

Annex 3. Micro Assessment Report Format

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Micro Assessment of [Name of the IP] Commissioned by [Name of the UN Agency/ies] Name of the 3 rd Party Service Provider Date

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1. Background, Scope and Methodology

Background

The micro assessment is part of the requirements under the Harmonized Approach to Cash Transfers (HACT) Framework. The HACT framework represents a common operational framework for UN agencies' transfer of cash to government and non-governmental implementing partners.

The micro-assessment assesses the IP's control framework. It results in a risk rating (low, moderate, significant or high). The overall risk rating is used by the UN agencies, along with other available information (e.g. history of engagement with the agency and previous assurance results), to determine the type and frequency of assurance activities as per each agency's guideline and can be taken into consideration when selecting the appropriate cash transfer modality for an IP.

Scope

The micro-assessment provides an overall assessment of the Implementing Partner's programme, financial and operations management policies, procedures, systems and internal controls. It includes:

- A review of the IP legal status, governance structures and financial viability; programme management, organizational structure and staffing, accounting policies and procedures, fixed assets and inventory, financial reporting and monitoring, and procurement;
- A focus on compliance with policies, procedures, regulations and institutional arrangements that are issued both by the Government and the Implementing Partner.

It takes into account results of any previous micro assessments conducted of the Implementing Partner.

Methodology

We performed the micro-assessment from [date] to [date] at [describe locations].

Through discussion with management, observation and walk-through tests of transactions, we have assessed the Implementing Partner's and the related internal control system with emphasis on:

- The effectiveness of the systems in providing the Implementing Partner's management with accurate and timely information for management of funds and assets in accordance with work plans and agreements with the United Nations agencies;
- The general effectiveness of the internal control system in protecting the assets and resources of the Implementing Partner.

We discussed the results of the micro assessment with applicable UN agency personnel and the IP prior to finalization of the report. The list of persons met and interviewed during the micro-assessment is set out in Annex III.

2. Summary of Risk Assessment Results

[Executive summary of the overall risk assessment].

The table below summarizes the results and main internal control gaps found during application of the micro-assessment questionnaire (in Annex IV). Detailed findings and recommendations are set out in section 3. below.

Tested subject area	Risk assessment*	Brief justification for rating (main internal control gaps)
1. Implementing partner		
2. Programme Management		
3. Organizational structure and staffing		
4. Accounting policies and procedures		
5. Fixed Assets and Inventory		
6. Financial Reporting and Monitoring		
7. Procurement		
Overall Risk Assessment		

*High, Significant, Moderate, Low

3. Detailed Internal Control Findings and Recommendations

No.	Description of Finding	Recommendation and IP Management Response
1.	<p>Example: Insufficient staff training</p> <p>We noted that staff employed in the accounts department, who were primarily bookkeepers / administrators, had not received training on UN requirements for financial management and reporting, and had received only informal “on the job” training on the GABS accounting system.</p> <p>Lack of sufficient training increases the risk of error and failure to comply with the UN financial reporting requirements.</p>	<p>Example:</p> <p>The organisation should ensure staff are properly trained and aware of UN financial reporting requirements.</p> <p>IP Management Response</p> <p>A training session with the assistants of the UN Agency HACT Focal Point will be organized within the next month.</p>
	Etc	

Annex I. IP and Programme Information

Implementing partner name:	
Implementing partner code or ID in UNICEF, UNDP, UNFPA records (as applicable)	
Implementing partner contact details (contact name, email address and telephone number):	
Main programmes implemented with the applicable UN Agency/ies:	
Key Official in charge of the UN Agency/ies' programme(s):	
Programme location(s):	
Location of records related to the UN Agency/ies' programme(s):	
Currency of records maintained:	
Expenditures incurred/reported to UNICEF, UNDP and UNFPA (as applicable) during the most recent financial reporting period (in US\$);	
Cash transfer modality/ies used by the UN agency/ies to the IP	
Intended start date of micro assessment:	
Number of days to be spent for visit to IP:	
Any special requests to be considered during the micro assessment:	

Annex II. Implementing Partner Organizational Chart

Annex III. List of Persons Met

Name	Unit/organization	Position

Annex IV. Micro Assessment Questionnaire

Include here the completed questionnaire and provide it in original excel format to the UN agency.

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