

APPENDIX C: TERMS OF REFERENCE FOR MICRO ASSESSMENT

This TOR has been developed to guide United Nations agencies, service providers and IPs through the objectives, scope, timing and deliverables of performing micro assessments.

Objective and scope of the micro assessment

The micro assessment is performed by a service provider and includes a site visit to the IP. The assessment primarily consists of interviews with IP personnel and a review of relevant documentation sufficient to complete the micro assessment questionnaire (Annex 2). The questionnaire provides an overall risk rating based on responses provided:

- **Low risk** – Indicates a well-developed financial management system and functioning control framework with a low likelihood of negative impact on the IP's ability to execute the programme in accordance with the work plan.
- **Medium Risk** – Indicates a developed financial management system and control framework with moderate likelihood of potential negative impact on the IP's ability to execute the programme in accordance with the work plan.
- **Significant Risk** – Indicates an underdeveloped financial management system or control framework with a significant likelihood of potential negative impact on the IP's ability to execute the programme in accordance with the work plan.
- **High Risk** – Indicates an underdeveloped financial management system and control framework with a significant likelihood of potential negative impact on the IP's ability to execute the programme in accordance with the work plan.

The micro assessment assesses the IP's financial management capacity (i.e. accounting, procurement, reporting, internal controls, etc.) to determine the overall risk rating and assurance activities.

Timing

The assessment should be completed (including the site visit) within four weeks of engaging the service provider. The UNICEF/UNFPA Office HACT Focal Point will ensure there is an introduction of the service provider and the IP to aid coordination of the site visit.

Micro Assessment Procedures/Deliverables

The service provider receives general information regarding the IP and the programme from the UNICEF/UNFPA Office HACT Focal Point in preparation for the assessment (see Annex I for details). The service provider reviews this documentation in advance of performing a site visit to the IP. The service provider also provides the IP with an advance request of the documents and interviews they would like to have while on site, to ensure efficient use of time while on-site.

The service provider completes the micro assessment questionnaire (Annex II, with instructions) based on the procedures performed during the assessment period. The service provider discusses the results of the questionnaire with the IP and provides opportunity to the IP to provide further clarification.

The draft questionnaire and an executive summary, detailing the overall risk rating and specific identified risks are provided to the UNICEF/UNFPA Office HACT Focal Point for review and comment.

The service provider then provides the final micro assessment report (questionnaire and an executive summary) incorporating UNICEF/UNFPA feedback.

Reports are to be provided in Word format. Where service provider's internal policies require the final signed version to be provided only in PDF, UNICEF/UNFPA will accept the PDF version accompanied by a Word version with same content but without signature and/or branding (as per service provider's internal policies).

Qualifications of the Service Provider

The staff of the service provider must be experienced in performing assessments similar to a micro assessment and assessing organizational internal control frameworks and processes and related risks in the areas of accounting, financial and procurement management and oversight. The service provider staff must also have knowledge of the United Nations system and the development sector.

Items to be Provided to the Service Provider

The UNICEF/UNFPA Office HACT Focal Point provides the following documentation before starting fieldwork:

- Macro assessments previously performed in the country;
- Any other documentation that may help the service provider better understand the country context from a United Nations perspective;
- Any existing agreements/work plans with the implementing partner;
- Results of any recent previous assurance activities undertaken by UNICEF/UNFPA; and
- Any other relevant documentation determined by the office.

The service provider reviews the information received before performing the assessment.

Annex 1. Programme-specific Information

The following information is to be provided to the service provider by the UNICEF/UNFPA Office HACT Focal Point at the start of the engagement.

Implementing partner name:	
Programme name:	
Programme number:	
Programme background:	
Programme location:	
Programme contact person(s):	
Location of records:	
Currency of records maintained:	
Intended start date of micro assessment:	
Estimated number of days required for visit to IP:	
Any special requests to be considered during the micro assessment:	
Cash transfer modality used by the IP:	