the supporting documents. 2. Compare the expenditure amount in the transaction list to the rates agreed in the budget.
Original supporting documents	
Transaction list	



Procedure 10: Review mathematical computation of individual payments and total payments against the expenditure.

Procedure 11: Comment/ finding

Table 24

TYPE OF DOCUMENT	DETAILED STEPS
Expenditure's testing sheet	Document any discrepancies, unreasonable justifications, issues, and observations as a result from completing the aforementioned steps.



In case of multiple comments/findings in a specific budget line/activity, the Spot Checker should consult with UNICEF Focal Point in order to provide him/her with the appropriate procedures and way forward.

4. 4. LINKING EXPENDITURES AND PROGRAMMATIC OUTPUTS AND RESULTS

1. Obtain Programme Document Progress Report "PDPR" from the responsible Programme Manager or eTools.
2. Identify discrepancies between FACE forms and the PDPR in particular check whether the delivery or the progress on outputs are consistent with the expenditure reported in the FACE form. Some examples of inconsistencies could be when the IP reported constructions activities when related expenditures and not reported in the FACE form.

4 . Fieldwork phase

3. Report any inconsistencies as a finding in the report.



TIPS 4

Review of CSO Contribution

While there is no actual requirement to test

Below is the best practice in CSO contribution testing

Best practice in CSO Contribution testing	<ul style="list-style-type: none"> • It must be necessary and reasonable for accomplishing the project objectives under the PCA. • It must be reported in the project financial statement and auditable. 	It must be valued at the fair market value. The basis for determining the value of the in-kind contribution should be documented and must be independently assessed
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4. 5. INELIGIBLE EXPENDITURES IDENTIFICATION

1. Ineligible expenditures are those expenses incurred which have been found not to be compliant with the signed programme document and PCA and/or the appropriate financial and procurement procedures of the partner”.


UNICEF has determined the below to be ineligible expenditures:

Table 25

TYPE OF DOCUMENT	DETAILED STEPS
<p>The following are Ineligible Expenditures (as determined by UNICEF in its sole discretion) and, therefore, will not be included in the FACE form:</p> <ol style="list-style-type: none"> 1. Expenditures not made for activities, or not necessary for the implementation of the activities, included in the Programme Document; 2. Expenditures for value added tax (“VAT”) unless the Partner can reasonably demonstrate to UNICEF that it is unable to recover the VAT; 3. Expenditures covered by or relating to another Programme Document; 	<ol style="list-style-type: none"> 1. Expenditures for goods and services not included in the approved work plan budget, FACE form and Itemized Cost Estimate; 2. Expenditures incurred outside of the implementation period; 3. Expenditures not duly authorized by the appropriate authority, as stipulated in the partner’s policies and procedures; 4. Prices in excess of the prevailing market prices for goods and services without proper rationale/justification; 5. Expenditures on services for which a report is expected but not received;

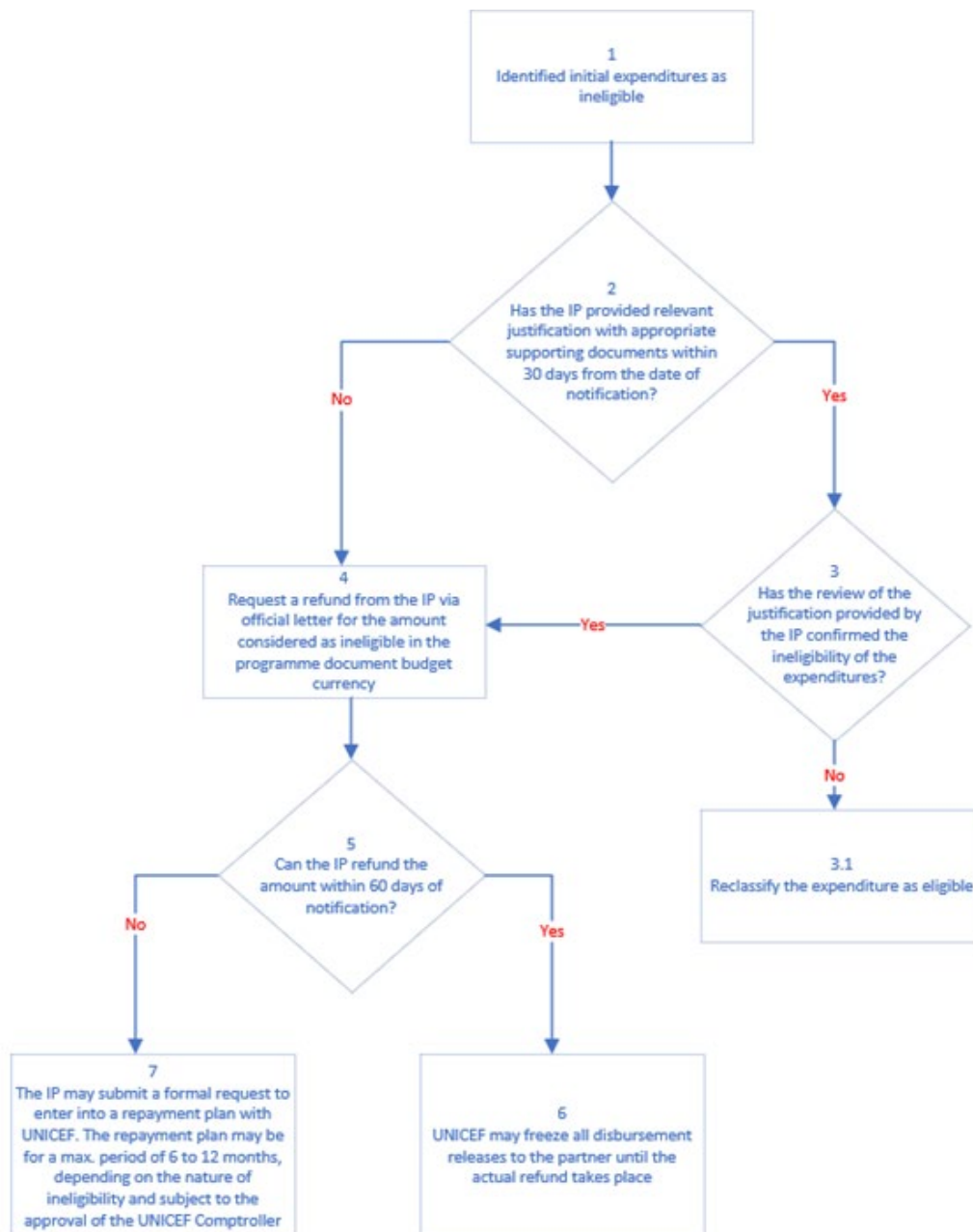


4 . Fieldwork phase

TYPE OF DOCUMENT	DETAILED STEPS
<ol style="list-style-type: none"> 4. Expenditures paid or reimbursed to the Partner by another donor or entity; 5. Expenditures in relation to which the Partner has received an in-kind contribution from another donor or entity; 6. Support costs for organizational capacity exceeding the rate referred to in Article 6.2 of this Agreement; 7. Expenditures that are not verifiable by records as provided in Article 9 of this Agreement (other than support costs for organizational capacity referred to in Article 6.2 of this Agreement); 8. Salaries for the Partner's employees exceeding the rates payable by UNICEF for comparable functions at the relevant duty station; 9. Expenditures in respect of fees for individual consultants retained by the Partner exceeding those payable by UNICEF for comparable services rendered by individual consultants; 10. Expenditures for travel, daily subsistence and related allowances for the Partner's employees or consultants exceeding those payable by UNICEF to its staff members or consultants, as applicable; 11. Amounts that represent accruals of costs not expenditures actually incurred by the Partner; 12. Expenditures that merely represent financial transfers between administrative units or locations of the Partner, for example as payment for services provided by one administrative unit of the Partner to another; 13. Expenditures that merely represent financial transfers between administrative units or locations of the Partner, for example as payment for services provided by one administrative unit of the Partner to another; 14. Expenditures that are not reasonable and justified under principles of sound financial management, in particular the principles of value for money and cost-effectiveness; 15. Expenditures that relate to obligations that were entered into after the end date of the relevant Programme Document; 16. Debt and debt service charges; 17. Foreign exchange loss; 18. Fines or levies payable to the authorities related to timeliness of payment of VAT or custom payments required by law; 19. Expenditures tainted by fraud as defined in UNICEF's Policy Prohibiting and Combatting Fraud and Corruption; and 20. Questionable expenditures for which the Partner has not, in UNICEF's opinion, provided a satisfactory response; 21. Expenditures made in contravention of any of the terms of this Agreement. 	 <ol style="list-style-type: none"> 6. Fraudulent expenditures (as verified by UNICEF and assurance providers), such as expenditures with falsified/ fake receipts, contracts with fictitious suppliers, contracts involving collusion or nepotism between implementer and suppliers, other procurement irregularities; 7. Recoverable taxes not recovered by the partner within a reasonable period of time (six to nine months after incurring the actual expenditure or the normal processing cycle of the national authority); 8. Any expenses related to the personal costs of partner's directors or employees; 9. Expenses incurred where the title on purchases is not in the name of the partner; 10. Expenses that are not-compliant with the partner's rules and guidelines; 11. Any interest expenses on financial debt and debt related charges; 12. Loans, grants and credits to individuals or entities (unless provided for as an activity in the programme document); 13. Any expense that has been funded by more than one UNICEF programme document and/or SSFA; 14. Any expense that has been funded by another donor or organization; 15. Expenses incurred before the agreement date, including costs for proposal and fund raising; 16. DSA or subsistence costs are covered by another source of funding or organization or reported amount differ from actual reimbursement to traveller. (document budget for purposes of security) 17. Office repair and maintenance (unless expressly provided for in the programme) 18. Expenses claimed that represent accruals and not actual costs, such as depreciation expense and other post-employment employee benefit accruals; accruals related to timing of payment or standard employee benefits, including pension are eligible expenditures; 19. Employee and management bonuses; 20. Any expenses that are unreasonable compared to the national prevalent rates and prices; 21. Any expenses that are illegal or prohibited by local laws and regulations, including bribery; and 22. Shared cost allocations not supported by a fair allocation method.

