

## Appendix VIII. Assurance Monitoring Dashboard

### Assurance Monitoring Dashboard

**Prepared as of the month ending:** \_\_\_\_\_

**Agency name:** \_\_\_\_\_

**Country:** \_\_\_\_\_

**Prepared by:** \_\_\_\_\_

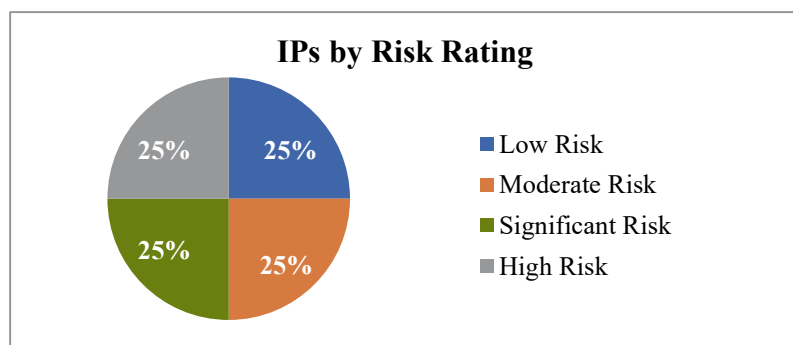
**Implementation year:** \_\_\_\_\_

**Programme cycle:** \_\_\_\_\_

**Total number of IPs:** \_\_\_\_\_

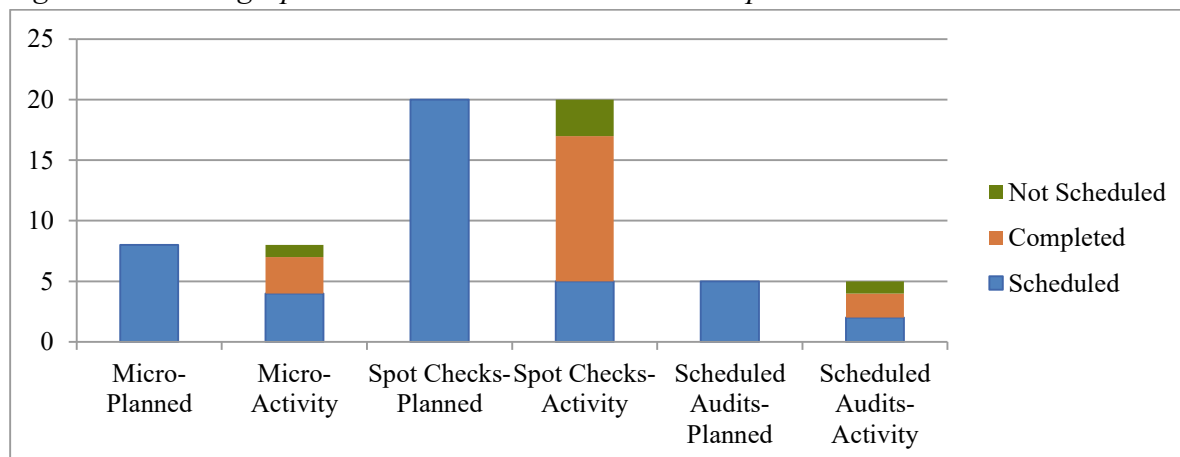
#### Concentration of IP by risk rating:

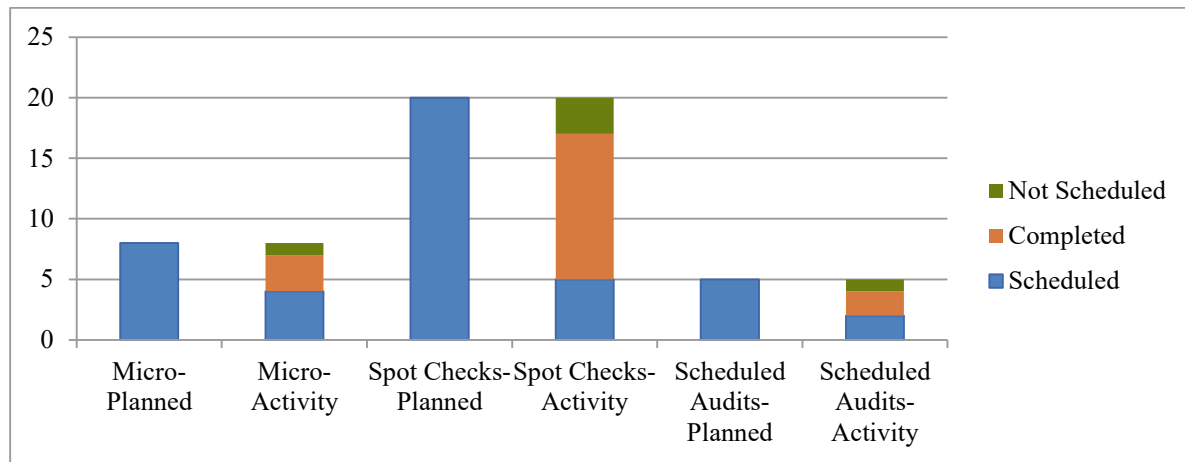
*Right click on the graph below and select 'Edit Data' to update*



#### Year-to-date assurance activities status:

*Right click on the graph below and select 'Edit Data' to update*





**Comments:**

## **Appendix IX. Terms of Reference for Spot Checks Performed by Internal Agency Staff**

This TOR has been developed to guide United Nations agencies and IPs through the objectives, scope, timeline and deliverables of the spot check. (See Annex 1 for programme-specific information)

### **Scope of the Spot Check**

Spot checks are performed to assess the accuracy of the financial records for cash transfers to IPs, status of the programme and whether there have been any significant changes to applicable internal controls. The spot check is not an audit.

### **Spot Check Procedures**

These are suggested procedures to be performed during the spot check. The actual procedures to be performed must be confirmed prior to starting the spot check.

1. Compare documentation obtained describing the IP's financial management internal controls against the most recent micro assessment from the corresponding programme cycle. Document any changes or inconsistencies.
2. Inquire of IP management whether there have been any changes to internal controls since the prior micro assessment from the current programme cycle. Document any changes identified.
3. Obtain a listing of all programme related expenditures during the **XX** month/period ended **(date)** and perform the following:
  - Randomly select a significant sample of expenditures of the selected FACE form for testing. The specific amount is set by each agency and should be sufficient to allow formation of an opinion. Provide a detailed listing of expenditures selected as samples.
  - For each sample selection perform the following procedures:
    - Verify that documentation exists to support the expenditure in accordance with the IP's rules and procedures and agreements with the agency.
    - Verify that the activity related to the expenditure is in accordance with the work plan.<sup>11</sup>
    - Verify that the expenditure has been reviewed and approved in accordance with the IP's rules and procedures and agreements with the agency.
    - Verify that the expenditure was reflected on a certified FACE form submitted to the agency.
    - Verify that the expenditure was reflected in the IP's accounting records (official book of accounts) and bank statement.
    - Verify that supporting documents are stamped 'PAID from XXX grant', indicating which agency funded the transaction.

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<sup>11</sup> Agency work plans can be annual, multi-year, rolling or joint.

- Verify that the FACE form was submitted consistent with the periodicity-of-disbursement requirement in the HACT framework (within two weeks)
  - Verify the price paid for goods or services against United Nations agreed standard rates (if readily available).
4. If separate bank accounts are maintained for agency-granted funds, perform the following procedures:
- Verify that the activity per the bank statement agrees with that reflected in the accounting records. Document any variances noted; and
  - Confirm that a bank reconciliation was completed and that the balance has been reconciled to the accounting records. Document any variances noted.

### **Deliverables**

The spot check must be documented in the spot check work plan, detailing procedures performed and corresponding results. (See Annex 2 for spot check work plan template.)

### **Qualifications of Agency Staff to Perform Spot Checks**

Agency staff performing spot checks should have the following qualifications:

- At least five years of experience in finance/accounting and programme; and
- An understanding of the IP, the HACT framework and the objective of the spot check.

### **Items to be Acquired before Starting Fieldwork:**

The following items will be acquired in advance of starting fieldwork:

- Work plan and any progress reports submitted during the year; and
- A list of the IP's individual transactions (i.e., accounting records) that summarizes the disbursements and FACE forms submitted during the period selected for assessment.

### **Annex 1. Programme-specific Information**

The following information should be completed at the start of the spot check.

