**Annex 4**

**Micro Assessment Report Format**

**Front Page**

Micro Assessment of [Name of the IP]

Commissioned by Ministry of Tourism, Ecology, Sustainable Development and Northern Region Development

Name of the 3rd 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 Ministry 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 Ministry, 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 UN’s guidelines 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 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 Project Manager in front of the Ministry 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.

1. **Partner summary information (taken from “Information” tab of the assessment Excel document)**



1. **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.

| **Subject area** | **Risk assessment\*** | **Brief justification for rating (main internal control gaps)** |
| --- | --- | --- |
| **1. Organisation** |  |  |
| **2. People and behaviours** |  |  |
| **3. Activities** |  |  |
| **4. Reporting and accountability** |  |  |
| **5. Assets and Inventory** |  |  |
| **6. Procurement** |  |  |
| **7. Sub-partners** |  |  |
| **8. Systems** |  |  |
| **Overall Risk Assessment** |  |  |

*\*High, Significant, Moderate, Low*

1. **Detailed Internal Control Findings and Recommendations**

|  |  |  |
| --- | --- | --- |
| **No.** | **Description of Finding** | **Recommendation and IP Management Response** |
| **1.** | ***Example: Insufficient staff training***  ***Priority rating: (High / Medium / Low)***  *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.*  *Lack of sufficient training increases the risk of error and failure to comply with the UN financial reporting requirements.* | *Example:*  *The organisation should ensure staff are properly trained and aware of UN financial reporting requirements.*  ***IP Management Response***  *A training session with the assistants of the UN Agency HACT Focal Point will be organized within the next month.* |
|  | **Etc** |  |
|  |  |  |
|  |  |  |
|  |  |  |

**Annex I. Micro Assessment Questionnaire**

Include here the completed questionnaire.

**Annex II. IP and Programme Information**

|  |  |
| --- | --- |
| **Implementing partner name:** |  |
|  |  |
| **Implementing partner contact details (contact name, email address and telephone number):** |  |
| **Main programmes implemented with the applicable Ministry:** |  |
| **Key Official in charge of the Ministry:** |  |
| **Programme location(s):** |  |
| **Location of records related to the Ministry:** |  |
| **Currency of records maintained:** |  |
| **Expenditures incurred/reported to Ministry (as applicable) during the most recent financial reporting period (in US$);** |  |
| **Cash transfer modality/ies used by the Ministry 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 III. Implementing Partner Organizational Chart**

**Annex IV. List of Persons Met**

|  |  |  |
| --- | --- | --- |
| **Name** | **Unit/organization** | **Position** |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |