

Appendix II: UNICEF Spot Check Guidance

Background

The UNICEF Procedure on Harmonized Approach to Cash Transfers to Implementing Partners (FRG/2015/PROCEDURE/002) ([HACT Procedure](#)) defines spots checks as:

“...a review of financial records to obtain reasonable assurance that amounts reported by implementation partners on the FACE form are accurate. Spot checks are performed in the office of implementing partners where financial records are kept. Spot checks are not audits therefore the extent of expense testing is generally lower (i.e. a single FACE form or quarter) than what would be undertaken during an audit.” (para 12(d)).

This guidance builds on the standard terms of reference for spot checks in the [UNDG HACT Framework \(2014\)](#).

Purpose

The purpose of this guidance is to:

1. Assist UNICEF staff to understand the spot check process;
2. Provide a standard approach to work steps undertaken during a spot check; and
3. Provide a standard approach to documentation and follow up of findings.

Use of this Guidance

This guidance is for the UNICEF Country and Regional Office HACT Focal Points and for staff conducting spot checks.

The use of this guidance and attached templates is not mandatory. UNICEF Offices can customize the testing procedures and the attached templates based on the specific programme detail and operating environment as long as they follow the main activities in the spot check process as described in the following paragraph.

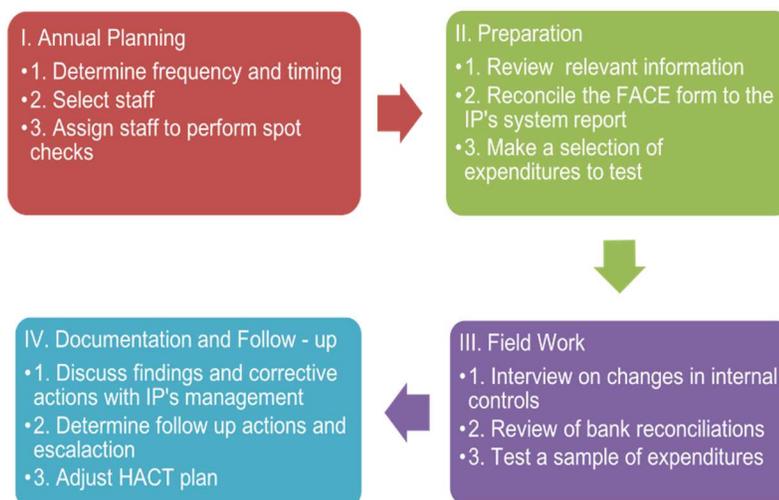
Spot Check Process

The spot check process consists of four activities. The main timeframe and responsibilities are summarized in the table below.

	Activity	When?	How long?	Where?	By who?
I.	Annual Planning	At the beginning of the year	Part of the OMP / AMP	UNICEF office	HACT Focal point / Section Chiefs
II.	Preparation	At least three days before field work	Half day	UNICEF office	Programme manager / Spot checker
III.	Field Work	Day of fieldwork	One day	IP's office	Spot checker
IV.	Follow-up	Varies in relation to issues identified	Half day to a day	UNICEF / IP office	Programme manager / Spot checker

Structure of this Guidance

The Spot Check Guidance consists of four sections, each one providing a summary of the main activities and detailed steps to complete each activity.



Suggested templates are included as annexes:

1. Annex A: Spot Check Checklist
2. Annex B: Spot Check Report
3. Annex C: Testing of Expenditure Worksheet
4. Annex D: Detailed Findings and Recommendations

	Activity	When?	How long?	Where?	By who?
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The spot check process begins with the preparation of the annual assurance plan and assigning staff to conduct spot checks.

ACTIVITY I: ANNUAL PLANNING

Annual planning is undertaken at the beginning of the year in order to determine timing and frequency of the spot checks and to assign staff to perform the spot checks.

I.1 Determine the frequency of spot checks

The number of spot checks conducted annually for each implementing partner (IP) is determined based on: 1) the minimum requirements in the HACT Procedure - *Table 1: Frequency of Assurance Activities*; 2) knowledge of the partner; and 3) the operational context.

I.2 Determine the timing of the spot checks

UNICEF Offices plan and monitor the execution of spot checks on a quarterly basis (*para. 70 HACT Procedure*). UNICEF Offices conduct spot checks after the IP has submitted a FACE form reporting actual programme expenditure. UNICEF Offices should agree with the IP the most suitable date and allow for at least one week for preparation for the spot check.

I.3 Assign staff to perform the spot checks

UNICEF Offices that decide to have internal staff conduct spot checks should create a roster of qualified staff that meet the requirements of the HACT Procedure. UNICEF Offices should monitor the quality of spot checks and provide training and development opportunity to staff that has potential but does not meet the minimum requirements. Qualified staff cannot conduct spot checks on programmes for which he or she has reviewed the FACE forms (*para. 59 HACT Procedure*).

I.1 Determine the frequency of spot checks

The frequency of spot checks is determined based on the risk rating of the IP as established by the micro assessment and the planned cash transfer amount for the year.

The minimum spot check requirements for IPs receiving UNICEF funds are outlined in para 23(g) of the HACT Procedure as follows:

Cash transfer amount per year	Risk rating	Spot checks
Up to \$50,000	All risk ratings	Not required
\$50,001 - \$100,000	All risk ratings	1 or more per year
\$100,001- \$350,000	Low or Medium	1 or more per year
	Significant or High	2 or more per year
More than \$350,000	Low or Medium	1 or more per year
	Significant or High	3 or more per year

For CSO IPs, the number of required spot checks has to be indicated in the *Programme Document, Section 4. Partnership Review, 4.2 Assurance activities planned for the programme duration* as required in the [UNICEF CSO Procedure](#), Annex C.