<b>IP name:</b>	
<b>Programme name:</b>	
<b>Programme number:</b>	
<b>Programme background:</b>	
<b>Programme location:</b>	
<b>Programme contact person(s):</b>	
<b>Location of records:</b>	
<b>Currency of records maintained:</b>	
<b>Period of transactions covered by spot check:</b>	
<b>Funds received during the period covered by the attestation engagement:</b>	
<b>Expenditures incurred/reported during the period covered by the attestation engagement:</b>	
<b>Intended start date of spot check:</b>	
<b>Estimated number of days required for the spot check visit to the IP:</b>	
<b>Any special requests to be considered during the spot check:</b>	
<b>Cash transfer modality used by the IP:</b>	

## Annex 2. Spot Check Work Plan Example

### Spot Check Work Plan

*This is a minimum required template. It may be modified by agencies.*

<b>Programme title:</b>	
<b>Project title:</b>	
<b>Name of IP:</b>	
<b>Location of IP/programme:</b>	
<b>IP contact person and position:</b>	
<b>Start/end date of spot check (dd/mm/yyyy – dd/mm/yyyy):</b>	
<b>Dates covered by FACE form selected for testing (dd/mm/yyyy – dd/mm/yyyy):</b>	
<b>Dates covered by last spot check (dd/mm/yyyy – dd/mm/yyyy):</b>	
<b>Member(s) of the spot check team: (Name, designation, section/organization)</b>	
<b>IP staff who met and worked with the spot check team met during the spot check (Names and titles):</b>	

**Internal Controls:** Complete the following table regarding specific procedures regarding internal controls.

	Procedure	Findings
1	Compare documentation obtained describing the IP's financial management internal controls against the most recent micro assessment from the corresponding programme cycle.  Document any changes or inconsistencies identified.	
2	Inquire of IP management whether there have been any changes to internal controls since the prior micro assessment from the current programme cycle.  Document any changes identified.	

**Sample of Expenditures:** Complete the following table for each sample

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)	Activity is related to expenditure in accordance with work plan? (Y/N)	Expenditure has been reviewed and approved in accordance with IP's applicable rules and procedures and agreements with the agency? (Y/N)	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 XXX grant', indicating which agency funded the transaction? (Y/N)	FACE form was submitted consistent with the periodicity-of-disbursement requirement in the HACT framework (within two weeks)? (Y/N)	Price paid for goods or services against United Nations agreed standard rates (if readily available )	Comment/ finding
Total sample expenditures:									
Total expenditures reported on FACE forms during period under spot check:									
Percentage coverage: (Total sample expenditures divided by total expenditures reported on FACE forms during period under spot check)									

## **Appendix X. Terms of Reference for Spot Checks Performed by Third Party Service Providers**

This TOR was developed to guide United Nations agencies, third party service providers and IPs through the objectives, scope, timeline and deliverables of the requested agreed-upon procedures engagement. (See Annex 1 for programme-specific information)

### **Purpose of Agreed-upon Procedures Engagements**

An agreed-upon procedures attest engagement involves engagement of a third party service provider to prepare a report on factual findings based on specific, agreed-upon procedures performed. As the third party service provider is engaged to report on findings of the agreed-upon procedures, no assurance is expressed. Instead, users of the report assess for themselves the procedures and findings reported by the service provider and draw their own conclusions. The report is restricted to parties that have agreed to the procedures to be performed, since others, unaware of the reasons for the procedures, may misinterpret the results.

### **Standards**

The attestation engagement should be conducted in accordance with ISRS 4400, *Agreed-upon Procedures Regarding Financial Information*.

### **Scope of the Spot Check Agreed-upon Procedures Engagement**

Spot checks are performed to assess the accuracy of financial records for cash transfers to IPs, status of the programme and whether there have been any significant changes to applicable internal controls. The spot check is not an audit.

### **Spot Check Procedures**

The following are examples of procedures to be performed during the spot check. The actual procedures to be performed must be confirmed prior to the start of the spot check.

1. Compare documentation obtained describing the IP's financial management internal controls against the most recent micro assessment from the corresponding programme cycle. Document any changes or inconsistencies.
2. Inquire of IP management whether there have been any changes to internal controls since the prior micro assessment from the current programme cycle. Document any changes identified, if any.
3. Obtain a listing of all programme-related expenditures during the **XX** month period ended **(date)** for the agreed-upon procedures engagement and perform the following:
  - Randomly select a sample of expenditures amounting to a certain percentage of total expenditures. (The percentage is to be determined by each agency relative to its needs and requirements.) Provide a detailed listing of expenditures selected as samples.
  - For each sample selection perform the following procedures:
    - Verify that documentation exists to support the expenditure in accordance with the IP's rules and procedures and agreements with the agency.