4 . Fieldwork phase

2. Ineligible expenditures treatment:



Disbursement of additional UNICEF resources for programme implementation will be maintained if the provision of the payment plan is adhered to by the partner.

4 . Fieldwork phase

4. 6. DEALING WITH FRAUD RED FLAGS - ENHANCED SPOT CHECK PROCEDURES

1. While performing the review of the internal controls and the tests, the spot checker should pay attention and look out for signs of fraud **red flags**. Red flag is a warning or indicator, suggesting that there is a potential problem or risk related to but not limited to fraud, waste and abuse of resources. See **annex 1 for a non-exhaustive list of fraud red flags in Financial management and Procurement**.
2. If red flags are identified, in consultation with the chief of Operations, the regional IPM specialist and OIAI, follow up actions must be explored including:
 - Expanding sample size, tests and scope in the ongoing spot check. This is referred to as an **“Enhanced spot check”**
 - Launching a **special audit** by an audit firm.
3. **Enhanced spot check procedures:** The items set out below provide some of the key risk areas which standard spot-check procedures may not identify. The aim is to provide further guidance and additional procedures to help uncover the actual nature of the underlying transactions.

Points for consideration: The expectation is that the CO will decide whether all or some of the areas identified below, and the corresponding procedures, should form part of the enhanced spot check. This may be tailored depending on the nature of the transaction, risk profile of the IP, specific concerns and so on.

A number of procedures refer to the project documents such as workplans and budgets. We recognise that, in many cases, these documents are difficult to obtain, and contain only limited guidance when they can be located. Nonetheless, stating that a certain test was e.g. “Not possible to perform”, with some explanatory comments, will help to build up a picture if there are prevailing, systemic weaknesses at that level of programme management.

Similarly, IPs may not have or make use of some of the features identified in the procedures listed below. For example, there may not be a consolidated monthly payroll report, or a process for employee background checks. Nonetheless, we feel it is useful to highlight this, rather than simply ignore it, as it will help to give a more detailed picture of the level of controls and oversight enforced by the IP.

4 . Fieldwork phase

Identified risk areas and proposed procedures:




Table 26

COST CATEGORY	TRANSACTION TYPES	RISKS	PROCEDURES
 Personnel	<ul style="list-style-type: none"> • Salary • Consultant fees • Bonus • 13th month • Benefits 	<ul style="list-style-type: none"> • Inflated rate • Inflated hours • Lack of allocation basis • Fake employees • Non-transparent selection process • Inadequate skills for position • Indirect project costs charged • Lack of audit trail for cash payments • Falsified cash payments • Indirect costs rolled up into salary costs 	 <ul style="list-style-type: none"> • Trace payment through to organisational payroll • Trace payment through to employee's bank account • Confirm signature and other personal details listed for those receiving payment in cash • Confirm amount received with employee (if cash based) • Verify timesheet or level of effort claimed • Establish basis for amount claimed by reference to the employee / contractor employment contract and payslips • Assess reasonableness of salary / rate by reference to local market conditions / UN rates of pay • Establish rates of benefits applied and assess reasonableness in light of local market conditions / local legislation • Perform daily rate calculation through consolidating the actual cost elements over the total working days per year • Verify cost element contains only necessary direct costs for employment • Verify working days figure used by reference to IP's policies, local holidays, local legislation • Ensure daily rates have been applied consistently when claiming costs for staff from the project • Assess allocation basis if staff work on multiple projects • Confirm allocation basis with employee • Obtain evidence for work done by employee • Obtain evidence of individual's national identification number or other proof of existence • Meet employees in IP's office, project office, or through e.g. Skype and confirm to identity papers • Obtain recruitment documents and assess basis for shortlisting and appointment of eventual candidate, with reference to IP's stated HR policies • Review references obtained from previous employers • Contact previous employers for references • Assess qualifications in terms of suitability for role • Interview staff to confirm their role in the project, and how this linked to project activities • Confirm activities were necessary for the project by reference to the workplan



4 . Fieldwork phase

COST CATEGORY	TRANSACTION TYPES	RISKS	PROCEDURES
 Travel	<ul style="list-style-type: none"> • Domestic travel • International travel • Accommodation • Subsistence • Daily allowances • Visa and similar fees • Fuel 	<ul style="list-style-type: none"> • Not necessary for the project • Inflated prices • Travel did not take place • Lack of audit trail for cash payments • Falsified cash payments • Lack of procurement / value for money • Lack of fuel log • Lack of evidence that fuel was project-related 	 <ul style="list-style-type: none"> • Obtain copies of boarding passes for flights taken • Where boarding passes do not exist, confirm other proof of travel by reference to e.g. hotel bookings and other receipts from destination • Assess reasonableness of costs claimed in light of local market conditions • Obtain basis for "last minute" bookings which may have resulted in increased fares (i.e. why was travel booked late?) • Perform "proof-in-total" to estimate total mileage in light of volume of fuel claimed • Assess need for mileage by reference to the workplan and knowledge of project activities • Contact suppliers / recipients of allowances to confirm the amounts received agree to those claimed • Assess rates of allowances charged by reference to IP policies / HR rates / local legislation • Obtain competitive bidding documents for selection of hotels / catering / car hire etc • Assess appropriateness of procurement decision made • Obtain details of selected supplier to identify personal link to the IP • Verify existence of bidders through physical checks / phone calls / emails • Verify bidder submitted offer for the services in question • Verify bidder's offer valued as per the documents maintained by the IP
 Goods and services	<ul style="list-style-type: none"> • Supplies • Equipment • Consultants • Assets 	<ul style="list-style-type: none"> • Lack of procurement / value for money • Costs not necessary for the project • Project overcharged for shared purchases • Sensitive supplies not properly maintained 	<ul style="list-style-type: none"> • Contact suppliers to confirm the amounts received agree to those claimed • Obtain competitive bidding documents for selection of supplier • Assess appropriateness of procurement decision made • Obtain details of selected supplier to identify personal link to the IP • Verify existence of bidders through physical checks / phone calls / emails • Verify that bidder submitted offer for the services in question • Verify bidder's offer valued as per the documents maintained by the IP • Confirm receipt of goods or services through goods received note / warehouse documents / evidence of service received