Section 4. Partnership review (To be completed with UNICEF as part of finalization of the programme document)			
4.1 Financial management assessment (if applicable)	Date planned/ completed		
	Risk rating	Low / Medium / Significant / High / Non-assessed	
4.2 Assurance activities planned for the programme duration	Type	#	Date planned/ frequency
	Programmatic visits		
	Spot checks		
	Audit	Yes/No	
4.3 Other	Partnership review		
4.4 Cash transfer modality(ies)			
4.5 PRC Ref.#			

The frequency of spot checks for each IP is determined by the total amount transferred to the IP. The HACT Procedure specifies the **minimum** requirements. UNICEF Offices may increase the frequency based on the operating context and knowledge of the IP. However, UNICEF Offices should consider a balanced approach between risk, cost and value add of additional spot checks, including whether there is internal capacity to undertaken additional spot checks – be realistic.

Example

An IP is implementing multiple programmes with different programme sections. The micro assessment has resulted in a medium risk rating. The IP uses the same finance staff to account and report on the funds received from UNICEF. However, the IP has different project managers for each programme. A spot check was conducted on the WASH programme in the previous year.

Programme	Section	Planned Cash Transfers for the year	Min spot checks required for the year
# 2015 – 1	WASH	\$150,000	
# 2015 – 2	Health	\$120,000	
# 2015 – 3	HIV	\$60,000	
# 2015 – 4	Child Protection	\$50,000	
	<i>Total:</i>	\$380,000	1

The minimum spot check requirement for the IP in this example is one (1). To meet this requirement the office can take any of the following approaches:

- Conduct one spot check for the year on the WASH programme because it is the largest
- Conduct one spot check on the Health programme because a spot check was already conducted on the WASH programme in the previous year and there were

I.2 Determine the timing of spot checks

Prioritize

Once the frequency of spot checks has been determined, the UNICEF Office has to determine when the spot checks will take place.

Priority should be given to spot checks planned for IPs for which:

- The UNICEF Office has no prior experience;
- The micro assessment resulted in significant or high risk or no assessment has been conducted;
- No prior financial assurance activities were conducted (prior spot checks or audits);
- Previous assurance activities (programmatic visits, spot checks or audits) identified significant deficiencies in the internal controls or programme implementation; and
- Larger amount of cash transfer is planned.

Monitor on quarterly basis

- Begin doing spot checks earlier in the fiscal year – in quarter 1
- Monitor the progress of actual performed versus planned spot checks on a quarterly basis
- Adjust the HACT Plan quarterly for spot checks planned but not completed by rescheduling them for the following quarters.

Failure to do so can result in an unrealistic number of spot checks that have to be completed in the last quarter! It also represents failure to proactively identify an IP's poor financial management and reporting practices so to jointly implement timely corrective actions.

Schedule the spot check

- In order to conduct a spot check, the IP must have submitted a FACE form reporting actual programme expenditures. Therefore, the earliest a spot check can be conducted is during the second quarter of programme implementation.
- During the first quarter of the fiscal year, the UNICEF Office can conduct spot checks on the 4th quarter of the previous fiscal year. Similarly, the actual programme expenditures reported in the last quarter of the year can only be spot checked in the following year.
- The actual date that the spot check will be performed should be agreed in advance with the IP taking into consideration the availability of qualified UNICEF staff and the availability of the IP staff and management.
- As a general rule, give at least one week lead time for the IP to prepare all required documentation.

1.3 Assign staff to perform the spot check

Each UNICEF Office determines whether qualified internal staff or external service providers (or a combination of both) undertake spot checks. The decision on the appropriate approach to execute assurance activities is documented in the annual management plan (AMP) (*para. 60 HACT Procedure*).

If a decision is made that internal staff will be conducting spot checks, the UNICEF Office must ensure that the staff performing the spot checks possess a minimum of 5 years' experience in financial management, knowledge of UNICEF-supported programmes, the programming context, the interagency HACT Framework and the terms of reference of spot checks. (*para. 64 HACT Procedure*).

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. Head of Office determines whether staff is qualified to undertake spot checks. UNICEF offices can also contact other UNICEF offices for assistance in carrying out spot checks.

Example

A relatively newly hired programme assistant, Maureen, does not have five years experience in financial management. During the past year, Maureen has received excellent performance reviews and has demonstrated an understanding of HACT, the CSO Procedure requirements, IP budgeting and IP reporting processes. She has assisted the UNICEF Programme Manager in reviewing the FACE forms and pointed out discrepancies. The Section Chief nominates Maureen for the spot checker roster.

The UNICEF Office put the following training plan:

- The HACT Focal Point provides Maureen with a training on the spot check guidance;
- Maureen is paired with a qualified experienced staff to conduct two spot checks:
 - The first spot check she is observing and assisting the experienced staff;
 - The second spot check she is leading the spot check and the experienced staff is observing and providing guidance;
- Maureen conducts a third spot check on her own and the report and working papers are reviewed in detailed by a qualified experienced staff.

If the quality of the working papers and findings are satisfactory, Maureen will be placed on the spot checker roster. If not, further coaching and supervision is provided to Maureen and the UNICEF Office reconsiders whether she will be able to conduct spot checks.

UNICEF Offices should periodically review a sample of spot check reports in order to ensure quality of the documentation and findings. This exercise may also be used as a capacity building opportunity for internal staff, by identifying knowledge gaps and training opportunities.

Attention

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.

Attention

Staff that meet or exceed the 5 years' experience in finance and accounting 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.

Tip

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.

	Activity	When?	How long?	Where?	By who?
I.	Annual Planning	At the beginning of the year	Part of the OMP / AMP	UNICEF office	HACT Focal point / Section Chiefs
II.	Preparation	At least three days before field work	Half day	UNICEF office	Programme manager / Spot checker
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ACTIVITY II: SPOT CHECK PREPARATION

In order to conduct an effective spot check, the staff or team conducting the spot check (referred to henceforth as “spot checker”) familiarizes themselves with the programme and related FACE form and make a selection of transactions to test.

