# LRPS-2025-9199921

**Annex B, Terms of Reference**

# UNICEF MOLDOVA

# TERMS OF REFERENCE

**Long Term Agreement (LTA) for provision of periodic on-site financial assurance services according to agreed-upon procedures – Spot Checks**

**Location:** Chisinau, Moldova

1. Background

UNDP, UNFPA and UNICEF Agencies Offices in Moldova are interested in contracting several qualified companies, as third-party service providers, to provide professional Periodic On-site Financial Assurance services, as provided by this TOR.

UNICEF Moldova acts as the Lead Agency to organize and conduct the bidding process and enter into a Long-Term Agreement (LTA) with one or several qualified service providers, on behalf of UN Agencies Offices in Moldova. Any of the listed entities will be considered as a contract party by the contracted company and will be offered similar treatment and contractual conditions.The LTA may be extended for use to other local UN Agencies applying HACT Framework.

The orders under the signed LTA(s) will be placed directly by the requesting UN Agency Office (UNDP, UNFPA, UNICEF or other Agency) referred hereinafter to as “Order Placing Agency”.

UNDP, UNFPA, UNICEF and FAO have adopted the [2014 revised United Nations Development Group (UNDG) Harmonized Approach to Cash Transfers (HACT) Framework](https://undg.org/document/harmonized-approach-to-cash-transfer-framework/) . The HACT framework represents a common operational (harmonized) framework for transferring cash to government and non-governmental Implementing Partners (IPs)[[1]](#footnote-1), irrespective of whether these partners work with one or multiple United Nations agencies. The objective of the HACT framework is to support a closer alignment of development aid with national priorities and to strengthen national capacities for management and accountability.

The transfer of non-cash resources to partners (ex. supplies) is not considered under the HACT framework.

The HACT framework refers to the following four main processes:

(1) capacity assessments (macro assessment and micro assessment);

(2) cash transfers and disbursements;

(3) **assurance activities**; and

(4) financial management capacity development.

There are several types of **assurance activities** and their purpose is to determine whether the funds transferred to IPs were used for their intended purpose and in accordance with the work plan:

1. Programmatic visits: verification that activities are implemented, and results are achieved as planned and/or reported by the implementing partner.
2. **Periodic On-site Reviews - Spot checks: a review of financial records to obtain reasonable assurance that amounts reported by the implementing partner on the FACE[[2]](#footnote-2) form are accurate.**
3. Scheduled audit: is a systematic and independent examination of data, statements, records, operations and performance of an implementing partner.
4. Special audit: an audit performed when significant issues and concerns are identified during the implementation of the programme Assurance Planning

The LTA(s) to be signed under this ToR will refer **only to performing Periodic On-site Reviews** **(Spot Check)** services by third-party local service provider(s) for Implementing Partners of the Order Placing Agencies.

The purpose of the **Spot Checks** assurance activity is to determine whether the funds transferred to Implementing Partners (IPs) were used for their intended purpose and in accordance with the work plan or programme document, through a review of financial records related to the management of the partnership with Order Placing Agency, and whether there have been any significant changes to applicable internal controls. Spot Checks will be performed in accordance to an agreed-upon procedures engagement. The spot check is not an audit.

1. Purpose of the Long-Term Agreements

The overall objective of setting up the LTA(s) is to facilitate and speed up purchasing professional periodic on-site review (Spot Checks) services for UN Agencies offices in Moldova at the most reasonable cost. The third-party service provider will conduct the Spot Check and prepare a report on factual findings based on agreed-upon procedures. Users of the report will assess the findings reported by the third-party service provider and draw their own conclusions.

The envisaged LTA(s) are time-bound non-binding agreements, with no commitment to purchase any volumes of services.

1. Estimated Duration and Service Volume of the LTA

The LTA(s) signed under this ToR are expected to have a duration of 2 + 3 years. Initially the LTAs will be signed for two years (2025-2027) with an option for renewal for three subsequent years, subject to satisfactory performance evaluation and continuing need for the service.

As at the date of this RFP, the volume of services required for year 2025 and beyond is estimated at minimum 25 spot checks per year. The frequency and number of spot checks is based on the risk rating of the IP, determined through the micro-assessment, magnitude of cash transfers and agency guidelines, therefore the yearly volume of services required will vary as well.

1. Details of how the work should be delivered. General provisions

4.1. 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 *(See Annex I for programme-specific information sheet)*, 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.

The attestation engagement should be conducted in accordance with ISRS 4400 (Revised), Agreed upon Procedures Engagements.

**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.**

The following are examples of procedures to be performed during the spot check. The work will be performed through on-site interaction with authorized relevant staff of an IP.

1. Compare documentation obtained describing the IP’s financial management internal controls against the most recent micro assessment. Document any changes or inconsistencies.
2. Inquire of IP management whether there have been any changes to internal controls since the prior micro assessment. Document any changes identified, if any.
3. Obtain a listing of all programme-related expenditures during the *XX*-month period ended *(end 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 on a FACE form. (The percentage is to be determined by each Agency/Order Placer relative to its needs and requirements.) Provide a detailed listing of expenditures selected as samples.
* For each sample selection perform the following procedures:
* Verify and confirm that documentation exists to support the expenditure in accordance with the IP’s rules and procedures and agreements with the Order Placing Agency.
* Verify and confirm that the activity related to the expenditure is in accordance with the work plan.[[3]](#footnote-3)
* Verify and confirm that the expenditure has been reviewed and approved in accordance with the IP’s rules and procedures and agreements with the Order Placing Agency.
* Verify and confirm that the expenditure was reflected on a certified FACE form submitted to the Order Placing Agency.
* Verify and confirm that the expenditure was reflected in the IP’s accounting records (official book of accounts) and bank statement.
* Verify and confirm that supporting documents are stamped ‘PAID from XXX grant’, indicating which Order Placing Agency funded the transaction.
* Verify and confirm that the FACE form was submitted consistent with the periodicity-of-disbursement requirement in the HACT framework.
* Compare the price paid for goods or services against United Nations agreed standard
* rates (if readily available).
* Verify and confirm that documentation exists to support procurement processes in accordance with the IPs internal rules and procedures and with observation of the recommended UN procurement principles
1. 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
* If separate bank accounts are maintained for agency-granted funds confirm that a bank reconciliation was completed and the balance has been reconciled to the accounting records. Document any variances noted.

**4.2. Deliverables**

1. The third-party service provider prepares a standard agreed‑upon procedures report in accordance with the applicable standards, which includes:
* A description of the procedures performed detailing the nature and extent and if applicable timing of each procedure as agreed in the terms of the engagement;
* The findings from each procedure performed, including details on exceptions found;
* Identification of the corresponding FACE form and expenditures on which the agreed-upon procedures are performed;
* A statement that the engagement was performed in accordance with ISRS 4400 (Revised);
* A statement that the practitioner makes no representation regarding the appropriateness of

the agreed-upon procedures;

* 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;
* A statement that the agreed-upon procedures engagement is not an assurance engagement and accordingly the practitioner does not express an opinion or an assurance conclusion; and
* A statement that the practitioner complies with the ethical requirements of the International Ethics Standards Board for Accountants (IESBA) Code, applies ISQM 1 or other professional requirements or requirements imposed by law or regulation, that are at least as demanding;
* A statement indicating whether independence requirements were applicable; if applicable, that the practitioner complied with the relevant independence requirements (identifying them); if not applicable, that no independence requirements were required for this engagement;
* A report template following ISRS (Revised) as included in **Annex II**.
1. The third-party service provider prepares details of Spot Check work performed and findings/recommendations. Templates are available in attachments to **Annex III.**

As a general provision, the report must be submitted in English, however interaction with the IP will usually be in Romanian. The service provider will be responsible to liaise with the IP on the findings and capture their comments and feedback before finalizing the Spot Check report. The report must be provided both in electronic and hard copy, the hard copy should be signed and sealed.