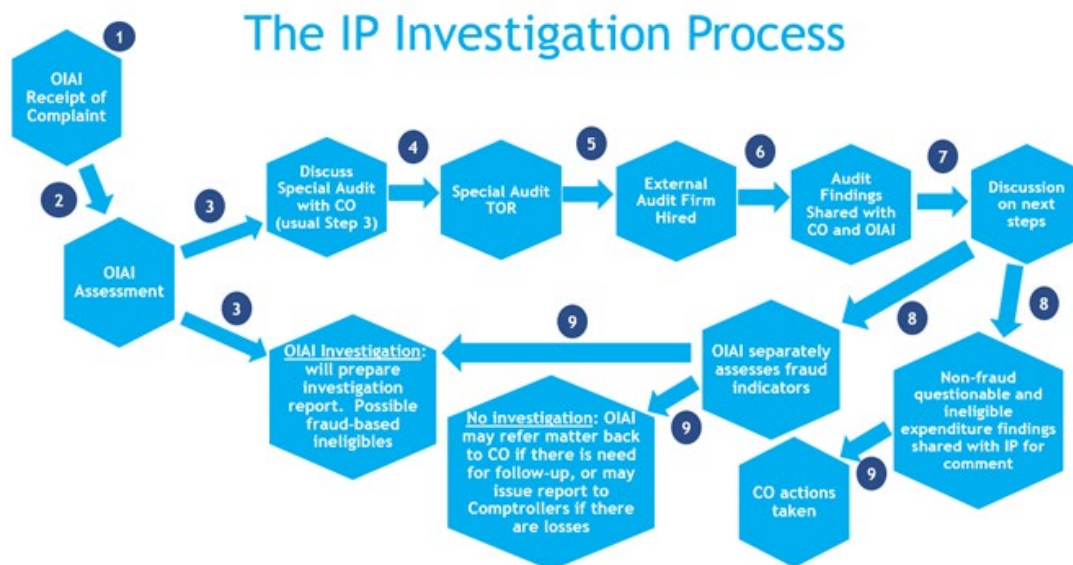
4 . Fieldwork phase

COST CATEGORY	TRANSACTION TYPES	RISKS	PROCEDURES
			 <ul style="list-style-type: none"> • Confirm onward distribution of supplies (where necessary) by contacting end recipients to confirm quantity and make, and the date delivered • Assess project need for the purchase made by reference to the workplan • Assess allocation of purchase costs against other projects / donors • Obtain evidence that total amount allocated to different projects / donors does not exceed %100 of the amount paid to the supplier • Ensure any assets or desirable items purchased with project funds are both necessary for the project by referent to the workplan, and that they were bought in time to be used for foreseen project activities (e.g. a laptop bought at the end of a project period is highly unlikely to be a necessary purchase) • Ensure appropriate storage conditions maintained for supplies with shelf-life or sensitive to temperature / damp conditions • Ensure such conditions are maintained through to the ultimate use of such supplies (e.g. medical products)
 Office / general day-to-day costs	<ul style="list-style-type: none"> • Rent • Power • Stationery • Maintenance 	<ul style="list-style-type: none"> • Project overcharged for shared costs • Costs of an indirect nature claimed as direct costs 	<ul style="list-style-type: none"> • Establish whether costs correspond to necessary direct costs, or those which should be covered by the support cost contribution. (Where e.g. an INGO has a project office in-country, most costs necessary for running the office can be considered direct, with the indirect costs used to fund head office. For other IPs, however, rent and general office running costs should be considered indirect.) • Establish the basis for allocating shared costs to the project and ensure reasonable, in line with the workplan
 Cash handling	<ul style="list-style-type: none"> • Petty cash payments for purchases • Allowances to staff / volunteers / attendees 	<ul style="list-style-type: none"> • Lack of audit trail for cash payments • "Kickbacks" enforced 	<ul style="list-style-type: none"> • Ensure the records clearly identify the recipient of cash payments, their contact details, the amount paid, date of transaction, proof of receipt • Perform reconciliation of cash balance held at the time the spot check is performed • Ascertain whether cash payment is appropriate in light of nature of transaction, location made and the amount paid to recipient(s) • Contact recipients of cash payments to confirm the amount received, and how and when the payment was made • Ask recipients to confirm whether they saw or suspected any evidence of fraudulent or coercive activities

4 . Fieldwork phase

COST CATEGORY	TRANSACTION TYPES	RISKS	PROCEDURES
 Financial reporting	<ul style="list-style-type: none"> FACE form submission 	<ul style="list-style-type: none"> FACE forms not prepared on the basis of the accounting records FACE forms not submitted sufficiently frequently FACE forms not reported in a manner which allows meaningful analysis of budget and / or activity utilisation 	 <ul style="list-style-type: none"> Obtain and file a list of the transactions which reconciles to the FACE form(s) under review Record on the working documents the total amount of expenditure recorded in the accounting system for the period under review Report as unsupported the difference between the FACE form(s) and the records, if the records account for a lower total Record the dates the FACE forms have been submitted for the last four quarters Report the balance of project funds advanced to the IP but as yet unutilised through the submission of FACE forms Report the funding advances made to the IP for the last four quarters, as well as the brought forward total of unliquidated project advances at the start of the last four quarters Assess the appropriateness of activity / budget line reporting on the FACE forms, by reference to the details in the workplan / budget Ensure the accounting records support the activity / budget line split reported on the FACE forms

For your information - see below for an overview of the OIAI Investigation process as a response to allegations of fraudulent activities by IP, including detection of red flags.



4 . Fieldwork phase

4. 7. DISCUSS AND VALIDATE INITIAL FINDINGS

1. Once all the aforementioned steps are completed and documented, discuss the initial findings resulting from the unjustified differences in sample selection process and the expenditures testing with the IP's management to validate them, the IP's management may have the following feedback:

1.1. The IP Agrees to provide additional information to rectify the finding within two business days, after examining the additional information, the Spot Checker would determine whether to keep the finding or to remove it.

1.2. Disagrees with the findings and provides detailed explanation on the reasons behind the disagreement, if the explanation is not based on reasonable facts, the Spot Checker should consult with UNICEF HACT specialist (or the regional office as relevant). After receiving the consultation and all relevant information the Spot Checker would determine whether to keep the finding or to remove it.

1.3. Agrees with the finding and provides corrective actions to be taken.

4. 8. eTools



2. Overview

Enter Total Amount Tested and Total Amount of Ineligible Expenditure.

Overview		
RACE Form(s) Start Date 14 Nov 2018	RACE Form(s) End Date 14 Feb 2019	Total value of selected RACE Form(s) \$ 0.00
Total Amount Tested * \$ 60,000.00	Total Amount of Ineligible Expenditure * \$ 10,000.00	

3. Summary of High Priority Findings and Recommendations

- 3.1 In the Summary of High Priority Findings and Recommendations section, click on + sign to enter information.

Summary of High Priority Findings and Recommendations		
Finding Number	Category of Observation	Deadline of Action
-	-	-

4 . Fieldwork phase

4. Add New Finding and click Add

Add New Finding

Category of Observation *

Enter Category of Observation

Finding and Recommendation

Enter Finding and Recommendation

Agreed Action by IP

Enter Agreed Action by IP

Deadline of Action

5. Summary of Low Priority Findings and Recommendations

5.1 In the Summary of Low Priority Findings and Recommendations section, click on + sign to enter information.

Summary of Low Priority Findings and Recommendations		
Finding Number	Category of Observation	Deadline of Action
-	-	-

5.2 Add New Finding and click Add to enter information.

Add New Finding

Category of Observation *

Enter Category of Observation

Finding and Recommendation

Enter Finding and Recommendation

Agreed Action by IP

Enter Agreed Action by IP

Deadline of Action

4 . Fieldwork phase

6. Internal Controls

6.1 Go to Internal Controls section and document any changes identified

Internal Controls

Inquire of IP management whether there have been any changes to internal controls since the prior micro assessment from the current programme cycle.

Inquire whether the high priority recommendations from the micro assessment and previous assurance activities have been implemented. Document any changes identified

Document any changes identified *

Enter comments

4. 9. DO'S AND DON'TS

Table 27

DO'S ✓	DON'TS ✕
Document the results and conclusion of the detailed steps in the fieldwork phase.	Do not rely on any information without supporting documents.
Ensure that all relevant supporting documents were provided since the initial findings' discussion.	Do not perform the bank reconciliations before familiarizing yourself with the IP's finance manual.
Familiarize yourself with the ineligible expenditure's types.	Do not write vague or not clear comments/findings.
Familiarize yourself with the latest Micro Assessment and Spot Check to discuss with management changes in IP's internal controls.	Do not identify recommendations associated with low risk rated findings.
Always discuss ineligible expenditures and red flags identified with UNICEF Head of Office.	Do not exit the fieldwork without conducting a proper validation meeting with the IP management.



5. Reporting

5.1. Prepare the draft Spot Check report	50
5.2. Review and Share the Draft report	53
5.3. Conduct formal Exiting Meeting	54
5.4. Receiving Management Responses	55
5.5. Quality Assurance	55
5.6. Issuing the final report	55
5.7. eTools	55

5. Reporting

1. **Objective** of this phase: document and validate findings and agree on corrective (follow up) actions.
2. **Key risks in this phase:**

Table 28

KEY RISKS	RELATED MITIGATION CONTROLS
Missing supporting documentation (e.g. FACE form, transaction listing missing)	Ensure FACE and listing of transaction are uploaded in eTools as evidence of supporting documentation.
Inadequate prioritization of finding	See guidance on prioritization below
Recommendations poorly written, not actionable	Adopt the 5 Cs technique (Section 5.1)
Lack of quality review	Perform a quality check on all or a sample of spot check reports using QA checklist in annex 2



3. Reporting Phase and recommended Timeline

Table 29

DRAFT REPORT PREPARATION	EXIT MEETING	RECEIVE MANAGEMENT RESPONSES	FINAL REPORT
1-2 after fieldwork	1-2 after draft report	Within 5 days of report submission	Within 5 days of receipt of management responses


5. 1. PREPARE THE DRAFT SPOT CHECK REPORT

1. **In preparing the draft report, the Spot Checker should:**
 - 1.1. Use the standard report template to record its findings. Template attached in the template section ([Spot Check report](#)).
 - 1.2. All the information resulted from the discussion and validation step should be documented as a finding in the report.
2. While drafting a finding, the Spot Checker should consider including the following elements: the 5 C technique:

5. Reporting

An effective recommendation should include the following elements:

Table 30

	DESCRIPTIONS AND 5CS	EXAMPLE
 Finding (Issue)	Criteria: the standards, measures, or expectations used in making an evaluation and/or verification (what should exist).	As per leading practices, proper segregation of duties within the Human Resources (HR) Department is achieved through having restricted access to the HR modules along with an adequate approval workflow to prevent unauthorized transactions.
	Condition: the factual evidence that the team found in the course of the examination (what does exist).	During our review of the system access rights to the Employees Payroll Masterfile on the HR Module. We noted that two (2) HR employees have complete access to edit and delete the IP's Payroll information and create new profiles, without requiring approval.
	Cause: the reason for the difference between the expected and actual conditions (Why the difference exists); to identify appropriate solutions.	As per communication with the IT and HR departments, this is articulated due to the absence of an approval workflow configured into the HR Module.
 Consequence (Risk/Effect)	Consequences: the risk or exposure to the process, function, department and/or the IP as a whole because the condition is not consistent with the criteria (The impact of the difference).	Lack of restricted access over payroll data leading to unauthorized changes and intentional/unintentional manipulation.
 Recommendations	Corrective action (Recommendations): A recommendation is a suggestion for management to consider addressing the findings found during the Spot Check. The Spot Checker must consider the root cause of the finding when writing a recommendation. The recommendation should be necessary to correct the condition and focus on the cause of the finding and should be: 1. Measurable recommendations. 2. Practical recommendations. 3. Establish accountability. 4. Prioritize key action items and identify an agreed timeline for each corrective action.	We recommend that a joint exercise between the HR Department and the IT Department should be conducted, to study the possibility and feasibility of establishing an approval workflow within the HR Module, to ensure all changes performed on the Employees Payroll Masterfile are not processed until reviewed and approved by an independent party. More examples of Recommendations: 1. Weak recommendation: 1.1. Access should be removed. 2. Strong recommendations: 2.1. Unnecessary access to the employee Masterfile should be removed. 2.2. IT will be required to obtain the Access Approval Form and verify it is signed by the HR Director before granting access to the employee Masterfile. 2.3. Access to the employee Masterfile will be reviewed on a quarterly basis by the HR Director to ensure access is appropriate.

5. Reporting

3. Finding/risk rating:

3.1 In determining the degree of risk or exposure, consider the effect their audit findings may have on the IP operations and financial statements.

Table 31

RISK LEVEL	DESCRIPTION	IMPLEMENTATION DEADLINE
High	Action that is considered imperative to ensure that the agency is not exposed to high risks (i.e., failure to take action could result in major consequences and issues)	Within three months
Low	Action that is considered desirable and should result in enhanced control or better value for money.	For low priority findings, no action plan needs to be developed. An IP management response is sufficient.

3.2 High priority findings criteria

Table 32

QUANTITATIVE CONSIDERATIONS (I.E. MATERIALITY) ⁴	QUALITATIVE CONSIDERATIONS (I.E. RISKS) ⁵
≥ 5% of the amount reported by the IP or > US\$ 10,000, whatever amount is lower.	<p>An observation is high priority if it indicates significant internal control weaknesses, a systematic break down of controls and violation of the IP's financial policies, potential misuse of funds or inaccurate reporting</p> <p>Examples include:</p> <ul style="list-style-type: none"> • Lack of invoices or proof of payments for several expenses; • Documentation is not approved as per the IP's policies; • Differences between the amounts recorded in the system report and the support documentation and payment amounts; • No calculation / support; • The invoice and payment amounts are significantly higher than the prevailing market rates.

⁴ UNICEF Guidance on the Follow-Up on Financial Findings from Spot Checks and Audits, page 2

⁵ UNICEF Guidance on Spot Check

5. Reporting



TIPS 5

Common Reporting Mistakes:

- Using language that implies an attestation service or gives an overall opinion on controls (e.g., the Control is weak).
- Including findings that are not supported by factual data.
- Finalizing reports with facts not validated by the IP.
- Very long paragraphs and sentences/ Repetitive information.
- Using jargons and Buzzwords.
- Quality Review is not undertaken.

Root Cause Analysis:

- It is the structured process for analyzing the cause-effect relationships between events in complex systems. Root Cause Analysis techniques can be used to identify and analyze the fundamental or root causes of IP problems or issues.
- Identifying root causes of known performance gaps or deficiencies is vital to the IP's process improvement, and successful application of root cause analysis should result in elimination of the problem.
- The Spot Checker can use some of the following questions as a starting point for identifying the root causes of actual performance issues or issues:
 - What was different in the process when the problem occurred?
 - What went wrong - what caused the adverse event?
 - Were there controls in place to prevent the adverse event?
 - Did the process perform the way it was supposed to perform?
 - Has the same problem happened before? What Was done to fix it
 - Did any event or action prevent an even worse situation?

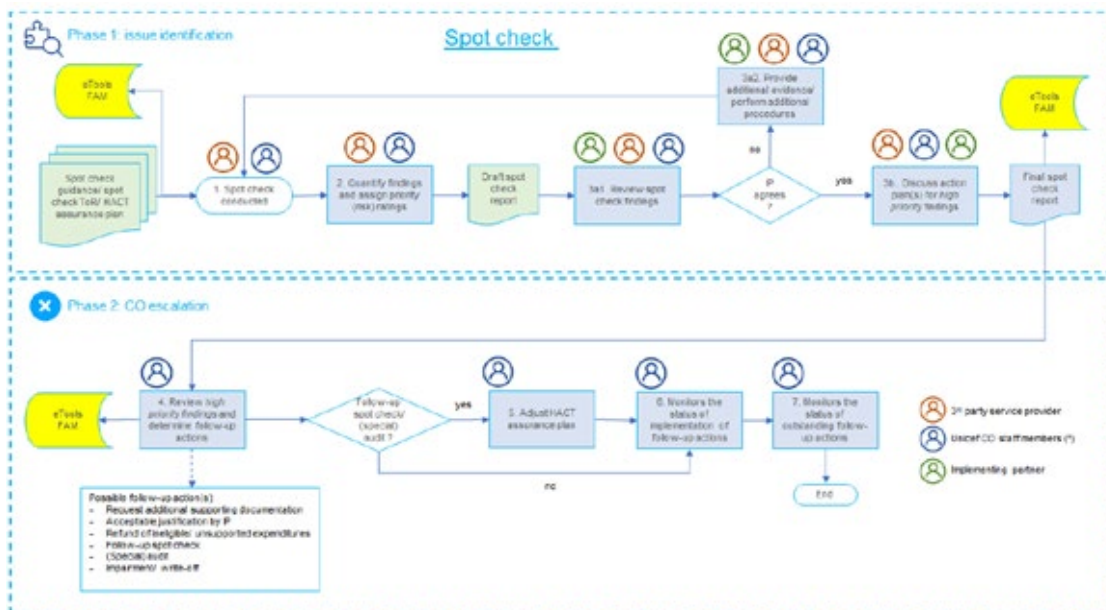
5. 2. REVIEW AND SHARE THE DRAFT REPORT

1. The Spot Checker should send the draft report to the Programme Officer and HACT focal point in order to review the report and provide their comments to the Spot Checker, if any. Only high priority findings should be discussed with Head of Operations to consult him/ her on the required follow-up actions to be carried on.
2. After reviewing the Spot Check draft report, the Spot Checker should share the draft report with the IP.
3. The draft report should be reviewed and shared with the IP withing 1-2 working days from completion of Fieldwork phase.
4. Request from the IP to provide management responses and action plans along with the deadline for implementation in the draft report. The IP should share the management responses within 3-5 woring days.

5. Reporting

5.3. CONDUCT FORMAL EXITING MEETING

1. The Spot Checker should arrange for an exit meeting with the IP management to perform the following:
 - Meet the IP on the agreed day to review and go through all findings, their quantification, ratings, management responses.
 - Discuss action plans and their deadline for all the findings are discussed and agreed upon with the IP
 - In case of disagreement with the reported findings, the IP is provided the opportunity to provide additional supporting documentation (evidence), complementary general procedures are performed by the Spot Check team to check the evidence provided. Additional documentation should be provided within 5 working days unless there is specific justification for a longer period.
2. The Spot Checker should consider the following two scenarios after the exit meeting within the duration period of 5 working days⁶



⁶ UNICEF Guidance on the Follow-Up on Financial Findings from Spot Checks and Audits (annex A)

5. Reporting

5.4. RECEIVING MANAGEMENT RESPONSES

1. Once the Spot Checker receives management responses and action plans, he/she should review the IP management responses in relation to the finding to ensure its relevance.
2. Ensure that action plans are specific and set out a deadline for the rectification of the weaknesses identified in the report.

