**Spot check findings and observations**

Overall observations for DSA calculation and payment.

1. If DSA was paid more than training day, reason should be clearly stated on U-from.

2. Participant/ Facilitator & Resident / Non-residents also should be clearly mention U-form, for detailed calculation.

3. Summary of expenditure Statement (Certified Financial Statement) Should be prepared and approved by respective official.

4. When calculation of DSA payment please provide detailed information for each line item of payment and Separate calculation for extra day payment of DSA.

5. Stamp "PAID from UNICEF grant' on each invoice and

Overall observations for TA payment

1. TA rate not covered by UN Standard regional rate need to provide proof of payment (Bus ticket for public transport and provide note for the record for identification of travel rate)
2. For Air travel, (air ticket, Boarding pass & official receipt from travel agent) need to provide
3. TA estimated calculation in ICE- Itemized Costs Estimated was significantly inflated therefore huge amount of budget was unspent and refund to UNICEF

Expenditure incurred outside the agreement period (Deemed as Fraud)

1. Actual payment was made on 28 March 2018 which was included in the liquidation reported date of December 2017.
2. Payment to supplier total amount Ks.5,233,500/- was paid on 15-June-18, it was included in reported FACE period covered from Sep17 to Mar-18. Liquidated in advance of actual payment date.

Budgeted amount **versus** Actual Expenditures

Differences between ICE and Actual Programme Expenditure

72. The ICE is an estimate of anticipated costs for each input, it is normal and expected that there will be differences between the actual programme expenditures reported on the FACE form and the ICE. The partner can vary costs between inputs without prior UNICEF authorization if the changes are done in order to achieve efficiencies and effectiveness in performing the activities. Changes to inputs (addition or deletion of inputs) require the partner to document in writing the reasons for the change and obtain an approval from the UNICEF authorizing officer.

Scenario: Differences due to changes in inputs

A month after submitting the ICE, the partner contracts a local consultant, which eliminates the need for air transportation. The fees of the consultant are higher. The partner decides to use the savings to procure laptop computers to be used during the programme implementation. Other smaller differences occur.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Activity 1.1 | Organize training of 500 health workers in community nutrition in 10 districts | | | |
|  | Quarter 1: training of 300 health workers in community nutrition in 7 districts. | | | |
| Item No. | Item Description | Total Estimated Amount | Actual Amount | Difference |
| 1 | Venue and facilities | 8,400 | 8,600 | 200 |
| 2 | Daily subsistence allowances | 21,120 | 21,000 | -120 |
| 3 | Transportation for participants – bus fare | 3,000 | 2,800 | -200 |
| 4 | Consultant fees | 9,450 | 12,000 | 2,550 |
| 5 | Transportation for consultant - air fare | 7,000 | 0 | -7,000 |
| 7 | Training materials | 740 | 680 | -60 |
| 8 | Communication | 290 | 320 | 30 |
| 9 | Laptop computers | - | 2,600 | 2,600 |
|  | Sub-total | 50,000 | 48,000 | -2,000 |

Process and Documentation Requirements

Because procurement of laptop computers is not an approved input:

• Partner needs to document in writing the request for the new input and estimate cost prior to incurring the cost;

• The UNICEF authorizing officer approves, rejects or changes the new input cost estimate;

• No additional documentation required (the partner is not required to submit details of the actual project expenditures on input level at time of reporting);

• During spot check or audit, the partner will be asked to provide evidence that UNICEF approved the new input. Otherwise the expenditure will be deemed ineligible

*Scenario I.B: Changes to expenditure reported on FACE form compared to authorized amount with no change in total programme budget (>20%)*

At the time of reporting the actual programme expenditures, the partner reports actual

expenditures on activity 1.1 which exceeded 20% of the authorized amount.

Process and Documentation Requirements

Expenditures exceeding 20% of the authorized amount are not normally allowed. If the partner anticipates higher expenditures than approved, they should request the additional funds with a new FACE form. In exceptional circumstances, UNICEF may approve the overspending with the following steps:

• Partner needs to document in writing the reasons for the overspending;

• UNICEF authorizing officer can accept, reject or partially accept the overspending;

• If accepted, UNICEF prepared a note on record documenting the approval and any impact on the programme implementation.

Cash disbursements

Direct Payment to Third Parties (Direct Payment modality or Direct Issued cheque to Supplier/Service provider) to eliminate the risks associated with handling huge amount of cash by staff members.

1. Meeting package payment and Accommodation payment for meeting participants and Facilitators to Mingalar Thiri Hotel TA & SC Training Workshop (7-9 Jan 2019)
2. In future “request UNICEF” to transfer “Direct Payment” modality to settle the payment to third party. (or) Issue cheque under the name of Supplier by IP’s OA account/ Finance Section.
3. Attendance lists
4. Transportation charges (need to record details route)

Procurement process, (Contract)

1. Procurement committee
2. Sourcing
3. Tendering/ Supplier selection
4. Obtains three written offers & documents selection process
5. Contracts
6. Goods received notes
7. Delivery plan
8. Stock records
9. Settlement to supplier (Original invoice (invoice number, date, reference, quantity, unit, unit price, total amount, supplier details etc.) and cash receive voucher from supplier for payment.)