**4.3. Documents to be provided to the Third-Party Service Provider before Starting Fieldwork**

The Order Placing Agency provides the following documentation in advance of starting fieldwork:

* Work plan with the IP 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.

Pre-Spot Check meetings with the Order Placing Agency staff may take place to agree on the details and provide clarifications.

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.

The duration of a spot check assignment should not be longer than **15 working days** since the date of placing the Order until receiving the final report and could vary depending on the complexity of the assignment. The time spent with the IP for on-site review will usually be between 1 and 3 days and additional documentation may be requested remotely if needed.

**4.4. UNICEF ONLY: DATA ENTRANCE IN ETOOLS ONLINE PLATFORM**

eTools (etools.unicef.org) is an online platform aimed to simplify office processes related to UNICEF partnership management and programme monitoring. The eTools Financial Assurance Module is designed to be used by UNICEF and third-party assurance services providers in planning, implementing and recording financial assurance activities.

The staff members assigned by LTA holder to work with UNICEF on carrying on spot-check activities will

register in the eTools platform as third-party services providers, using own e-mail address and personal

password.

When a spot-check has been agreed upon and planned by UNICEF and LTA holder, the responsible UNICEF officer will create a new case in the eTools platform, called hereinafter "Activity".

All the spot-check related information and documents will be uploaded and available in the corresponding

Activity: documents, contacts, updates, other relevant information. Once the UNICEF responsible officer creates a new activity, one or several LTA holder staff members will be assigned to this new activity, as agreed by e-mail. The selected staff members will receive in the pre-registered mailbox an e-mail notification about the assignment containing direct access link to the new activity in eTools.

After the visit to the IP office, the assigned staff member will complete in the online spot-check Activity visit date, findings, upload the report. No other user, neither LTA holder's nor UNICEF staff will be authorized to enter this information.

Any follow-up information will be introduced as well in the Activity. The completion of each step of the process will trigger notifications for the person responsible for the next process step. The Spot Check will be considered finalized when all the steps in eTools Financial Assurance module for the respective Activity are completed and final report uploaded.

Detailed guidance is available online, at https://etools.zendesk.com, the Financial Assurance Module section.

Additionally, UNICEF staff will provide step-by-step guidance in following through the first eTools Activity with the involved LTA holder staff members.

1. Service fees, invoicing and payments

The LTA service fees will remain in effect for the duration of the LTA validity period. A change of the service rates may be considered, if thoroughly justified and agreed upon, when the market conditions have significantly changed.

The all-inclusive fee per spot check covers travel, translation, transportation, communication and subsistence costs. No additional costs are reimbursed. For UNICEF spot checks only, an eTools insertion fee may be quoted.

1. Performance indicators for evaluation of results

The performance of work will be evaluated based on the following indicators:

* Compliance with the established and agreed deadlines for submission of deliverables;
* Quality, accuracy and consistency of the report (addresses all areas of the review)
* High standards of cooperation and communication with the Order Placing Agency and IPs

The Order Placer may withhold all or part of payment if performance is unsatisfactory, outputs are incomplete/not delivered, or deadlines are not met.

1. Qualifications, experience and requirements

As noted in ISRS 4400 (Revised) paragraph 17: "The practitioner shall comply with relevant ethical requirements." Relevant ethical requirements ordinarily comprise the IESBA Code (including integrity, objectivity, professional competence and due care, confidentiality, professional behavior and technical standards), together with national requirements that are more restrictive. The IESBA Code requires practitioners to comply with fundamental principles including objectivity, which requires practitioners not to compromise their professional or business judgement because of bias, conflict of interest or the undue influence of others. Accordingly, relevant ethical requirements to which the practitioner is subject would, at a minimum, require the practitioner to be objective when performing an agreed-upon procedures engagement.