5.5. QUALITY ASSURANCE

1. To ensure the report adheres to the quality standards of UNICEF, a quality check should be performed by a person other than the spot checker, either prior to or after issuance of final report (see [Annex 2](#) – Template quality check for a Spot Check report)

5.6. ISSUING THE FINAL REPORT

1. The final report should be reviewed by the HACT Specialist who will consult the Programme Manager and the Chief of Operations as necessary before issuing the final report.
2. If needed the Spot Checker adds comments “Spot Checker/staff comments” (if any) to the report after the management responses section.
3. After receiving final confirmation on the findings, the Spot Checker will issue the approved final Spot Check report to the IP and submit it to eTools.

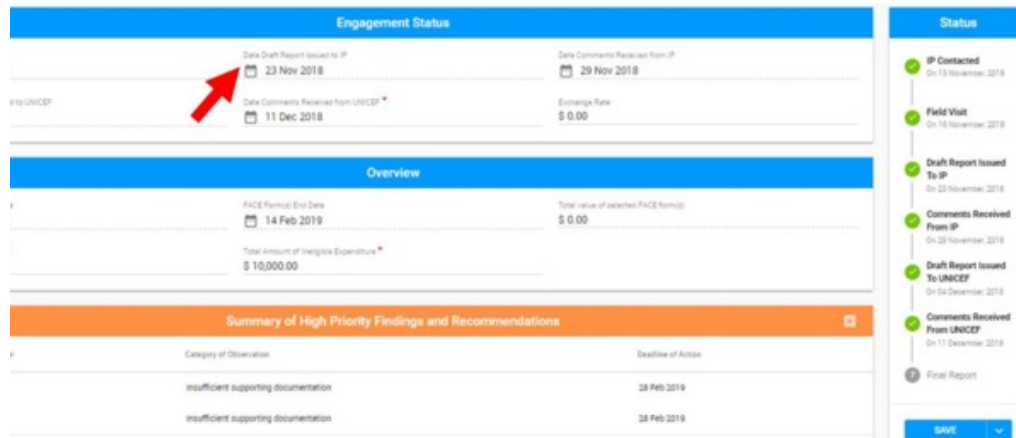
5.7. e Tools



1. Engagement status

- 1.1 Issue the draft report of the assessment to the partner for review. Once issued, you will enter the **Date Draft Report is Issued to IP in eTools**. Once you enter the **Date Draft Report issued to IP** into the report, the status will update to coincide with this data

5. Reporting



Engagement Status

Date Draft Report Issued to IP: 23 Nov 2018
 Date Comments Received from IP: 29 Nov 2018
 Date Draft Report Issued to UNICEF: 4 Dec 2018
 Date Comments Received from UNICEF: 11 Dec 2018
 Exchange Rate: \$ 0.00

Overview

FACE Form(s) End Date: 14 Feb 2019
 Total value of selected FACE Form(s): \$ 0.00
 Total Amount of Ineligible Expenditure: \$ 10,000.00

Summary of High Priority Findings and Recommendations

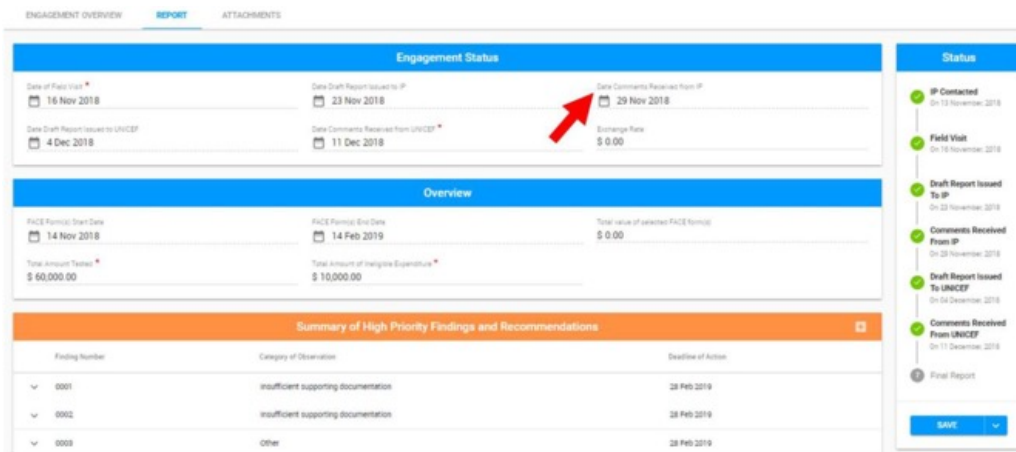
Category of Observation	Deadline of Action
insufficient supporting documentation	28 Feb 2019
insufficient supporting documentation	28 Feb 2019

Status

- IP Contacted (On 13 November 2018)
- Field Visit (On 16 November 2018)
- Draft Report Issued To IP (On 23 November 2018)
- Comments Received From IP (On 28 November 2018)
- Draft Report Issued To UNICEF (On 04 December 2018)
- Comments Received From UNICEF (On 11 December 2018)
- Final Report

SAVE

- 1.2 After the IP sends the comments, you will enter **Date Comments Received from IP**. Once you enter the **Date Comments Received from IP** into the report, the status will update to coincide with this date.



Engagement Status

Date of Field Visit: 16 Nov 2018
 Date Draft Report Issued to IP: 23 Nov 2018
 Date Draft Report Issued to UNICEF: 4 Dec 2018
 Date Comments Received from UNICEF: 11 Dec 2018
 Exchange Rate: \$ 0.00

Overview

FACE Form(s) Start Date: 14 Nov 2018
 FACE Form(s) End Date: 14 Feb 2019
 Total value of selected FACE Form(s): \$ 0.00
 Total Amount Tested: \$ 60,000.00
 Total Amount of Ineligible Expenditure: \$ 10,000.00

Summary of High Priority Findings and Recommendations

Finding Number	Category of Observation	Deadline of Action
0001	insufficient supporting documentation	28 Feb 2019
0002	insufficient supporting documentation	28 Feb 2019
0003	Other	28 Feb 2019

Status

- IP Contacted (On 13 November 2018)
- Field Visit (On 16 November 2018)
- Draft Report Issued To IP (On 23 November 2018)
- Comments Received From IP (On 28 November 2018)
- Draft Report Issued To UNICEF (On 04 December 2018)
- Comments Received From UNICEF (On 11 December 2018)
- Final Report

SAVE

5. Reporting

- 1.3 After you issue draft report to UNICEF to review and make comments, you enter the **Date Draft Report is Issued to UNICEF**. Once you enter the **Date Draft Report is Issued to UNICEF** into the report, the status will update to coincide with this date.

The screenshot shows the 'REPORT' tab with three main sections: Engagement Status, Overview, and Summary of High Priority Findings and Recommendations. The Engagement Status section contains several date fields. A red arrow points to the 'Date Draft Report Issued to UNICEF' field, which is set to 4 Dec 2018. The Overview section shows the PACE Period Start Date (14 Nov 2018) and End Date (14 Feb 2019). The Summary of High Priority Findings and Recommendations section shows a table with three findings, all with a deadline of 28 Feb 2019.

Engagement Status
Date of Field Visit: 16 Nov 2018
Date Draft Report Issued to IP: 23 Nov 2018
Date Comments Received from IP: 29 Nov 2018
Date Draft Report Issued to UNICEF: 4 Dec 2018
Date Comments Received from UNICEF: 11 Dec 2018
Exchange Rate: \$ 0.00

Overview
PACE Period: Start Date: 14 Nov 2018
PACE Period: End Date: 14 Feb 2019
Total value of selected PACE Period: \$ 0.00
Total Amount Tracked: \$ 60,000.00
Total Amount of Indigene Expenditure: \$ 10,000.00

Summary of High Priority Findings and Recommendations		
Finding Number	Category of Observation	Deadline of Action
0001	insufficient supporting documentation	28 Feb 2019
0002	insufficient supporting documentation	28 Feb 2019
0003	Other	28 Feb 2019

Status

- IP Contacted (On 13 November 2018)
- Field Visit (On 16 November 2018)
- Draft Report Issued To IP (On 23 November 2018)
- Comments Received From IP (On 29 November 2018)
- Draft Report Issued To UNICEF (On 04 December 2018)
- Comments Received From UNICEF (On 11 December 2018)
- Final Report

Save

- 1.4 After you receive and review the comments from UNICEF, you are required to enter the date you received those comments. Once you enter the Date Comments Received from UNICEF into the report, the status will update to coincide with this date.

The screenshot shows the 'REPORT' tab with three main sections: Engagement Status, Overview, and Summary of High Priority Findings and Recommendations. The Engagement Status section contains several date fields. A red arrow points to the 'Date Comments Received from UNICEF' field, which is set to 11 Dec 2018. The Overview section shows the PACE Period Start Date (14 Nov 2018) and End Date (14 Feb 2019). The Summary of High Priority Findings and Recommendations section shows a table with three findings, all with a deadline of 28 Feb 2019.