It is advised that preparation take place a 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.

II.1: Review relevant information

The spot checker responsible for conducting the spot check should review:

- The programme document or workplan;
- The micro assessment report if available;
- Latest programmatic visit and progress reports;
- The FACE form requesting funding, the ICE and the FACE form reporting on the actual programme expenditures; and
- Results of previous audits or spot checks.

II.2 Reconcile the FACE form to the IP's system report

A spot check is conducted on **one** FACE form - usually the most recent FACE reporting actual programme expenditures.

The UNICEF programme manager requests the transaction report from the IP's system and the spot checker ensures that the report is for the correct period and the total amounts in the report per activity match the amounts reported on the FACE form.

III.3 Make a selection of expenditures to test

It is not required to test every transaction reported by the IP. Depending on the type of expenses, the spot checker should select no less than 20% and no more than 80% of the expenses to test aiming for 50%. The spot checker uses a risk- based approach during selection, identifying large and unusual expenses.

II.1: Review relevant information

In preparation for the spot check, the spot checker responsible to conduct the spot check should review the following documents:

Document	Objective
Programme document / workplan	To become familiar with the programme background and approved activities
Micro assessment report	To understand the high priority observations and recommendations. During the interview, the spot checker should inquire whether high priority recommendations flagged for follow up have been implemented.
Latest programmatic visits and progress reports	To understand what activities took place as well as challenges in implementation
The FACE form requesting funding with the accompanying ICE and the FACE form reporting the actual programme expenditures	To understand the activities and inputs which were authorized
Previous spot check or audit reports	To identify the high priority observations and recommendations. During the spot check, the spot checker should inquire whether the IP has implemented the recommendation and verify it through the testing procedure.

The spot checker should discuss with the UNICEF Programme Manager any concerns regarding the IP's financial management and internal controls.

II.2: Reconcile the face form to the IP's system report

After reviewing the relevant information, the UNICEF Programme Manager contacts the IP to inform them of the upcoming spot check and agree on the date of the spot check. He or she requests the detailed transactions that support the actual programme expenditure reported on the FACE form.

Tip

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.

Attention

If the HACT plan indicates one spot check and the IP has submitted three FACE forms of actual programme expenditures on a single work plan – select only one FACE form. Conducting a spot check on all the expenditures to date will represent conducting three spot checks or an audit.

If more than one FACE form is available, select the FACE form on which the spot check will be performed.

Example

If more than one FACE form has been submitted to report actual expenditures, as a general rule the spot check should be conducted on the most recent FACE form. Exception takes place if the amount of actual expenditures reported on a previous FACE form for the same partner significantly exceeds (more than 100%) subsequent FACE forms. For example, assume the following two scenarios for an IP that is planned for a spot check in Q4. The IP has submitted three FACE forms of actual expenditures as follows:

	FACE Q1	FACE Q2	FACE Q3	Spot Check on
Scenario 1	\$150,00	\$80,000	\$110,000	FACE Q3
Scenario 2	\$150,00	\$30,000	\$20,000	FACE Q1

In Scenario 1, the spot check team should select the FACE form for Q3 as it is the

Once the IP has provided the detailed transaction listing (also referred to as “system report”), it is important to reconcile the report to the FACE form to be tested by:

1. Ensure that the dates on the system report correspond to the reporting period on the FACE form. For example, if the FACE form is reporting actual expenditures for Q1, the dates on the system report should be 1 January 20XX to 31 March 20XX. If there are transactions conducted outside of the reporting period, they are deemed ineligible unless the IP can prove that they have not been and will not be reported on another FACE form.
2. Ensure that the total amount of transactions on the report is equal to the total amount on the FACE form. If the amount on the report is smaller, the difference is deemed ineligible and a refund is required. If the amount is higher, the IP has to explain why the expenses were not reported on the FACE form.
3. The subtotal by activity in the report must match the total amount for each activity reported on the FACE form. If the amount on the report is smaller, the difference is deemed ineligible and a refund is required. If the amount is higher, the IP has to explain why the expenses were not reported on the FACE form.

Attention

It is possible that the total expenditures recorded in the system report exceed the amounts reported on the FACE form if:

- The IP is contributing financial resources to the programme and / or
 - The IP is receiving funding from multiple donors for the same programme
- AND**
- The IP's accounting system is not set up for fund accounting.

In this situation, the spot checker should verify that original invoices are stamped as "PAID from UNICEF" in order to ensure that the expense was properly reported on the FACE form.

II.3: Make a selection of expenditures to test

Not all amounts reported by an IP are tested during a spot check. The exact coverage (the amount of the items selected for testing compared to the total amount reported on the FACE form) cannot be prescribed due to the differences in programmes and the nature of their expenses. The goal should be to obtain coverage of approximately 50% of the actual expenditure reported on the FACE form. However, spot checks should test no less than 20% and no more than 80% of the actual programme expenditure reported.

The selection of expenses should be done using a risk-based approach using the following rules:

- Select at least one expense from each expense category that is equal to or exceeds 5% of the actual expenditures reported on the FACE form
- Focus on larger valued items, but also include some smaller valued items
- Select unusual or high risk items, for example:
 - Description of the expense is not appropriate for the expense category in which it is included
 - Description of the expense is not appropriate for the activity or the work plan
 - Description of the expense is general or vague or there is no description at all
 - Date on which the expense was incurred or reported is not appropriate for the reporting period on the FACE form
 - The amount of the expense is unusual for the type of expense (round number or large number)
 - The same expense and amount is recorded multiple times.

Using a risk-based approach allows the spot checker to conduct the spot check as efficiently and effectively as possible, benefiting both the UNICEF team and the IP. It focuses attention on identifying and testing those expenses that have the potential to materially affect the report of actual programme expenditures.

