

Course Name: Assurance Activities

Lesson Name: Course Introduction

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Welcome to this online training on Harmonized Approach to Cash Transfer (HACT) Assurance Activities. HACT is the framework used by UNDP in managing the risk of cash transfers by UNDP to partners implementing project activities. Note that HACT only applies for cash transfers to Government Partners and NGOs as implementing partners or responsible parties. It does not apply for cash transfers to other UN Agencies.

This training has been developed for UNDP Staff in Operations and Programme, as well as, other personnel who work with UNDP in the implementation of Development Projects that involve cash transfers to partners. This course describes the procedures and processes adopted by UNDP in the implementation of the various Assurance Activities.

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Let's now understand how this course has been organized. This course is divided into five lessons and an Assessment section. Click the buttons to learn more about the content of each section.

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Harmonized Approach to Cash Transfers (HACT) establishes common principles and process for managing cash transfers among UN Agencies that have adopted the 2014 UNDG approved HACT Framework. Assurance Activities are a key component of HACT and risk management in UNDP. This course describes key requirements of UNDP HACT Assurance Activities procedures. Click the icons on screen to learn more about the course.

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Before we begin, let's spare a moment to look at the learning outcomes of this course.

Lesson Name: Assurance Activities Overview

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Assurance activities are Spot Checks, Programme Visits and Audits (Scheduled and Special). Click each component to learn more.

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HACT applies where cash transfers are made to partners who are implementing UNDP development projects or project activities. The purpose of assurance activities is to determine whether the funds transferred to partners were used for their intended purpose and in accordance with the work plan.

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UNICEF, UNDP and UNFPA have adopted the 2014 UNDG HACT revised Framework. Assurance Activities is one of the key processes of the HACT Framework and is performed by all the Agencies based on their individual guidelines.

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Here are some key points on the applicability of the HACT framework. The HACT framework is a risk management methodology used by UNDP to manage the risk of cash transfers to partners.

Assurance Activities are applicable to all partners including shared partners with other UN Agencies. Assurance Activities is applicable in every country and in all situations, including emergency, crisis and post-conflict countries.

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For assurance activities to be effective in managing risk, the development of comprehensive assurance plans and continuous feedback is required, which considers: Timely execution of assurance activities, Updates to planned assurance activities and cash transfer modality based on the results of assessment and assurance activities, and Monitoring of implementation progress by management at country and HQ levels. The tracking of assurance activities is done in the HACT SharePoint site.

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Planning assurance activities is critical to the successful implementation of the HACT framework and helps assure donors and other stakeholders that funds entrusted to UNDP have been used for the intended purpose. As a risk-based approach, the HACT framework requires more assurance activities be performed if partners have weaker financial and operations (procurement, HR, etc.) policies and procedures, as identified during the micro assessment process.

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The planning of assurance activities needs to take into consideration the following: The risk rating of the partner/low risk partners require one spot check while moderate risk partners require two spot checks, The amount of cash transferred and reported back to UNDP by the partners, The availability of the partner to provide the required supporting documents for review, Hiring an external service provider if required. Although these are prerequisites, they do not limit the overall assurance deemed necessary by UNDP. The completion of assurance activities reflected in the approved assurance plan provides management and other stakeholders (e.g. governments, United Nations Board of Auditors, Executive Boards, donors, the intended beneficiaries, etc.) with the appropriate level of assurance that funds are being used for the intended purpose.

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When should assurance activities be undertaken? What happens with the results of assurance activities? What are the escalation mechanisms? Click the buttons to view the answers to some Frequently Asked Questions on assurance activities.

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Over the next few pages, we will understand more about the three types of assurance activities— spot checks, programme visits, and audits. Let's begin by looking at spot checks. Spot checks are a review of financial records to obtain assurance that expenditures reported by partners on FACE form are valid, adequately supported and incurred in accordance with established guidelines. Spot checks are performed at the office of the partner where the financial records are kept. Remember that spot checks are not audits therefore the extent of verifying the expenditures reported is lower.

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Let's now look at the second component - programme visits. Click the FAQ buttons to know more about the objectives, focus, and methodology of programme visits.

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Let's look at the third component—audits. Audits can be two types: scheduled audits, and special audits. Click the buttons to know more about each type.

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When should assurance activities be completed? What happens in the case of unfavourable findings of assurance activities? Click the buttons to view the answers to some Frequently Asked Questions on the timing of assurance activities.

Lesson Name: Roles and Responsibilities

Page 1

Let's understand the roles and responsibilities with regards to assurance activities. Click the buttons to know more about each.

Lesson Name: Process of Assurance Activities

Page 1

The assurance plan must be developed at the beginning of the programme cycle and updated on a regular basis, and it must incorporate the required assurance activities for each partner during the programme cycle.

Note the following for partners that do not meet UNDP's micro assessment threshold:

- A Micro Assessment is not required
- Spot checks are NOT required
- Programme visits should be conducted in accordance with the PPM
- The project should be subject to Financial Audits

The HACT focal point generates the assurance plan from the HACT SharePoint site based on the information entered by the office. The plan should be approved by the Head of Office at the beginning of the year and should be updated regularly upon completion of assurance activities. A report should be prepared upon completion of each assurance activity and the report should be reviewed and approved by the office management.

Based on results of assurance activities, offices should consider any necessary changes to:

- The annual work plan
- Project implementations modality
- Cash transfer modality
- Future assurance activities

In addition, any capacity development needs identified should be discussed and agreed with the partner. The office must document the results of the assurance activities, any corrective actions proposed by the partner and the potential future impact on planned assurance activities. All assurance activities documentation should be uploaded in the HACT SharePoint.

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Over the next few pages, we will look at the purpose, timing, roles and responsibilities, and process associated with each assurance activity. Let's begin by looking at spot checks. Click the buttons to know more about each.

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Let's look at the purpose, timing, roles and responsibilities, and process associated with programme visits. Click the buttons to know more about each.

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It is now time to look at the purpose, timing, roles and responsibilities, and process associated with Audits. Click the buttons to know more about each.

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Finally, we will look at the purpose, timing, roles and responsibilities, and process relating to special audits. Click the buttons to know more about each.

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Click the components of the graphic to know more about each stage of the process of assurance activities.

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Click the FAQ buttons to know more about guidance for shared partners.

Lesson Name: Course Summary

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Congratulations! You have completed the eLearning on UNDP's Assurance Activities. Take a look at what you've learnt so far.

Before you exit the course, remember to complete the final assessment and get your certificate!