Engagement Status
Date of Field Visit: 16 Nov 2018
Date Draft Report Issued to IP: 23 Nov 2018
Date Comments Received from IP: 29 Nov 2018
Date Draft Report Issued to UNICEF: 4 Dec 2018
Date Comments Received from UNICEF: 11 Dec 2018
Exchange Rate: \$ 0.00

Overview
PACE Period: Start Date: 14 Nov 2018
PACE Period: End Date: 14 Feb 2019
Total value of selected PACE Period: \$ 0.00
Total Amount Tracked: \$ 60,000.00
Total Amount of Indigene Expenditure: \$ 10,000.00

Summary of High Priority Findings and Recommendations		
Finding Number	Category of Observation	Deadline of Action
0001	insufficient supporting documentation	28 Feb 2019
0002	insufficient supporting documentation	28 Feb 2019
0003	Other	28 Feb 2019

Status

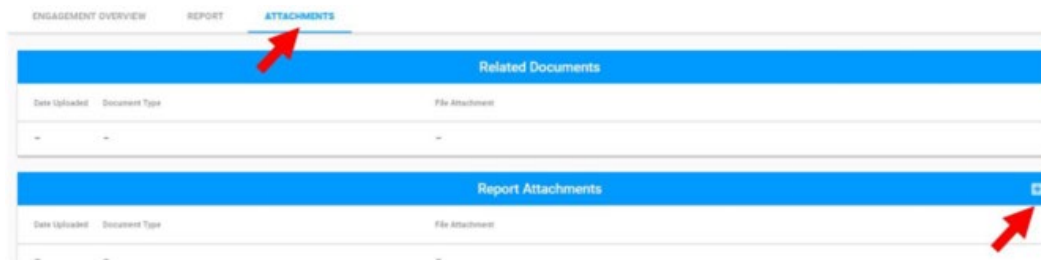
- IP Contacted (On 13 November 2018)
- Field Visit (On 16 November 2018)
- Draft Report Issued To IP (On 23 November 2018)
- Comments Received From IP (On 29 November 2018)
- Draft Report Issued To UNICEF (On 04 December 2018)
- Comments Received From UNICEF (On 11 December 2018)
- Final Report

Save

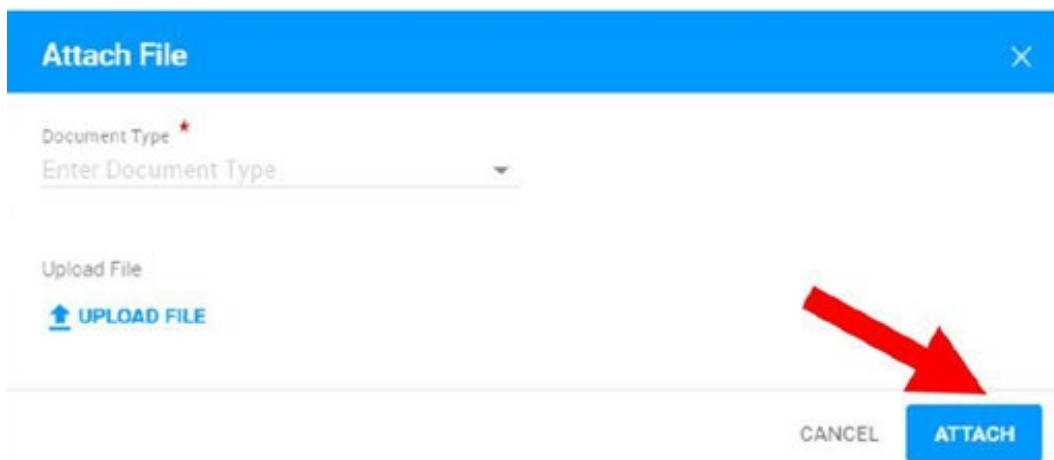
5. Reporting

2. Report Attachments

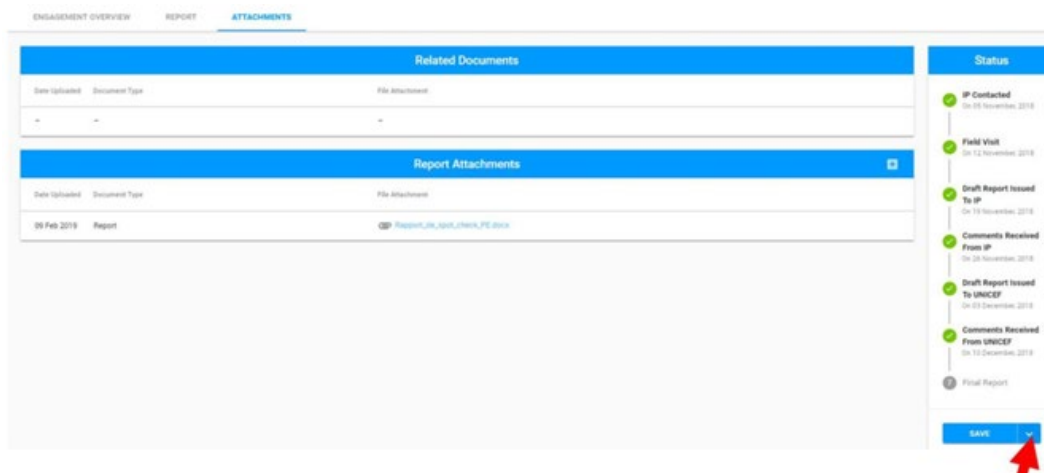
2.1 Go to Attachments tab to attach your report. Click on + sign to attach a report



2.2 Select Document Type from the drop-down menu and then upload file. Once the file is uploaded, click on Attach



2.3 After you uploaded your report, go to status bar, and click on the arrow next to Save button



5. Reporting

2.4 Click on Submit

ENGAGEMENT OVERVIEW REPORT ATTACHMENTS

Related Documents

Date Uploaded	Document Type	File Attachment

Report Attachments

Date Uploaded	Document Type	File Attachment
05 Feb 2018	Report	Report_JAL_Joint_JP_HHS_PS.docx

Status

- IP Confirmed
On 05 November 2018
- Field Visit
On 12 November 2018
- Draft Report Issued To IP
On 14 November 2018
- Comments Received From IP
On 20 November 2018
- Draft Report Issued To UNICEF
On 23 December 2018
- Comments Received From UNICEF
On 10 December 2018
- Final Report

SUBMIT



6 . Monitoring and follow-up Phase

6.1. eTools

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6. Monitoring and follow-up Phase

1. **Objective** of this phase: ensuring implementation of the corrective actions as agreed with the IPs.

2. **Key risks in this phase**

Table 33

ISSUE	PROPOSED REMEDIATION
Action points not recorded in eTools (AP module)	To include in HACT/eTools focal point roles and responsibilities
Delayed action points closure	Regular tracking and monitoring of implementation, oversight by CMT
Lack of supporting documentation over closed action points	Upload supporting documentation in FAM module – no space to upload in AP module
Insufficient understanding of ineligibles and related action.	Review list and get familiar with type and nature of eligibles
Insufficient capacity building and support for IPs	To use Spot checks as a useful capacity building tool



3. **Follow-Up Phase and recommended Timeline**

Table 34

RECORDING ACTION POINTS IN ETOOLS	MONITORING AND OVERSIGHT OF ACTION POINTS	CLOSING OF ACTION POINTS
Immediately upon completion of final report	Quarterly	Upon implementation

4. **Recording action points in eTools**

- Action points should be recorded in eTools immediately after the report is issued. eTools is used to record and monitor high priority (risk) findings and assign follow-up actions. For low priority findings, no action plan needs to be developed. An IP management response is sufficient. For high priority findings; a due date and a responsible officer should be assigned for the follow up. Follow up actions from financial spot check is the ultimate responsibility of UNICEF programme officer managing the relationship with the IP. UNICEF operations or staff with sufficient knowledge in financial management should play a supporting role.

5. **Monitoring and oversight of Action Points**

- When findings highlight potential fraudulent activity (i.e. misuse of funds or irregularities in reporting), a special audit is a necessary follow up action (to be decided in consultation with the Chief of Operations and OIAI). See IP Investigation Process (page 55) for the process to follow for a special audit.
- On a quarterly basis, the IPM/focal point monitor the status of implementation of follow-up actions related to high-priority findings by reviewing their status in the Action Point Dashboard of eTools (*select filters high priority: yes and app: financial assurance*). The status is presented to and discussed with the CMT.

6. Monitoring and follow-up Phase

6. Closing of Action Points

- When an action point is considered “completed” when it is fully implemented. An action point fully implemented should have sufficient documentation to support closure. The supporting documentation must be uploaded either in eTools under FAM or a specially designated repository.

6.1. eTOOLS

Ensure that the High risk findings are recorded and monitored on e-tools.