Attention

During the sample selection it is important to document:

- The source for the sample selection (for example, download from the IP's accounting system)
- Expense categories and transactions selected

Example

For the first quarter of the programme implementation, an IP submitted a FACE form reporting on DCT utilization as follow:

Activity	Authorized Amount (Jan – Mar)	Actual Project Expenditure
Community sanitation for district 3	\$40,000	\$37,720

The IP provided the following support for the actual project expenditures reported on the FACE form, in the form of a download from their accounting system:

Category of Expenditure	Actual expenditure for Jan - Feb
Personnel (salaries and wages)	6,300
Travel	150
Consultation	2,100
Construction	16,700
Direct Materials	11,300
Consumable materials	420
Training	750
<i>Total activity costs</i>	<i>\$37,720</i>

At least one expense is selected from each expense category that is equal or

Example (continued):

The category, Direct Materials, included the following detailed transactions:

Record #	Date	Description	Amount
7305	26-Dec	Septic tanks	2,678
7309	05-Jan	Fixtures	175
7310	10-Jan	Construction supplies	3,335
7331	12-Feb	Storage tanks	2,000
7333	17-Feb	Lighting	415
7336	05-Mar		735
7337	11-Mar	Toilettes	1,215
7340	15-Mar	Computer	747
<i>Total:</i>			<i>\$11,300</i>

Using a risk- based approach, the following transactions are selected:

- 7305 – The expense is recorded before the programme has started – in December

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ACTIVITY III: FIELD WORK

Testing procedures are performed at the IP's location where the books and records for the programme are maintained. Fieldwork is generally conducted within one day and involves three steps:

III.1 Interview on changes in internal controls

An interview with the finance and programme management takes place to determine whether the high priority recommendations from the micro assessment and prior spot checks and audits have been implemented and whether there have been any significant changes in the internal controls of the organization.

III.2 Review of bank reconciliation

If the IP maintains a separate bank account for funds received from UNICEF, ensure that the bank account is reconciled to the IP's accounting system and the system report received.

III.3 Test a sample of expenditures

For the sample selected in Activity II.3, complete *Annex C: Testing of Expenditure Worksheet*. UNICEF Offices can modify the worksheet as long as the testing procedures are completed.

A modified MS Excel Spreadsheet is attached for convenience:



Annex C Testing of
Expenditures Works

Included in the guidance are specific procedures for procurement, payroll and cost allocation testing.

III.1 Interview on changes in internal controls

In order to determine if there have been any significant changes to the internal controls applicable for the IP, the spot checker should:

- Conduct an interview with the finance and programme management of the IP to understand if they have implemented any high priority recommendations from the micro assessment and previous assurance activities if any. Obtain evidence during the expense testing.
- Inquire with management if there have been any changes in the organization, including:
 - Changes in the organization structure and key programme or finance management positions;
 - Changes to the internal policies or procedures;
 - Changes to the financial management processes;
 - Changes in the accounting or reporting systems.
- Determine if any of the changes increase the risk of successful and timely programme implementation or the accuracy of the financial reporting of the IP.
- Document the changes in the Annex B: Spot Check Report.

Example

A previous spot check identified that while the IP was using fund accounting, invoices were not stamped or marked as to which source of funding was used to pay the invoice. (For example, "Paid by UNICEF PCA 2013-2). The spot check report recommended for the IP to start this practice.

Prior to undertaking testing of expenditures during the current spot check, the UNICEF spot check team discussed with management whether the recommendation had been implemented. Management confirmed that it had and explained that they are writing the source of funding in ink on each invoice.

	Procedure	Findings
1	Inquire of IP management whether there have been any changes to internal controls since the prior micro assessment from the current programme cycle.	Management stated that previous recommendation has been implemented and all sources of funding have to be written in ink on the invoice specifying funding agency and specific agreement

III.2 Review of bank reconciliations

While there is no specific requirement, some IP will deposit funds received from UNICEF into a separate bank account. In this situation, confirm that a bank reconciliation was completed and that the balance has been reconciled to the accounting records / system report obtained for the spot check period. Observe and inquire on any unusual reconciling items.

Verify that original documentation exists to support the expenditure. The documentation will vary in accordance with the type of expense (for example procurement, payroll, allowances, etc.) and the financial management practices of the IP. The evidence obtained should prove that the expense was incurred as reported. Examples include:

- Purchase requisition
- Invoice
- Goods receipt
- Ledgers and log books
- Contracts or other legal agreements.

Document the type of evidence obtained, the date and number in the appropriate field (Do not write only Y or N in the required field. Document the date, number and type of document reviewed and the amount)

Sample expenditure description and voucher number	Sample expenditure amount reported	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	Activity is related to expenditure in accordance with work plan? (Y/N) – document the line item in the budget or work plan	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	Expenditure was reflected on a certified FACE form submitted to the agency and in IP's accounting records and bank statement? (Y/N)	Supporting documents are stamped 'PAID from UNICEF grant', indicating which agency funded the transaction or coded to and recorded in a UNICEF specific fund? (Y/N)	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)	Price paid for goods or services against United Nations agreed standard rates (if readily available) and according to budget	Comment / finding
Expense # 1234, from 3-Jan for Four fences Invoice 123 from 1-Jan for \$100.	\$1,000	Yes, reviewed: Purchase request # 123 for \$1,000 for Fences Invoice # 456 from Acme Store for four fences for \$1,000 Purchase request # 789 for \$1,000							

Sample expenditure description and voucher number	Sample expenditure amount reported	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	Activity is related to expenditure in accordance with work plan? (Y/N) – document the line item in the budget or work plan	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	Expenditure was reflected on a certified FACE form submitted to the agency and in IP's accounting records and bank statement? (Y/N)	Supporting documents are stamped 'PAID from UNICEF grant', indicating which agency funded the transaction or coded to and recorded in a UNICEF specific fund? (Y/N)	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)	Price paid for goods or services against United Nations agreed standard rates (if readily available) and according to budget	Comment / finding
		Check #012 for \$1,000 made to Acme Store Goods receipt #345 for Four fences							

- Verify that the activity related to the expenditure is in accordance with the work plan and the itemized cost estimate. Through the review of the evidence in the previous procedure, ensure that the description is in line in the work plan and ICE and document the evidence in the appropriate field (Do not write only Y or N in the required field. Document what activity and budget line the expense relates).

