

Annex B: Spot Check Report

BACKGROUND INFORMATION

Name of IP Organization.	Gmina Miasta Sopotu
Programme Title (section)	Ukraine Refugees Response
AWP/PCA Reference	POL/GMINA/SC/2023/22
Location where spot check took place	Sopot
IP Contact person and position:	Sylwia Badowska Focal Point – Wydział Strategii Rozwoju Miasta
Date(s) of Spot check	19-20 June 2023
Period covered by FACE form(s) selected for spot check	October 2022– March 2023
Total value of selected FACE form(s)	2,689,399 69 PLN
IP staff whom the spot check team met and worked with during the spot check (names & titles)	Wojciech Zemla - Sekretarz UMS Sylwia Badowska – Inspektor Wydziału Strategii Rozwoju Miasta Marlena Jasnoch – MOPS Natalia Osińska - CKU Maciej Jeszka – MOSIR Paulina Lier – MOSIR
Date of report	14 th of July 2023

INTERNAL CONTROLS

Inquire of IP management whether there have been any changes to internal controls since the prior micro assessment from the current programme cycle

Inquire whether the high priority recommendations from the micro assessment and previous assurance activities have been implemented.

Document any changes identified

During spot check we had a meeting with a several of Partner's representatives to understand the current procedure and policies. Overall, the Partner, as a public budget organization, has extraordinarily strong, established processes and system in place Please see attached ("Attachments")

- Accounting Principles and Procedures approved by the President – they include workflow of accounting documents and payment authorizations. Based on our review, Partner follows the workflow
- Regulation on public procurement.

There is a two-stage level of invoice approval i.e., on merits and from accounting/finance side. The invoices selected by us follow the procedures.

Procurement – IP arranges an open public tender in accordance with regulations set up for the public budget entities. The invoices selected by us follow the procedures.

All selected invoices have a special note that expenditures were funded by UNICEF.

Project documentation (Expenditure Statement, Bank Statement, Invoices, Agreements) is very well organized and easy to access with the full co-operation of the Partner's representatives

The Municipality of Sopot co-operates with several organizations/NGOs selected in a tender process to whom donations were given based on the signed contracts. Cash transfers and actual expenditures are closely monitored via various forms of controls agreed in contracts signed with the organizations. We have

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discussed the activity with Partner and reviewed additional documents (e.g., contracts).

The Partner liaises with various internal Departments of the City Hall and other budget entities (such as MOPS, CKU, MOSIR) to address programme needs accordingly. There is no one bank account dedicated to the programme as the budget entities have their own separate bank accounts used for the programme. Additionally, UNICEF funding is allocated to Municipality Budget. Thus, no bank account reconciliation has been made in this respect.

SUMMARY OF HIGH PRIORITY FINDINGS AND RECOMMENDATIONS

No	Finding	Recommendation	Agreed Action by IP and deadline
1			**Please refer Annex D - Detailed Findings and Recommendations for IP to feedback
2			

UNICEF FOLLOW-UP ACTIONS

No	Follow up action	Responsible UNICEF officer	Expected completion date
1			
2			

ANNEXES

- 1 Annex C - Expense Testing Worksheet
- 2 Annex D - Detailed findings and recommendations

SIGNATURES OF SPOT CHECK TEAM MEMBERS

Name and title	Signature	Date
Adam Walichnowski, Finance Associate	Adam Dariusz Walichnowski	Digitally signed by Adam Dariusz Walichnowski Date: 2023.07.14 11:26:46 +02'00'
Joanna Kaszyńska, Programme Associate	Joanna Aneta Kaszynska	Digitally signed by Joanna Aneta Kaszynska Date: 2023.07.14 11:49:07 +02'00'

Annex D – Detailed Findings and Recommendations

	Sample expenditure description and voucher number	Sample expenditure amount reported and currency	Observation description	Category of observation	Management Response	Recommendation	Priority	Due date for implementation	Management Response
1									
2									
3									

Category of observation:

1. Missing or inadequate documentation
2. Error in calculating or recording the expenditure
3. Expenditure not related to the programme or activity
4. Expenditure exceeds the approved budget rate or amount
5. Expenditure incurred outside the agreement period
6. Expenditure not recorded in the correct period or FACE form
7. Expenditure not approved as per IP policy
8. Expenditure not compliant with tax, legal or other regulations
9. Lack of proof that the expenditure was incurred or no proof of payment
10. Potential fraud or other irregularity
11. Other (specify)

Priority Ranking:

1. High: Action that is considered imperative to ensure that the agency is not exposed to high risks (i.e. failure to take action could result in major consequences and issues).
2. Low: Action that is considered desirable and should result in enhanced control or better value for money.