Add New Finding [X]

Category of Observation *
Enter Category of Observation

Finding and Recommendation
Enter Finding and Recommendation

Agreed Action by IP
Enter Agreed Action by IP

Deadline of Action
[Calendar Icon]

CANCEL ADD

At this phase, when the Spot Checker is adding a finding, the follow-up action agreed with the IP and the deadline should be identified.



7 . Templates

7.1. Template

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7. Templates

7. 1. TEMPLATES

Table 35

#	PHASE/PROCESS/FLOWCHART	TEMPLATE (HYPERLINKED)
1.	Preparation	• FACE form template
2.	Planning	• Terms of Reference for Spot Checks Performed by UNICEF Staff
3.	Fieldwork	• Annex A: Spot Check Checklist • Annex C: Test of Expenditures Worksheet • Annex D: Detailed Findings and Recommendations
4.	Reporting	• Annex B: Spot Check Report



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2. Annex 2: Template quality check for a Spot Check report 74

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ANNEX 1 : LIST OF POTENTIAL RED FLAGS

1. Red flag is a warning or indicator, suggesting that there is a potential problem or risk related to but not limited to fraud, waste, and abuse of resources, certain undesirable characteristics may stand out as red flags. There are several red flags that the Spot Checker should look out for. They include but not limited to the following:

1.1. Financial Management:

1.1.1. General risk areas

1. Lack of segregation of duties
2. Staff turnover
3. Frequent management override
4. Management does not emphasize controls
5. No or inaccurate inventory and asset records
6. Audit management letters and/or internal audit reports raise a significant number of control issues
7. Poor records management
8. Lack of oversight/supervision over financial transactions
9. Generally poor internal controls
10. Exceptions have become the norm

1.1.2. More specific risk areas

1. Records are in a chaotic state (easier to cover up fraud)
 - 1.1 No proper accounting system
 - 1.2 No tracking of expenditures by project/donor
 - 1.3 No audit trails
 - 1.4 Frequently missing documents
 - 1.5 Accounting records not up to date
 - 1.6 Various ledgers or databases don't reconcile
 - 1.7 Reports are consistently late
 - 1.8 Numerous errors
2. Photocopied documents vs. originals
3. Documents are altered
4. Delays in payments/unpresented cheques
5. Frequent override of process
6. Use of cash even for large payments

1.1.3. Cash and banks

1. Original bank statements unavailable
2. No bank reconciliations or bank reconciliations that do not reconcile
3. Unusual reconciling items
4. Cheques and other key documents are not kept in a secure manner
5. Receipts (such as beneficiary contributions) are not properly segregated or tracked
6. Lack of segregation of duties in the bank reconciliation process
7. Beware of any requests to change the information for a payee – whether it's the name, address, telephone number, or bank account number

8 . Annexes

1.1.4. False invoices

1. Handwritten invoices or copies
2. Invoices lacking details/contain errors
3. Supporting documents inconsistent with invoice
4. Generic vendor names/descriptions
5. New or unknown companies appear as suppliers or subcontractors
6. Unusual invoicing sequence
7. No contract in place for vendor when there should be
8. Invoices/documents inconsistent with others from same vendor

1.1.5. Inflated invoices

1. Invoice prices, quantities, items exceed contract or purchase order terms
2. Invoiced quantities exceed amounts received
3. Invoiced items differ from items received
4. Price seems unusually high based on your knowledge of the market
5. Unusually high prices for standard items
6. Discrepancies between invoice and supporting documents e.g., deliverables, labour schedules, timesheets, team listed in contract

1.1.6. Payment vouchers

1. Supporting documentation illegible/copies
2. No goods receipt voucher (GRV) or completion certificates or dates on GRV don't seem to make sense
3. No purchase orders
4. Payment supported by a proforma invoice
5. Unapproved change orders

1.1.7. Vehicle maintenance

1. All repairs performed in the last quarter of period
2. Purchases inconsistent with use of vehicle
3. Unusual supplier for parts and service
4. Repairs costs that should be covered by warranty
5. Poorly maintained or no vehicle / maintenance logs

1.1.8. Fuel expenditure

1. No/missing logbooks, incomplete logbooks
2. Unusual differences in fuel prices
3. Unusual volume invoiced
4. Invoices that do not identify the vehicle/odometer, if required
5. Vehicle noted on invoice does not appear in asset listings
6. Use of unauthorized service stations, if applicable

1.1.9. Training and workshops

1. Inappropriate use of cash payments
2. Prepayment for venue based on estimate is not reconciled to final actual cost

8 . Annexes

3. Payment is based on pro-forma estimate and includes contingencies
4. Inconsistencies in attendance lists
5. Attendees' function/role is inconsistent with training

1.1.10. Travel claims

1. No/inadequate boarding passes
2. Wrong documents submitted
3. Documents internally inconsistent
4. Inconsistent dates
5. Advances picked up by others
6. Long delay between travel advance and retirement thereof

1.1.11. Payroll fraud

1. Total payroll costs/headcount exceed reasonable test
2. Attendance records are non-existent or poorly maintained
3. Payroll picked up by others
4. Staff name appears after termination
5. Round figure salary amounts
6. Salaries in cash for no apparent reason
7. Payments of allowances not in accordance with budget or regulations
8. Payroll increases not in accordance with regulations
9. Unexplained lump sum payments
10. Excess overtime for some individuals

1.1.12. others

1. Some staff appear to be living above means
2. You can't get your questions answered

1.2. Procurement:

1.2.1. Procurement Plan

1. Items in procurement plan are not consistent with project requirements
2. Inadequate or misleading justifications
3. Calls for the award of multiple sole source (no-bid) contracts
4. Excessive use of shopping
5. Calls for many awards just below thresholds
6. Unusual splits (i.e., items that are usually procured together)
7. Variety of unrelated goods bundled into one lot significantly reducing the number of potential bidders
8. Procurement actions are not in compliance with standard procedures, but rather have less onerous requirements

1.2.2. Bidding Process

1. Line items are not required to carry out the work or may be used for personal purposes by officials or later serve as bribes

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2. Rigged specifications and requirements
 - 2.1 Tailored specifications match too closely to those of a single competitor
 - 2.2 Specifications are vague, ambiguous, incomplete, not allowing for evaluation of the contractor's quality of performance, or not clearly derived from previously established needs
 - 2.3 Requirement to be pre-registered on an approved register
3. Inappropriate contractual terms
 - 3.1 Omission of the standard audit clause
 - 3.2 Removal of requirement for performance bond or other changes to standard contractual remedies

1.2.3. Advertising

1. Restricted circulation
 - 1.1 Not advertising the request for Expression of Interest or Specific Procurement Notice as required
 - 1.2 Limited circulation by posting ad in a local rather than national newspaper
2. Period between advertising and bid submission is too short
3. Inadequate information
 - 3.1 Contact information is incomplete, so bidders don't know where to send expressions of interest
 - 3.2 Specifications are overly vague so bidders cannot determine their interest
 - 3.3 Specifications are too narrow so as to exclude qualified bidders

1.2.4. Short-listing and prequalification

1. Unusual or unreasonable evaluation or prequalification criteria (e.g., abnormally high annual turnover, liquidity reserves, or years of experience in the country)
2. Questionable evaluation
 - 2.1 One or more of the shortlisted or prequalified companies does not have the appropriate qualifications for the assignment
 - 2.2 Short-listed firms do not have similar qualifications or there is a wide gap in qualifications
 - 2.3 Highly qualified firms have expressed interest but are not shortlisted
 - 2.4 Short-listed firms fail to submit proposals
3. Exclusion of qualified bidders
 - 3.1 Companies disqualified for trivial or arbitrary reasons
 - 3.2 No documentation supporting the disqualification of companies
 - 3.3 Qualified contractors fail to bid indicating possible bid rigging
 - 3.4 Companies complain that officials refuse to make bidding documents available to potential bidders or to accept the submission of bids

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1.2.5. Pre-bid conference

1. The pre-bid conference is scheduled too close to the bid submission date or yields changes to the specifications without changes in deadline
2. Questions raised during the pre-bid conference are not addressed properly
3. Clarifications and modifications to the bidding documents resulting from the conference are not shared with all prospective bidders

1.2.6. Bid submission

1. Late submission
 - 1.1 Not all bids are brought to the bid opening
 - 1.2 One or more of the submitted bids lacks a time stamp
2. Tampering
 - 2.1 A bid is not in a sealed enveloped
 - 2.2 Bids are not kept in a secure location with limited access
3. Bid due date has been extended after some of the bids have been submitted
4. Exclusion
 - 4.1 Complaints from bidders that they were not allowed to submit bids
 - 4.2 A bid has been misplaced