Attention

It is possible and expected that the amount of the actual expenditures will differ from the amounts in the ICE. Refer to *Annex H: Budgeting, Implementation and Financial Reporting* (attached) of the [UNICEF Procedure for Country and Regional Office Transfer of Resources to Civil Society Organizations](#) for



Annex H
Budgeting and Fin

Sample expenditure description and voucher number	Sample expenditure amount reported	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	Activity is related to expenditure in accordance with work plan? (Y/N) – document the line item in the budget or work plan	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	Expenditure was reflected on a certified FACE form submitted to the agency and in IP's accounting records and bank statement? (Y/N)	Supporting documents are stamped 'PAID from UNICEF grant', indicating which agency funded the transaction or coded to and recorded in a UNICEF specific fund? (Y/N)	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)	Price paid for goods or services against United Nations agreed standard rates (if readily available) and according to budget	Comment / finding
Expense # 1234, from 3-Jan for Four fences Invoice 123 from 1-Jan for \$100.	\$1,000	Yes, reviewed: Purchase request # 123 for \$1,000 for Fences Invoice # 456 from Acme Store for four fences for \$1,000 Purchase request # 789 for \$1,000 Check #012 for \$1,000 made to Acme Store	Agrees to activity Construction of fenced and shaded playground, item 1.5 Fencing.						

Sample expenditure description and voucher number	Sample expenditure amount reported	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	Activity is related to expenditure in accordance with work plan? (Y/N) – document the line item in the budget or work plan	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	Expenditure was reflected on a certified FACE form submitted to the agency and in IP's accounting records and bank statement? (Y/N)	Supporting documents are stamped 'PAID from UNICEF grant', indicating which agency funded the transaction or coded to and recorded in a UNICEF specific fund? (Y/N)	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)	Price paid for goods or services against United Nations agreed standard rates (if readily available) and according to budget	Comment / finding
		Goods receipt #345 for Four fences							

- Verify that the expenditure has been reviewed and approved in accordance with the IP's rules and procedures and agreements with UNICEF. From the documents obtained previously or discussions with management prior to conducting expense testing, ensure that an appropriate review and approval has occurred and is documented, such as signature or stamp. Do not write only Y or N in the required field. Document who has reviewed and approved the evidence obtained.

Sample expenditure description and voucher number	Sample expenditure amount reported	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	Activity is related to expenditure in accordance with work plan? (Y/N) – document the line item in the budget or work plan	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	Expenditure was reflected on a certified FACE form submitted to the agency and in IP's accounting records and bank statement? (Y/N)	Supporting documents are stamped 'PAID from UNICEF grant', indicating which agency funded the transaction or coded to and recorded in a UNICEF specific fund? (Y/N)	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)	Price paid for goods or services against United Nations agreed standard rates (if readily available) and according to budget	Comment / finding
Expense # 1234, from 3-Jan for Four fences Invoice 123 from 1-Jan for \$100.	\$1,000	Yes, reviewed: Purchase request # 123 for \$1,000 for Fences Invoice # 456 from Acme Store for four fences for \$1,000 Purchase request # 789 for \$1,000 Check #012 for \$1,000 made to Acme Store Goods receipt #345 for Four fences	Agrees to activity Construction of fenced and shaded playground, item 1.5 Fencing.	Yes, Payment request was approved by the Finance Manager, Invoice and payment request signed by the Project manager. Check signed by Finance director and Office manager.					

- Verify that the expenditure was reflected on a certified FACE form submitted to the agency and recorded in the IP's accounting records and bank statement. The purpose of the procedure is to ensure that the evidence provided makes up the actual expenses reported on the FACE form, is recorded in the IPs books and records and that the expense was actually paid. The easiest way to do this is during sample selection, when the spot checker ensures that the detailed transactions obtained are from the accounting system and sums up to the total actual expenses reported on the activity on the FACE form. Then ensure that there is proof that payment was made, such as check or bank transfer.

Do not write only Y or N in the required field. Document what proof you have obtained that the payment was made and how you have ensured that the expense was reported on the FACE form and in the IP's accounting system.

Sample expenditure description and voucher number	Sample expenditure amount reported	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	Activity is related to expenditure in accordance with work plan? (Y/N) – document the line item in the budget or work plan	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	Expenditure was reflected on a certified FACE form submitted to the agency and in IP's accounting records and bank statement? (Y/N)	Supporting documents are stamped 'PAID from UNICEF grant', indicating which agency funded the transaction or coded to and recorded in a UNICEF specific fund? (Y/N)	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)	Price paid for goods or services against United Nations agreed standard rates (if readily available) and according to budget	Comment / finding
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Sample expenditure description and voucher number	Sample expenditure amount reported	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	Activity is related to expenditure in accordance with work plan? (Y/N) – document the line item in the budget or work plan	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	Expenditure was reflected on a certified FACE form submitted to the agency and in IP's accounting records and bank statement? (Y/N)	Supporting documents are stamped 'PAID from UNICEF grant', indicating which agency funded the transaction or coded to and recorded in a UNICEF specific fund? (Y/N)	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)	Price paid for goods or services against United Nations agreed standard rates (if readily available) and according to budget	Comment / finding
		Check #012 for \$1,000 made to Acme Store Goods receipt #345 for Four fences		Check signed by Finance director and Office manager.	and agreed it to the January bank statement.				