The IESBA Code does not contain independence requirements for agreed-upon procedures engagements. However national ethical codes, laws or regulations, other professional requirements, or conditions of a contract, program or arrangement relating to the subject matter for the agreed-upon procedures engagement may specify requirements pertaining to independence. If the practitioner is required to be independent or has agreed in the terms of engagement to comply with independence requirements, a statement shall be included in the report that the practitioner has complied with the relevant independence requirements. The statement shall identify the relevant independence requirements. Where the practitioner is not required to be independent and has not otherwise agreed in the terms of engagement to comply with independence requirements, a statement shall be included in the report that for the purpose of the engagement, there are no independence requirements with which the practitioner is required to comply.

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.

**7.1. Institution/Company:**

Legal entity registered and authorized per Moldovan legislation for providing qualified services in the following or related areas, meeting the criteria listed below:

* auditing services, financial assessment services, evaluation/assessment services, financial consulting services, compliance/forensic services, advisory/accounting services (or a JV including such an entity), shared services firms with dedicated financial review teams; qualified sole practitioners operating as legal entities.
* At least 3 years of experience providing relevant professional services
* Demonstrated capability to perform AUP under ISRS 4400 (Revised), evidenced by either: (a) at least one completed AUP engagement; or (b) a documented AUP methodology aligned to ISRS 4400 (Revised) with evidence of staff training and supervision
* Statement that the firm applies ISQM 1 (or national requirements at least as demanding) and description of the quality assurance mechanism
* Previous work with UN agencies, international organisations or donors is an asset (at least one prior engagement)
* At least two relevant recommendation letters issued within 2023–2025

**7.2. Team members:**

* Higher Degree in a relevant field of studies (Finance, Economics, Accounting, Business Administration etc.);
* At least 3 years of experience providing professional financial services;
* Professional auditor, accountant, financial advisor, evaluator qualification, diplomas or certificates from internationally recognized accounting or auditing body will be an asset;

Proficiency in Romanian and working knowledge of English (programme documents and reports are in English)

1. Content of the Technical Proposal

The Technical Proposal should include the following:

* Corporate Profile (max.1-2 pgs.) matching the assignment requirements, including details of specific experience with similar assignments in the past three years, as follows:
1. Evidence in the form of references.
2. Description of similar assignments containing the name of the client, assignment description, contact person details;
* Proposed approach (max.1-2 pgs.) including:
* A workflow template showing the sequence and timeline for a sample activity
* Quality assurance mechanism and risk mitigation measures put in place
* Ethical considerations and how the contractor will address them
* Details of the Proposed Team for the assignment including the following information:
* Title/Designation of each team member on the project
* CVs and professional experience.
* Duly completed, signed and stamped Request for Services Form
* Company registration certificate

If a joint venture applies, the submission must clearly define the expected role of each of the entities in the joint venture in delivering the requirements of this ToR, both in the Proposal and the Joint Venture Agreement included in the submission.

1. Financial Proposal

**The financial proposal shall be structured as follows:**

1. **The total all-inclusive fee for conducting one Spot Check.** Please note that the IPs offices may be located in Chisinau, as well as in other localities within Moldova which will require short (usually 1 day) travels. On average most of the spot checks will be conducted in Chisinau.

The all-inclusive fee should cover any relevant costs that may be incurred during the service provision, such as travel, translation, transportation, communication, subsistence costs. No additional direct or indirect costs will be reimbursed by the Order Placing Agency.

1. **The e-tools insertion fee – applicable for UNICEF spot-checks only.** This is the fee charged for entering the spot-check related information and uploading the reports to the online platform.

The financial proposal currency shall be MDL. The all-inclusive fee amount should be presented as the amount without VAT.