1.2.7. Bid opening

1. Bids are not opened in accordance with stated procedures (e.g., in public with bidder name and amount read aloud)
2. Tampering
 - 2.1 The original bid form and price schedules or Bill of Quantities of all bids are not initialed or signed by the members of the Bid Opening Committee
 - 2.2 Pages are missing from one or more bids
3. Bid manipulation
 - 3.1 Changes to the bid prices and bid security list are handwritten
 - 3.2 A high percentage of bids are disqualified for simple errors
4. Exclusion
 - 4.1 Members of the Bid Evaluation Committee (BEC) are present or participating (unless this is required by national laws)
 - 4.2 Attendance sheet lacks original signatures of the company representatives supposedly present at the ceremony
5. Long delay following opening of bids may indicate continued lobbying or other issues with presumed winner

1.2.8. Bid due diligence

1. False or forged audit reports

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- 1.1 Audit company does not exist
 - 1.2 Audit report is not signed or dated or not in line with audit standards
- 2. False or exaggerated financial data
- 3. Forged or fraudulent bid securities
 - 3.1 Securities do not have a serial number
 - 3.2 Securities are copies rather than originals
 - 3.3 Securities are not on the original letterhead of the issuing bank, are different in appearance (format, logo, quality of paper, etc.) from known authentic documentation, lack the required signatures
- 4. Fictitious bidder
 - 4.1 Discrepancy between the company address and area code (telephone)
 - 4.2 Bidder does not appear on the internet; is not listed in telephone or business directories; is located in an offshore jurisdiction or residential area
 - 4.3 Ownership structure is opaque (e.g., law firms or incorporation agents) or includes family members of leading government officials
 - 4.4 Complaints from other bidders that a competitor is a shell company or unknown in the industry
- 5. Bid irregularities
 - 5.1 Technical specifications are copied from the bidding documents or are incomplete
 - 5.2 Manufacturer's authorization is missing, outdated or inadequate
 - 5.3 Bid does not match requirements (e.g., in terms of quantity, quality)
 - 5.4 Pages of a bid are missing or not signed (when required)

1.2.9. Bid evaluation

- 1. Manipulation of BEC selection process
 - 1.1 BEC members do not have the necessary technical expertise to evaluate the submitted bids
 - 1.2 Project uses a standard BEC regardless of what is being procured
 - 1.3 BEC is too large or dominated by a single individual
- 2. Violation of procurement rules
 - 2.1 Inconsistencies exist between the Bid Evaluation Report and supporting documentation
 - 2.2 BEC ignores evaluation criteria or procedures in the bidding documents and develops its own method of evaluation
 - 2.3 Winning bidder is not on the short-list or list of prequalified companies
- 3. Questionable qualification
 - 3.1 Lowest bidder is declared non-responsive for no apparent reason
 - 3.2 A high number of unresponsive bids
 - 3.3 Poor justification of recommendations and disqualifications
 - 3.4 Bids are rejected for allegedly missing components, such as catalogues and brochures for the goods offered
 - 3.5 Changes in the scoring of bids or arbitrary scoring of bids

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3.6 Complaints from bidders about the evaluation process

3.7 Reported pressure on BEC members to select a certain contractor

1.2.10. Collusion

1. Bidders take turns winning
 - 1.1 There are only a few companies in the market, and they always bid together and take turns winning (bid rotation)
 - 1.2 Location of lowest bidder's firm correlates to location of work location
2. Bidders lose on purpose
 - 2.1 A company withdraws its bid often without explanation, or two or more companies withdraw their bid in one bidding round
 - 2.2 A company submits incomplete bids too frequently, or two or more companies submit incomplete bids in one bidding round
3. Bids show unusual similarities
 - 3.1 All bid prices are very close for items where variation is expected
 - 3.2 Submitted bid or line-item prices are identical or almost identical
 - 3.3 Bid prices are fixed percentage apart (from each other or from cost estimate)
 - 3.4 Bids contain similar typographical errors, addresses, phone numbers, letterheads or are printed on similar stationery
 - 3.5 Sequential bid securities indicating the same person picked up the securities at the same time
4. Bidders have close ties to one another
 - 4.1 Successful bidder subcontracts work to losing bidder(s), which may include those that withdrew their bids
 - 4.2 Cross-ownership of bidding companies or family ties (similar names of key staff and owners)

1.2.11. Collusion/bribes

1. Bidding lacks competition
 - 1.1 Well-known qualified companies do not bid, especially if they purchased the bidding documents
 - 1.2 More than half the companies that buy the bidding documents refrain from submitting bids
 - 1.3 Substantially fewer bids have been received than in previous, similar tenders
2. Bid prices are unusually high
 - 2.1 Winning bid price is much higher than cost estimates or industry average
 - 2.2 Bidders have submitted prices for line items under past procurements that were significantly below quoted prices for no apparent reason
 - 2.3 Bid prices drop when a new or infrequent bidder enters the bidding process
3. Fabricated contract variations
 - 3.1 Price variations immediately after signing the contract

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- 3.2 Changes to the TOR without apparent reason
- 3.3 Large number of contract variations across contracts
- 4. Unbalanced bidding
 - 4.1 Inside information provided to favoured bidder that some line items in request will not be called for after award contract
 - 4.2 Wide and inexplicable disparity of prices across bidders
 - 4.3 Poor response by officials to a bidder's request for clarification
- 5. Leakage of confidential bidding
 - 5.1 Failure to enforce bidding deadlines: taking breaks during bid opening
 - 5.2 A bid closely tracks the project's preferred solutions, budgets, estimates, etc.
 - 5.3 The winning bid is just under the next lowest bid
 - 5.4 Officials and favoured bidder communicate or socialize during bidding period
- 6. Advanced payment made to different entity/bank account

1.2.12. Contract management

- 1. Inconsistent, inadequate, or apparently altered supporting documentation
- 2. Bribe demands
 - 2.1 Repeated payment delays
 - 2.2 Payment delays for no apparent reason
 - 2.3 Excessive number of unpresented cheques
- 3. False/forges manufacturer's certificates
 - 3.1 Certificate is missing issuer's signatures or reference number
 - 3.1 Identical or similar certificates are submitted purportedly from different companies
 - 3.3 Certificates have different appearance (format, logo, quality of paper, etc) from known authentic documentation
- 4. Substandard work
 - 4.1 Work not completed to standard required
 - 4.2 Incorrect specifications e.g., computers with less memory than required

1.3 Consultancy

- 1. Lack of fair, competitive, and transparent selection process.
- 2. Consultant output is not supported with relevant documents.

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ANNEX 2 : TEMPLATE QUALITY CHECK FOR A SPOT CHECK REPORT

Table 36:

QUALITY REVIEW CHECKLIST		
CHECKLIST CATEGORY	QUESTION	QUALITATIVE INDICATOR?
Spot check report details	Report reference	
	Year	
	Country	
	Implementing partner	
	IP type (Gov, CSO, INGO, etc.)	
	Date(s) of spot check	
	Date of report	
	Spot checker name and role	
Preparation/ Sampling (Source: Spot check report & FACE form)	Is the FACE form attached?	
	Total value on FACE form	
	Total value sampled	
	Currency	
	Percentage covered	
	If available, review the transaction listing: - Is it evident that the sample selected covers a range of expenditure categories?	
	Is there evidence as to how the sample has been selected? If so, please provide detail.	
Fieldwork (Source: Internal Controls section in Spot check report)	Is the Spot Check report (Annex B) available and complete?	
	Has the interview with the IP management on changes to the internal controls been documented?	
	Has the implementation of the recommendations from the micro assessment or other assurance activities (if relevant) been documented?	
Fieldwork (Annex: Test of Expenditures)	Is the Test of Expenditure Worksheet (Annex C) available?	
	What format has been used for the testing (Excel or Word)?	
	Describe how the spot checker has organised the testing items. (for example transaction level or expense categories)	
	Has the spot checker documented sufficient detail to verify the validity of the expenditure?	
	Have issues been documented in sufficient detail?	



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QUALITY REVIEW CHECKLIST



CHECKLIST CATEGORY	QUESTION	QUALITATIVE INDICATOR?
Fieldwork (Annex: Detailed findings and recommendations)	Is the 'Detailed Findings and Recommendations' Annex (D) available?	
	Have all findings/issues been documented in Annex D? Please compare the descriptions and details of the expenditure findings to Annex C. Document any discrepancies	
	Has the IP management response been documented?	
	Have findings been correctly categorised?	
	If you do not agree with a priority rating, please provide detail and justification.	
	Have any 'medium' priority recommendations been issued? Please provide details	
	Have recommendations/ corrective/remedial actions been documented? (See "recommendation" section)	
	Please comment on the quality of the recommendations.	
Discussion and follow-up (Spot check report)	Have high priority findings and recommendations been documented in sufficient detail in the Spot Check report (Annex B)? Please compare to Annex D and document any discrepancies	
	Is the follow-up reasonable and actionable? (Note: only required for High priority findings)	
Other	In this section, please provide any relevant comments that have not already been captured via the testing. Please also specify and issues/areas for follow-up at interview stage that have not been previously listed.	



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10 . TIPS

1. Tips List

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9. Tips

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