5. Verify that supporting documents are stamped 'PAID from UNICEF funding', indicating which agency funded the transaction. The purpose of the procedure is to ensure that the same expense is not reported and claimed to other donors or on other programmes. If the IP is not using stamps and uses fund accounting, ensure that the invoice (or other evidence) has an appropriate code to the UNICEF fund (programme) both in the accounting system and on the original document. Do not write only Y or N in the required field. Document how you have verified that the expenditure cannot be reported to other donors.

Sample expenditure description and voucher number	Sample expenditure amount reported	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	Activity is related to expenditure in accordance with work plan? (Y/N) – document the line item in the budget or work plan	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	Expenditure was reflected on a certified FACE form submitted to the agency and in IP's accounting records and bank statement? (Y/N)	Supporting documents are stamped 'PAID from UNICEF funding', indicating which agency funded the transaction or coded to and recorded in a UNICEF specific fund? (Y/N)	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)	Price paid for goods or services against United Nations agreed standard rates (if readily available) and according to budget	Comment / finding
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6. Verify that the expense was recorded in the IP's accounting records and reflected in a certified FACE form in the period in which it was incurred. Through the review of the evidence already obtained, ensure that the expense was not incurred prior to the programme start or in a period before or after the reporting period on the FACE form. In this way, one can ensure that the expense is not reported on more than one FACE form.

Do not write only Y or N in the required field. Document how you have verified that the expenditure is reported in the correct period.

Sample expenditure description and voucher number	Sample expenditure amount reported	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	Activity is related to expenditure in accordance with work plan? (Y/N) – document the line item in the budget or work plan	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	Expenditure was reflected on a certified FACE form submitted to the agency and in IP's accounting records and bank statement? (Y/N)	Supporting documents are stamped 'PAID from UNICEF grant', indicating which agency funded the transaction or coded to and recorded in a UNICEF specific fund? (Y/N)	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)	Price paid for goods or services against United Nations agreed standard rates (if readily available) and according to budget	Comment / finding
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7. Verify the price paid for goods or services against United Nations agreed standard rates and according to budget. Ensure that the expense is reasonable by comparing it to the rates agreed in the budget, by verifying that competitive bids were obtained and by using knowledge of local prices.

Do not write only Y or N in the required field. Document what evidence was obtained to ensure the expense is reasonable.

Sample expenditure description and voucher number	Sample expenditure amount reported	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	Activity is related to expenditure in accordance with work plan? (Y/N) – document the line item in the budget or work plan	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	Expenditure was reflected on a certified FACE form submitted to the agency and in IP's accounting records and bank statement? (Y/N)	Supporting documents are stamped 'PAID from UNICEF grant', indicating which agency funded the transaction or coded to and recorded in a UNICEF specific fund? (Y/N)	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)	Price paid for goods or services against United Nations agreed standard rates (if readily available) and according to budget	Comment / finding
Expense # 1234, from 3-Jan for Four fences Invoice 123 from 1-Jan for \$100.	\$1,000	Yes, reviewed: Purchase request # 123 for \$1,000 for Fences Invoice # 456 from Acme Store for four fences for \$1,000 Purchase request # 789 for \$1,000 Check #012 for \$1,000 made to Acme Store	Agrees to activity Construction of fenced and shaded playground, item 1.5 Fencing.	Yes, Payment request was approved by the Finance Manager, Invoice and payment request signed by the Project manager. Check signed by Finance director	Yes, agreed to the download from the IP's system that makes up the FACE form amounts. Viewed check # 123 from 13-Jan for \$1,000 and agreed it to the January	The invoice was coded to fund A123, which is the fund used to record UNICEF funded project – Construction of playground. The same fund # was used to record the transaction in the IP	Yes, the invoice and payment were incurred and recorded in January. The FACE form is for Jan-Mar.	Three competitive bids were evaluated Price is cheaper than the budgeted \$1,250.	

Sample expenditure description and voucher number	Sample expenditure amount reported	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	Activity is related to expenditure in accordance with work plan? (Y/N) – document the line item in the budget or work plan	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	Expenditure was reflected on a certified FACE form submitted to the agency and in IP's accounting records and bank statement? (Y/N)	Supporting documents are stamped 'PAID from UNICEF grant', indicating which agency funded the transaction or coded to and recorded in a UNICEF specific fund? (Y/N)	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)	Price paid for goods or services against United Nations agreed standard rates (if readily available) and according to budget	Comment / finding
		Goods receipt #345 for Four fences		and Office manager.	bank statement.	accounting system.			

8. In the comment / finding field document any outstanding documentation or clarification issue and any potential findings.

Sample expenditure description and voucher number	Sample expenditure amount reported	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	Activity is related to expenditure in accordance with work plan? (Y/N) – document the line item in the budget or work plan	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	Expenditure was reflected on a certified FACE form submitted to the agency and in IP's accounting records and bank statement? (Y/N)	Supporting documents are stamped 'PAID from UNICEF grant', indicating which agency funded the transaction or coded to and recorded in a UNICEF specific fund? (Y/N)	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)	Price paid for goods or services against United Nations agreed standard rates (if available) and according to budget	Comment / finding
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Specific Procedures Performed For Expenditures

Due to the nature of specific type of expenditures, additional procedures may be required in order to review them for eligibility. The list below includes the most common type of expenditures reported.

Procurement

1. Competitive offers were obtained as per the implementing IP’s or the national policies
2. The offers were dated after the invitation to tender dated and before the date of award of the contract
3. The offers were evaluated based on a systematic approach (i.e. points system) and reviewed and approved by the appropriate level as per the IP’s policy

The table below notes some common risks and red flags to watch for when reviewing procurement.