1. Evaluation criteria for selection

Interested companies will submit both a Technical Proposal and a Financial Proposal. The total amount of points to be allocated for the technical component is 60 points. The proposals will be evaluated against the following criteria:

|  |  |  |
| --- | --- | --- |
| **Technical Criteria**  | **Technical Sub-criteria** | **Maximum****Points** |
| **Overall Response** | * Understanding of RFP scope, objectives and completeness of submission, overall concord between the requirements and the proposal
 | 5 |
| **Sub-Total** | http://intranet.unicef.org/Policies/DHR.nsf/6203f70108ece1f685256720005e2bfe/1e08a7d5c7a8bc3dc125796b0047a55b/Body/0.A678?OpenElement&FieldElemFormat=gif | **5** |
| **Company and Key Personnel** | **Institutional experience** - At least 3 years of experience providing professional relevant services;- AUP capability under ISRS 4400 (Revised) -- prior AUPs and/or documented methodology with trained staff- Additional prior ISRS 4400 (Revised) AUPs -- ≥3 within the last 3 years (scored advantage)- Previous relevant experience with UN/donors -- at least 1 engagement;- Quality management -- ISQM 1 statement and quality assurance mechanism**Proposed team and its professional expertise** - Proposed team -- education - Proposed team -- experience -- ≥2 CVs with ≥3 years in similar services - Professional auditor qualification, diplomas or certificates from internationally recognized accounting or auditing body;- Working knowledge of Romanian and English | 8859551032 |
| **Sub-Total** | http://intranet.unicef.org/Policies/DHR.nsf/6203f70108ece1f685256720005e2bfe/1e08a7d5c7a8bc3dc125796b0047a55b/Body/0.A958?OpenElement&FieldElemFormat=gif | **55** |
| **Total Max.** | http://intranet.unicef.org/Policies/DHR.nsf/6203f70108ece1f685256720005e2bfe/1e08a7d5c7a8bc3dc125796b0047a55b/Body/0.AD68?OpenElement&FieldElemFormat=gif**(minimum score for technical qualification: 42 points)** | **60** |

The total amount of points to be allocated for the price component is 40 points. The maximum number of points (40) will be allotted to the lowest price proposal of a technically qualified offer. Points for other offers will be calculated as Points (x) = (lowest offer/ offer x) \* 40.

Contract will be awarded to the bidder achieving the highest cumulative score (technical + price points).

1. Provision of services under the LTA

Services are requested via Service Request by authorized Order Placing Agency personnel, referencing the LTA number, IP name and required service period. Upon confirming availability, the Order Placer will provide relevant information and IP contacts. Day-to-day support will be provided by the responsible Programme/Administrative/Finance Officers. Upon completion and acceptance of the final spot check report, the provider will submit an invoice referring to the LTA and the service order. Payments will be processed per each agency's rules; the provider shall comply with invoicing requirements.

1. Definition of supervision arrangements

The LTA(s) signed under this ToR will be managed by the Operations Manager, UNICEF Moldova. Each individual services order under the LTA will be supervised by the responsible person, from the order placing Agency. The third party-service provider will provide a responsible focal point who will manage the business with the Order Placers for delivering the service orders under the LTA.

1. Additional Requirements
* The contracted third-party service provider(s) will perform the services in accordance with this ToR and follow additional individual guidance and procedure issued by the Order Placing Agency. The contracted third-party service provider (assigned team members) will have to familiarize themselves with the [HACT Framework](https://undg.org/document/harmonized-approach-to-cash-transfer-framework/) *(link included)* as well as with a number of documents and guidance related to Spot Check procedures, which will be made available following the signature of the LTA.
* HACT Framework as well as Guidance and Procedures are subject to periodic revisions and any future updates will be shared with the contracted third-party service provider and must be followed.
* The following Agora Online courses will need to be completed by the assigned team members:

[Harmonized Approach to Cash Transfers (HACT) Online Course](https://agora.unicef.org/course/info.php?id=1312) *(link included)*

[Funding Authorization and Certificate of Expenditure (FACE) Form](https://agora.unicef.org/course/info.php?id=1949) *(link included)*