- Verify that the activity related to the expenditure is in accordance with the work plan.<sup>12</sup>
  - Verify that the expenditure has been reviewed and approved in accordance with the IP's rules and procedures and agreements with the agency.
  - Verify that the expenditure was reflected on a certified FACE form submitted to the agency.
  - Verify that the expenditure was reflected in the IP's accounting records (official book of accounts) and bank statement.
  - Verify that supporting documents are stamped 'PAID from XXX grant', indicating which agency funded the transaction.
  - Verify that the FACE form was submitted consistent with the periodicity-of-disbursement requirement in the HACT framework (two weeks).
  - Verify the price paid for goods or services against United Nations agreed standard rates (if readily available).
4. If separate bank accounts are maintained for agency-granted funds, perform the following procedures:
- Verify that the activity per the bank statements agrees with that reflected in the accounting records. Document any variances noted; and
  - Confirm that a bank reconciliation was completed and the balance has been reconciled to the accounting records. Document any variances noted.

### **Deliverables**

1. The third party service provider prepares a standard agreed-upon procedures report in accordance with the applicable standards, which includes:
- Enumeration of the agreed-upon procedures performed and a summary of corresponding factual findings;
  - A statement indicating that the report is intended solely for the information and use of the specified parties;
  - Identification of the specific parties to whom use is restricted;
  - A statement that the report is not intended to be and should not be used by anyone other than the specified parties; and
  - A statement that the scope of agreed-upon procedures does not provide the same level of assurance as that of an audit or review.

A report template following ISRS 4400 is included in Annex 2.

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<sup>12</sup> Agency work plans can be annual, multi-year, rolling or joint.

2. The third party service provider prepares a spot check work plan detailing work performed. A template is provided in Annex 3.

### **Qualifications of the Third Party Service Provider**

As noted in ISRS 4400 paragraph 7: “The auditor should comply with the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants (IESBA Code). Ethical principles governing the auditor’s professional responsibilities for this type of engagement are:

- (a) Integrity;
- (b) Objectivity;
- (c) Professional competence and due care;
- (d) Confidentiality;
- (e) Professional behavior; and
- (f) Technical standards.”

Independence is not a requirement for agreed-upon procedures engagements. However, the terms or objectives of an engagement or national standards may require the third party service provider to comply with the independence requirements of the IESBA Code. Where the service provider is not independent, a statement to that effect should be made in the report of factual findings.

The third party service provider should be experienced in applying ISRS standards. If hiring staff, the service provider should employ staff with recognized professional qualifications and suitable experience with ISRS standards, including experience in reviewing similar entities.

CVs of all members of the assessment team should be provided. They should include details on agreed-upon procedures carried out by the relevant staff, including ongoing assignments indicating responsibilities assumed by them, and their qualifications and experience in undertaking agreed-upon procedures.

United Nations and agency-specific (if any) procurement policies should apply in procurement of third party service providers.

### **Items to be Provided to the Third Party Service Provider before Starting Fieldwork**

The agency provides the following documentation in advance of starting fieldwork:

- Work plan and any progress reports submitted during the year;
- A list of the IP’s individual transactions (i.e., accounting records), including a summary of the disbursements and FACE forms submitted during the period selected for assessment; and
- A list of findings of the IP’s micro assessment, reports of relevant field monitoring visits, available audits reports and other documentation that may help to understand the IP’s internal controls and supported activities.

To ensure efficient use of time, the third party service provider should review the information received and provide the IP with a list of requested documents in advance of any site visits.

### **Annex 1. Programme-specific Information**

The following information should be completed by the agency country office and be provided to the third party service provider prior to the site visit.

<b>IP name:</b>	
<b>Programme name:</b>	
<b>Programme number:</b>	
<b>Programme background:</b>	
<b>Programme location:</b>	
<b>Programme contact person(s):</b>	
<b>Location of records:</b>	
<b>Currency of records maintained:</b>	
<b>Period of transactions covered by spot check:</b>	
<b>Funds received during the period covered by the spot check:</b>	
<b>Expenditures incurred/reported during the period covered by the spot check:</b>	
<b>Intended start date of the spot check:</b>	
<b>Estimated number of days required for the spot check:</b>	
<b>Recipient of the report:</b>	
<b>Submission deadline (including draft and final reports to local agency management):</b>	
<b>Submission logistics:</b>	
<b>Any special requests to be considered during the spot check:</b>	
<b>Cash transfer modality used by the IP:</b>	

## Annex 2. ISRS 4400 Agreed-upon Procedures Report Template

### *Report of factual findings*

To (those who engaged the auditor)

We have performed the procedures agreed with you and enumerated below with respect to the programme disbursements related to (insert programme name and number) as at (for the XX month period ended) (date), set forth in the accompanying management letter. Our engagement was undertaken in accordance with the ISRS (or refer to relevant national standards or practices) applicable to agreed-upon procedures engagements. The procedures were performed solely to assist you in evaluating the validity of accounting records that support cash transfers from (agency) and are summarized as follows:

1. Compare documentation obtained describing the IP's financial management internal controls against the most recent micro assessment from the corresponding programme cycle. Document any changes or inconsistencies.
2. Inquire of IP management whether there have been any changes to internal controls since the prior micro assessment from the current programme cycle. Document any changes identified.
3. Obtain a listing of all programme related expenditures during the XX month period ended (date) for the agreed-upon procedures engagement and perform the following:
  - Randomly select a sample of expenditures amounting to a certain percentage of total expenditures. The percentage to be determined by each agency in relation to their needs and requirements. Provide a detailed listing of expenditures selected as samples.
  - For each sample selection perform the following procedures:
    - Verify that documentation exists to support the expenditure in accordance with the IP's rules and procedures and agreements with the agency.
    - Verify that the activity related to the expenditure is in accordance with the work plan.
    - Verify that the expenditure has been reviewed and approved in accordance with the IP's rules and procedures and agreements with the agency.
    - Verify that the expenditure was reflected on a certified FACE form submitted to the agency.
    - Verify that the expenditure was reflected in the IP's accounting records and bank statement.
    - Verify that supporting documents are stamped 'PAID from XXX grant', indicating which agency funded the transaction.
    - Verify that the FACE form was submitted consistent with the periodicity-of-disbursement requirement in the HACT framework (within two weeks).
    - Verify the price paid for goods or services against United Nations agreed standard rates (if readily available).

4. If separate bank accounts are maintained for agency-granted funds, perform the following procedures:
- Verify that the activity per the bank statements agrees with that reflected in the accounting records. Document any variances noted; and
  - Confirm that a bank reconciliation was completed and the balance has been reconciled to the accounting records. Document any variances noted.

We report our findings below:

- (a) With respect to item 1 we found (provide details of findings).
- (b) With respect to item 2 we found (provide details of findings).
- (c) With respect to item 3 we found (provide details of findings).
- (d) With respect to item 4 we found (provide details of findings).

Because these procedures do not constitute either an audit or a review made in accordance with International Standards on Auditing or International Standards on Review Engagements (or relevant national standards or practices), we do not express any assurance on the programme disbursements as of (for the XX month period ended) (date).

Had we performed additional procedures or had we performed an audit or review of the financial statement in accordance with International Standards on Auditing or International Standards on Review Engagements (or relevant national standards or practices), other matters might have come to our attention that would have been reported to you.

Our report is solely for the purpose set forth in the first paragraph of this report and for your information. It is not to be used for any other purpose or to be distributed to any other parties. This report relates only to the items specified above and does not extend to any financial statement of the implementing partner, taken as a whole.

Signature

Date

Address

### Annex 3. Spot Check Work Plan Example

#### Spot Check Work Plan

*This is a minimum required template. It may be modified by agencies.*

<b>Programme title:</b>	
<b>Project title:</b>	
<b>Name of IP:</b>	
<b>Location of IP/programme:</b>	
<b>IP contact person and position:</b>	
<b>Start/end date of spot check (dd/mm/yyyy – dd/mm/yyyy):</b>	
<b>Dates covered by FACE form selected for testing (dd/mm/yyyy – dd/mm/yyyy):</b>	
<b>Date of last spot check (dd/mm/yyyy – dd/mm/yyyy):</b>	
<b>Member(s) of the spot check team (Name, designation, section/organization):</b>	
<b>IP staff whom the spot check team met and worked with during the spot check (names and titles)</b>	

**Internal Controls:** Complete the following table covering specific procedures regarding internal controls.

	Procedure	Findings
1	Compare documentation obtained describing the IP's financial management internal controls against the most recent micro assessment from the corresponding programme cycle. Document any changes or inconsistencies identified.	
2	Inquire of IP management whether there have been any changes to internal controls since the prior micro assessment from the current programme cycle. Document any changes identified.	

**Sample of Expenditures:** Complete the following table for details related to each sample

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)	Activity is related to expenditure in accordance with work plan? (Y/N)	Expenditure has been reviewed and approved in accordance with IP's applicable rules and procedures and agreements with the agency? (Y/N)	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 XXX grant', indicating which agency funded the transaction? (Y/N)	FACE form was submitted consistent with the periodicity-of-disbursement requirement in the HACT framework (within two weeks)? (Y/N)	Price paid for goods or services against United Nations agreed standard rates (if readily available )	Comment/ finding
Total sample expenditures:									
Total expenditures reported on FACE forms during period under spot check:									
Percentage coverage: (Total sample expenditures divided by total expenditures reported on FACE forms during period under spot check)									