Risks	Red flags to watch for
<ul style="list-style-type: none"> • Bidding documents and terms of reference may be skewed to match the unique qualities of one particular supplier • The quantity of goods or services needed may be exaggerated to favor a supplier with a particular capacity. • Bribery, kickbacks, collusion or coercion can distort the process of supplier selection, which should be made competitively and transparently according to price and quality. Such corruption can lead to above-market prices or substandard quality of goods and services. • A supplier may provide low quality, defective or fake supplies or poor services, but bill for specification-standard materials or work • Staff may be bribed by suppliers ‘not to notice’ the sub-specification execution of a contract, to accept 	<ul style="list-style-type: none"> • Specifications too narrow or precise, so that only one supplier can qualify • Subjective criteria for evaluating compliance with specifications • A contract split into multiple tenders just below the threshold for competitive bidding • Limited bid advertising • Multiple or repeat contracts going to the same supplier or group of suppliers • Bid deadlines that are unduly short; frequent justification of ‘urgency’ that may favor incumbent contractors • Unjustified requests for ‘sole-sourcing’ • Bids that are not sealed or are not opened publicly and simultaneously • Repeated awards to the same bidder or group of bidders • Contracts awarded to known friends or family of agency staff, or to companies where staff have a financial interest • Fees to intermediaries, agents or brokers for assistance in bid preparation or contract negotiation, which may be used for facilitation payments • Drastic changes in pricing from previous contracts

Risks	Red flags to watch for
<p>fake goods as genuine or to sign off invoices for inferior work</p> <ul style="list-style-type: none"> Suppliers may introduce substantial changes to the quality specifications or prices in their contract via renegotiation or 'change orders', often in small increments that don't require management sign-off 	<ul style="list-style-type: none"> Unusual bid patterns that could indicate collusion among bidders Repeat contract awards to the same supplier(s) or the lowest priced bidder being bypassed for a 'preferred' but costlier supplier Unjustified change orders to a contract after award to increase amounts or modify specifications Prices inflated substantially above market levels The amount of goods or services delivered being less than requested

Cost allocations

1. Verify that there is a systematic approach to allocations of costs shared by various funding agencies with the IPs (ex. rent, utilities). The approach should be documented in the IP's policy manual.
2. Verify that the approach is consistently used to calculate the allocation amounts and is reasonable
3. Ensure that the total cost allocated do not exceed 100%

Payroll

1. Verify that the amount reported agrees to the payroll register
2. Verify that the amount reported agrees to the employee contract
3. If the employee is not fully working on the UNICEF funded programme, verify that the amount is calculated based on a systematic approach, such as time sheets for example.

Internal controls for payroll should ensure that payroll disbursements are made only upon proper authorization to bona fide employees, that payroll disbursements are properly recorded and that related legal requirements (such as payroll tax deposits) are complied with.

Risks	Red flags to watch for
<ul style="list-style-type: none"> Ghost workers' (fictitious or former employees whose wages are received by someone else) Salary inflation with surpluses diverted A staff member pocketing part of a team's cash wages 	<ul style="list-style-type: none"> Sudden unexplained increases in payroll numbers or cost Salaries continuing to be paid to employees who have left the IP Perfect attendance records for all/most employees Similar signatures on pay receipts Unusual items such as payments for vacations, removal costs or other benefits

Risks	Red flags to watch for
<ul style="list-style-type: none"> Loans or advances that aren't repaid or false claims for benefits or bonuses Much abuse takes place around benefits, e.g. allowances – per diems, transport, education 	<ul style="list-style-type: none"> Unexplained increases in salaries of staff, especially payroll staff

Other considerations

Headquarters' support costs

If the programme document (CSO IPs only) provides for Headquarters' support costs, there is no need to obtain invoices to support the amount claimed. As this amount is based on actual eligible expenditure, any adjustments related to eligibility of expenses claimed may result in the need to re-calculate the headquarters' support cost to determine the amount owing to UNICEF.

Segregation of duties

Segregation of duties is one of the fundamental internal controls for any organization. It is one of the key controls to reduce the risk of corruption. That is, one person should not handle a financial transaction from beginning to end.

When testing expenditures, look to determine whether basic segregation of duties have been respected - remember the "four-eyes principle" - at least two people must witness or approve any financial transaction.

Activities within a financial transaction that should be segregated			
Cash disbursement and petty cash	Authorizing payments	Handling cash/Issuing payments	Recording transactions
Procurement	Ordering goods	Receiving goods	
Payroll	Maintaining payroll records	Authorizing salary payments	

	Activity	When?	How long?	Where?	By who?
I.	Annual Planning	At the beginning of the year	Part of the OMP / AMP	UNICEF office	HACT Focal point / Section Chiefs
II.	Preparation	At least three days before field work	Half day	UNICEF office	Programme manager / Spot checker
III.	Field Work	Day of fieldwork	One day	IP's office	Spot checker
IV.	Follow-up	Varies in relation to issues identified	Half day to a day	UNICEF / IP office	Programme manager / Spot checker

ACTIVITY IV: DOCUMENTATION AND FOLLOW UP

Once the test of expenditures is completed the spot checker discusses any observations, outstanding items and issues with the IP, UNICEF's Programme Manager and the HACT Focal Point.

IV.1 Discuss the findings with IP's Management

The spot checker discusses the findings with the IP Management and documents their response and corrective actions. The spot check documentation is shared with the IP.

IV.2 Determine follow up actions and escalation

The findings are discussed with the UNICEF Programme Manager and HACT Focal Point and are assigned a "High" or "Low" priority. High priority findings and recommendations require follow up. A decision is made whether to escalate the spot check report.

IV.3 Adjust the HACT Plan

If the spot check included high priority observations, the HACT Focal Point flags the IP for follow up and adjust the HACT plan for additional spot checks or audits if required.

IV.1 Discuss findings and document corrective actions proposed by the IP's management

Once the test of expenses is complete, the results of the spot check are shared with the implementing partner. The spot checker discusses the observations, outstanding items and issues with the IP. The IP management can:

- Agree with the finding and provide corrective actions to be taken; or
- Agree to provide additional information to support the control or expense tested within a reasonable time, for example one week; or
- Disagree with the findings and provides detailed explanation on the reasons why they disagree.