* **Conflict of interest & rotation:** The contractor shall disclose any actual, potential or perceived conflicts of interest relating to the IPs or the Order Placing Agency. Where a conflict exists, the Order Placing Agency may reassign the activity. Team rotation may be requested to safeguard objectivity.
* **Information security, confidentiality & data protection:** All IP/Agency information is confidential and used solely for the purposes of the spot check. Working papers shall be retained securely for a minimum of 3 years (unless otherwise instructed) and then destroyed/returned, per Agency instruction. No personal or financial data may be transferred to jurisdictions lacking adequate data protection without prior written consent. Appropriate technical and organizational measures must be in place to protect data.
* **Fraud escalation:** In case the third-party service provider identifies or suspects any fraud, corruption, or significant irregularities during the course of the spot check, they must immediately escalate the matter to the designated focal point at the Order Placing Agency. Such escalation must be documented and communicated without delay.
1. UNICEF recourse in the case of unsatisfactory performance:

For late delivery or services that do not meet UNICEF specifications and are therefore rejected, UNICEF may apply liquidated damages of 0.5% of the contract value per additional day of delay, up to a maximum of 10% of the contract value. The payment or deduction of such liquidated damages shall not relieve the contractor from other obligations or liabilities.

**Annex I 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.

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

Annex II. ISRS 4400 (Revised) Agreed‑upon Procedures Report Template

***Report of factual findings***

To (*those who engaged the auditor*)

**Purpose of this spot check and restriction on use and distribution**

Our report is solely for the purpose of assisting [*Agency*] to assess the accuracy of financial records for cash transfers to [*IP*], status of the programme and whether there have been any significant changes to applicable internal controls and may not be suitable for any other purpose. The report is intended solely for [Agency] and [IP] and should not be used by, or distributed to, any other parties.

**Responsibilities of UN Agency/IP**

[*Agency*] has acknowledged that the agreed-upon procedures are appropriate for the purpose of the engagement.

[*IP*] is responsible for the financial records on which the agreed-upon procedures are performed.

**Service provider responsibilities**

We have conducted the agreed-upon procedures engagement in accordance with the ISRS 4400 (Revised) Agreed-Upon Procedures Engagements with respect to the programme disbursements related to [*programme name/number*] as at (*for the XX month period ended*) [*date*]. Our procedures have been agreed upon with [*Agency*] and reporting the findings, which are the factual results of the agreed-upon procedures performed. We make no representation regarding the appropriateness of the agreed-upon procedures.

The agreed-upon procedures engagement is not an assurance engagement. Accordingly, we do not express an opinion or an assurance conclusion.

Had we performed additional procedures, other matters might have come to our attention that would have been reported.

**Procedures and Findings**

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).
* Verify that documentation exists to support procurement processes in accordance with the IPs internal rules and procedures and with observation of the recommended UN procurement principles
1. 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:

* 1. With respect to item 1 we found (*provide details of findings*).
	2. With respect to item 2 we found (provide details of findings).
	3. With respect to item 3 we found (*provide details of findings*).
	4. 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)*. Accordingly, we do not express an opinion or an assurance conclusion.

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.

We have complied with the ethical and independence requirements of the International Ethics Standards Board for Accountants (IESBA) Code.

Our firm applies International Standard on Quality Management 1, Quality Control for Firms that Perform Audits and Review of Financial Statements, and Other Assurance and Related Services Engagements, and accordingly, maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

*Signature*

*Date*

*Address*

Annex III. Spot Check Templates

UNICEF Templates

**Annex A – Spot Check Checklist**



**Annex B – Spot Check Report**



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



**Annex D – Detailed Findings and Recommendations**



**UNFPA Templates**

**Annex A – Spot Check Checklist**



**Annex B – Spot Check Report**



**Annex C – Test of Expenditures Worksheet**



***Note: UNDP will use similar templates***

1. Possible **Implementing Partners** (IPs) include: Government institutions; Inter-governmental organizations; and Eligible civil society organizations, including non-governmental organizations. [↑](#footnote-ref-1)
2. **Funding Authorization and Certificate of Expenditures (FACE)** form is the form used by adopting agencies for implementing partners to request cash transfers, report on expenditures and certify expenditures. Normally a FACE form with reported expenditures/request for fund transfer should be submitted quarterly by the IP. [↑](#footnote-ref-2)
3. Agency work plans are usually annual but can be multi-year, rolling or joint. [↑](#footnote-ref-3)