

# HACT Guidance for Shared IPs

## UNDP, UNICEF, UNFPA

*Valid for 2016 and until further notice*

For shared implementing partners, agencies identify a lead agency to manage the micro assessment and audit processes.

### Lead Agency: The following are the suggested steps for the selection of the lead agency:

1. Determine which agencies require the assessment or audit according to each agency's criteria;
2. Amongst those, the lead agency is typically the largest contributor of funds to the IP
3. The agencies that require the assessment/ audit, share the cost; other agencies may use the results.

### Micro Assessment: Agency guidelines for determining IPs that have to be micro- assessed

UNDP	All IPs with 10% share of estimated programme cycle funding (excl. UNDP implementation).
UNICEF	All IPs that receive 100k or more per year.
UNFPA	All IPs that receive 100k or more per programme cycle.

### Audits: Agency guidelines for determining the type and frequency of audits for IPs

UNDP	Risk	Cash transfer	Financial audit			Internal Control audit		
		Per cycle	Per year	Timing	Scope	Per cycle	Timing	Scope
	High	100k	1	Reported by 30 April	FY	-		
	Significant							
	Moderate					2	3 <sup>rd</sup> or 4 <sup>th</sup> or last year	
	Low					1	2 <sup>nd</sup> and 4 <sup>th</sup> or last year	

UNICEF	Risk	Cash transfer	Financial audit			Internal Control audit		
		Per cycle	Per year	Timing	Scope	Per cycle	Timing	Scope
	All risk levels UNICEF only	500k	-			At least 1	Once 500k is reached	
	Significant, High (shared IPs only)	500k		Reported by 30 April	FY	-		

UNFPA	Risk	Cash transfer	Financial audit			Internal Control audit		
		Minimum	Per year	Timing	Scope	Per cycle	Timing	Scope
	High	≥20k	1	Reported by 30 April	FY	-		
	Significant	Per year*						
	Moderate	≥100k	-			At least 1	any	
	Low	Per cycle						

\* Audit is optional for high/ significant risk partners that spent less than \$20K in the year of review and have positive audit history.

## Overview UNDP requirements

### Assurance planning requirement based on adjusted risk rating of IP

Adjusted Risk Rating	Spot Checks	Programme/ Project Monitoring	Scheduled Audits	Audit Type
Low	At least 1 per year, excluding year of audit	<a href="#">Handbook on Programme Monitoring and Evaluating for Results</a>	Third or fourth year of the programme cycle; or the last year of the programme for programmes of shorter duration.	Internal Control Audit.  May switch to financial audit if <i>significant issues or concerns</i> identified in spot checks.
Moderate	At least 2 per year, excluding year of audit		Second and fourth year of the programme cycle; or the last year of the programme for programmes of shorter duration.	
Significant	For IPs rated Significant Risk, Direct Implementation or full Country Office support to NIM applies. In either case, UNDP is directly accountable for all transactions.		Annual (only when expenses incurred directly by the IP are greater or equal to US\$100k)	Financial Audits.  If IP receives two sequential audits with unqualified opinion, perform internal controls audits for remaining period.  (Note: Under the single audit principle, Direct Implementation expenses, incurred by UNDP directly are not subject to third party audits. The financial audit only applies to expenses incurred by the IP)
High	For IPs rated High Risk, either Direct Implementation or full Country Office support to NIM applies. In either case, UNDP is directly accountable for all transactions.		Annual (only when expenses incurred directly by the IP are greater or equal to US\$100k)	

## Overview UNICEF assurance activities minimum requirements:

Cash transfer amount per year	Risk rating	Programmatic visits	Spot checks	Audits
Up to \$50,000	All risk levels	1 or more per year	Not required	One scheduled audit is required for all implementing partners that have received more than \$500,000 during the programme cycle.
\$50,001 - \$100,000	All risk levels	1 or more per year	1 or more per year*	
\$100,001- \$350,000	Low or Medium	1 or more per year	1 or more per year*	Offices may undertake annual scheduled audit in place of spot checks on Significant and High Risks partners receiving more than \$500,000/year.
	Significant or High	2 or more per year	2 or more per year*	
More than \$350,001	Low or Medium	2 or more per year	1 or more per year*	Special audit is required when specific issues/ concerns arise during the programme cycle.
	Significant or High	Quarterly	3 or more per year*	
* Not required in the year of audit				

## Overview UNFPA assurance activities minimum requirements:

		Criteria for Assurance and Assessment					
		Audits		Spot Checks		Micro Assessments	
		Minimum required for all	Optional for	Minimum required for all	Recommended but not required for	Minimum required for all	Optional for
Risk Rating	High	1 per year	Partners that spent less than \$20K in the year of review and have positive audit history	1 per year	Partners audited in the year of review	1 per cycle	Partners expected to receive less than \$100K/ programme cycle
	Significant	1 per year					
	Moderate	1 per cycle	Partners expected to receive less than \$100K/ programme cycle				
	Low	1 per cycle					

## Examples on how to determine the lead agency for the purpose of micro assessments and audits of shared implementing partners

Example 1 for micro assessment:

1. The Ministry is estimated to receive for 2014: 500k from UNDP, 300k from UNICEF and 100k from UNFPA;
2. All agencies require the Ministry to be micro assessed;
3. UNDP takes the lead and all agencies share the cost.

Example 2 for micro assessment:

1. The Ministry is estimated to receive for 2014: 100k from UNDP, 300k from UNICEF, 50k from UNFPA;
2. Only UNICEF and UNFPA require the Ministry to be micro assessed;
3. UNICEF takes the lead and UNICEF and UNFPA share the cost.

Example 1 for audit:

1. The Ministry is rated low risk and is estimated to receive 2014-2018: 500k from UNDP, 1m from UNICEF and 600k from UNFPA;
2. All agencies require 1 internal control audit in the cycle;
3. UNICEF takes the lead and all agencies share the cost.

Example 2 for audit:

1. The Ministry is rated significant risk and receives 2014-2018: 500k from UNDP, 600k from UNICEF and 30k from UNFPA;
2. All agencies require 1 financial audit per year;
3. UNDP takes the lead and all agencies share the cost

Example 3 for audit:

1. The Ministry is rated high risk and is estimated to receive 2014-2018: 500k from UNDP, 0 from UNICEF and 600k from UNFPA;
2. UNDP and UNFPA require 1 financial audit per year;
3. UNFPA takes the lead and UNDP and UNFPA share the cost.