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Date: 14th DEC 2017

Excellency,

Subject: 00094308 – Forest Sector Development Programme in Ethiopia (FSDP); Minutes of Spot Check Exercise

With reference to the spot check of FSDP carried out by UNDP country office team on Oct. 2017, we would like to share with you the minutes of the spot check for your kind reference and consideration.

Based on the National Implementation Modality (NIM) Guideline, the spot check is an integral part of the sound financial management and UNDP accountability system. Arising from this exercise, we would like to bring to your attention issues raised by the spot check team which we have also shared with the project team during the wrap up session. It is our sincere hope that you will feel these recommendation useful and support their implementation.

We would also like to take this opportunity to extend our appreciation to you and your staff for the cooperation and assistance rendered to us during the course of this exercise.

Sincerely yours,


Janvier Wussin
Deputy Country Director (Operations)
UNDP Ethiopia



To: Dr Tefera Mengistu

Ministry of Environment and Forest

Ato Sintayehu Deresse

Amhara Environment Forest and Wildlife Protection and Development Authority



Subject: Spot Check Report of Ministry of Environment and Forest

I. Introduction

Spot-check is one of the key elements of the new Harmonized Approach to Cash Transfer (HACT) to implementing partners; this will need to be carried out by UN Agency. It is a review of a partner's financial information and Internal Control.

As part of the HACT requirements and 2017 CO assurance plan , micro assessment result and audit follow up action plan; spot-checks are to be conducted with the collaboration and support from the Units in the implementing partner. The spot-check is conducted in Ministry of Environment and Forest,

- Output No. 00094308 – Forest Sector Development Programme in Ethiopia (FSDP) in Amhara Region

II. Purposes of the Spot-Check

The Spot Check process is intended to assess the accuracy of the financial records for cash transfers to the IP, gauge the status of programme implementation (through a review of financial information), and to determine whether there have been any significant changes to internal controls existed in prior spot-check or micro assessment period.

Furthermore, it is an element of the standard project management process and considered as a crucial part of the assurance activity of oversight role of UNDP at the country office level. The exercise will help the project team and implementing partners to interact with the Country Office staff to perform a better understanding of the project management procedures contributing to desirable delivery and effectiveness of fund utilization which will contribute to high overall performance of UNDP management projects.

III. Procedure Followed

Cognizant to spot-check is not audit, the spot-check team with the guidance of a terms of reference for spot check (Annex II) informed and scheduled ahead with the IP on the on-going spot check.

The team attested on the following spot-check elements;

1. Checked the IP's internal controls with respect to financial management, procurement and/or other controls required to implement the activities defined in the approved Annual work plan;
2. Reviewed a sample of expenditures to confirm that documentation supports the expenditures and that they are in accordance with the work plan and other United Nations regulations (List attached), and
3. Hold an exit discussion with National project Coordinator, Project Finance officer and UNDP programme staff on the findings and observations noted (if any).



IV. Spot-check outcome

The overall result is “**satisfactory**”. A table on “Findings and Suggestions for Spot-check” is attached with this report.







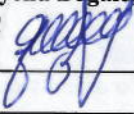


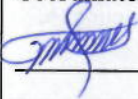
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To: (Name of Implementing Partner):	Amhara Region Environment Forest and Wildlife protection and development Authority (EFPDA) <ul style="list-style-type: none"> ▪ Dessie Zuria Woreda (EFPDA) ▪ Dessie City (EFPDA) ▪ Meket Woreda (EFPDA) ▪ Delanta Woreda (EFPDA) ▪ Wadla Woreda (EFPDA)
Contact Person and Position (from the IP):	<ul style="list-style-type: none"> ▪ Gobeze Wolle, Coordinator, Dessie Zuria Woreda EFPDA ▪ Almaz Wodajo Dessie City, Finance Officer ▪ Melak Dagne, Coordinator, Meket Woreda EFPDA ▪ Yalaw Adane, Coordinator, Delanta Woreda EFPDA ▪ Abebe Biadlegn, Coordinator, Wadla Woreda EFPDA
Date of this spot-check:	31/10/2017 to 14/11/2017
Date of last spot-check:	14/11/2017
Spot Checker's Name:	Eyerusalem Assefa (UNDP) and Bezabih Abebe(UNDP)

List of Releases Tested:	Norway
No. And Date of Release:	Amount Released
One release dated 08/08/2016(UNFPA) Two release of UNDP, 2/7/2017 and & 04/19/2017	Norway ETB 3,916,305.79 Sweden ETB 8,312,404.67

TASKS	Remarks (include exceptional findings, if any. Use additional pages, if needed)
Reconcile the expenditure totals, per activity, on the FACE reports selected to the list of individual transactions (i.e. the Implementing Partner's accounting records)	The expenditure total in the FACE report reconciles with individual transactions for all the sample documents reviewed.
Verify that the FACE reports were signed by authorised officials	The FACE report is signed by authorised officials
Review the adequacy of supporting documentation (e.g. invoices, purchase orders, receipt of goods, bank transfers/checks, bank statements) to ensure that it is consistent with the description of the transaction (per the accounting records) and that it is consistent with the activity described in the AWP.	All the supporting documentation is in place and all the transactions are consistent with the activity described in the AWP.
Verify if there is adequate segregation of duties in processing the transactions	There is adequate segregation of duties in processing the transactions.
Verify if payment vouchers are authorised and checks are signed by the designated officials	All vouchers are authorized and signed by designated officials
Review mathematical computation of individual payments and total payments against the expenditure	Computation of individual payment and total payment is reviewed and is agreed to total expenditure.
Update the status of recommendations from the Micro-assessment or previous audits	As discussed with the IP management the findings in the Micro Assessment, the insurance coverage for

	furniture and equipment is not applicable as per Government policy, the other findings are implemented by the IP.
Optional: review internal controls, especially when these might have changed compared to the Micro-assessment or previous audits	N/A
"For any exceptional findings, the report should list the payment details and the nature of the exception (add pages if necessary)	

Summary of findings:	
<ul style="list-style-type: none"> Dessie City Woreda – ETB 14,000 outstanding advance for procurement of seedling is not settled timely (PV A1 – 03/09). Dessie City – ETB 37,485.50 advance for Labor payment was not settled timely (PV A1 – 06/2010). Meket Woreda – Few documents were not recorded aligning to their donors (MoFECC- Norway, UNDP-Norway and UNDP Sweden). Supported to classify and record. 	
Recommendations to the Implementing Partner	Comments by the Implementing Partner
<ol style="list-style-type: none"> Proper settlement of advance timely Accounting and recording should align with Donors 	<ol style="list-style-type: none"> Timely settlement accepted and to implement Accounting and recording to align with donors
Signature of UN Agency staff(s); Ato Bezabih Abebe (PISO)-UNDP 	Signature of Partner Official(s) Dr. Tefera Mengistu (Programme Manager) MEFCC  Ato Sintayehu Bogale (Finance Officer) - MoEFCC 
Ato Ababu Anagie -Climate Change Specialist (UNDP) 	Ato Sintayehu Deresse, Amhara FSDP Coordinator 
W/o Eyerusalem Assefa (PISO) - UNDP	Ato Teshome Yitayew Amhara FSDP Finance Coordinator 

Tefera Mengistu Woldie (PhD)
Programme Manager
Strengthening for
the Forest Sector Development
Program National Coordinator