The spot checker documents all detailed observations, IP management's response and any recommendations, agreed upon actions and their due dates in Annex C: Detailed Findings and Recommendations and summarizes in the Spot Check Report. (Annex B)

The Spot Check Report is shared with the IP.

IV.2 Determine follow up actions and escalation

After completing the spot check, the spot checker meets with the UNICEF Programme Officer responsible for the programme implementation and with the HACT Focal Point in order to discuss the findings, IP management responses and recommendations.

The group reviews each observation in order to determine the follow up actions and whether further escalation is required and assign “High” or “Low” priority for each finding and recommendation.

An observation is low priority if it does not indicate systematic break down of controls and weak financial management practices. Examples include:

- Several support documentations were photocopies and not originals;
- Support documentation could not be found for several low value transactions (lost by IP);
- A typing error or minor miscalculation;
- A purchase order was not approved, but the invoice and payment checks were;
- There was no competitive bidding progress for a contract, however sole sourcing is documented and approved by senior management.

An observation is high priority if it indicates a systematic break down of controls and violation of the IP’s financial policies. Examples include:

- 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.

Low priority observations do not require follow up. The recommendations are documented in the spot check report and provided to the IP.

High priority observations require a follow up by the UNICEF Programme Manager. Depending on the finding the follow up can be:

- Request a refund of the ineligible expenses;
- Request the IP to review and correct the reporting;
- Conduct a follow-up spot check in the next quarters to ensure recommendations have been implemented;
- Request the IP to implement the activities and incur the expense for the incorrectly reported amounts;
- Conduct additional spot checks on previous FACE form, commission an audit for the whole programme period or commission a special audit on specific area of concern;
- Consider changes to the programme.

If there is a suspect misuse of funds, the spot checker discusses the spot check report with the Head of Office, who notifies OIAI with a copy to the Regional Director for advice and next steps

Example

During the testing of a sample of fuel costs and vehicle charges, the spot checker observed that while the expense reported on the FACE form and in the system is reasonable and comparable to the approved budget in the ICE, there is no support documentation to back up the amount charged.

The spot checker discusses the observation with the IP management, who states that they could not obtain receipts for fuel purchases and therefore calculated the expense on a spreadsheet by confirmation from the drivers.

The spot checker determines that the explanation is reasonable, due to the cash based economy and operational environment in the country, where receipts for small purchases are not typically given.

The spot checker proposed to the IP management to implement a vehicle usage log and provides as an example the template used by UNICEF field office. By doing this, the UNICEF office improves IP's capacity in financial management.

The IP agrees to implement the vehicle usage log and use it to calculate the fuel cost and vehicle charges.

Example 2

During the testing of a sample of fuel costs and vehicle charges, the spot checker observed that there is no support documentation to back up the amount charged and that the IP has included DSA allowance in the actual expense when travel is only for short distances within the city

The spot checker discusses the observation with the IP management, who states that they could not obtain receipts for fuel purchases and therefore calculated the expense based on the approved budgeted amount. They also state that they were not aware that DSA allowance is not permitted for day travel.

The spot checker determines that the explanation is not reasonable, because receipts are available from petrol station and as per the IP's DSA allowance is given only on overnight travel outside of the city.

The spot checker informs the IP management that the expense will be deemed ineligible and that the IP will have to issue a refund for the total amount of fuel costs and vehicle charges for the quarter.

The IP agrees to have support for all fuel charges in the next quarter and not to include DSA allowance. The spot checker documents the finding, recommendation and agreed actions in the spot check report.

Example 3

During the testing of a sample of fuel costs and vehicle charges, the spot checker observed that the IP has reported the same amount for fuel expense, which is not typical. The provided receipts have the same document number. The programmatic visit report states that beneficiaries indicate that there has been no official visit by IP staff to the implementation location.

In addition to the fuel cost observations, the spot check noticed that an invoice for computer purchase (\$5,000) was not in the name of the IP, but to an individual and some amounts have been changed by pen on a few cheques.

The spot checker discusses the findings with the IP management, who states that the poor quality of documentation is because of the quality of vendors and that they have provided all required documentation. .

The spot checker documents the findings and discusses them with the HACT Focal Point and the UNICEF Programme Manager. During discussion, it was noted that the IP has not been implementing the activities as scheduled and the expenses recorded do not correspond to the programme implementation status.

The summary of observations is discussed internally with the Section Chief, Chief of Operations and Deputy Representative. It is determined that the risk exists that the IP may be claiming expenses not supported by documents and concerns over the repeated changes to cheques. The total budget in the PCA with the IP is very large

Follow-up on issues identified is the responsibility of the UNICEF Programme Officer managing the relationship with the IP. While other UNICEF staff may play a supporting role, the Programme Officer is ultimately responsible for follow-up.

Most issues identified can be resolved directly with the IP either through requesting refunds or ensuring the IP takes action on recommendations made to strengthen internal controls. However, when offices suspect that the IP is systematically claiming ineligible expenses OIAI is consulted for support and advice.

IV.3 Update the HACT plan

Once the spot check is completed and documentation is finalized, the HACT Focal Point:

- Ensures that the spot check is archived in a central document repository;
- Updates the HACT Plan for the completed spot check;
- If the spot check report includes high priority findings, flags the spot check for follow up; and
- If a decision is made to conduct additional spot checks or audits, updates the plan for the respective assurance activities.

Spot Check Guidance Annexes

Annex A – Spot Check Checklist



Annex A Spot
Check Checklist.doc

Annex B – Spot Check Report



Annex B Spot
Check Report.docx

Annex C – Test of Expenditures Worksheet (in MS Word and MS Excel formats)



Annex C Test of
Expenditures Works



Annex C Test of
Expenditures Works

Annex D – Detailed Findings and Recommendations



Annex D Detailed
Findings and Recorr