**United Nations Development Programme**

Operational Guide of the Internal Control Framework for UNDP

Bureau for Management Services

Office of Financial Management

Contents

[1. Introduction 4](#_Toc134134738)

[2. Minimum internal control requirements applicable to all offices 5](#_Toc134134739)

[2.1 Minimum segregation of duties 5](#_Toc134134740)

[2.2 Identification & management of conflicts of interest 9](#_Toc134134741)

[2.3 Minimum control functions that must be performed by UNDP staff 9](#_Toc134134742)

[2.3.1 Roles that can be performed by non-staff personnel 10](#_Toc134134743)

[2.4 Actions or exceptions that must be approved or cleared by an authority owner 11](#_Toc134134744)

[2.5 Documenting the Office’s Local ICF 11](#_Toc134134745)

[2.6 Monitoring & reporting on risk management 12](#_Toc134134746)

[2.7 Reporting Fraud 12](#_Toc134134747)

[2.8 Mitigating risks associated with money laundering and terrorist financing 12](#_Toc134134748)

[2.9 Personal accountability 13](#_Toc134134749)

[2.10 Overview of Required Segregation of Duties 13](#_Toc134134750)

[3. Overview of Key Internal Control Roles 15](#_Toc134134751)

[4. Programme & Project Management Internal Control Roles 17](#_Toc134134752)

[4.1 Project Manager (first authority, committing officer) 17](#_Toc134134753)

[4.2 Programme Officer 22](#_Toc134134754)

[4.3 Trust Fund Manager 23](#_Toc134134755)

[5. Procure & Pay Internal Control Roles 25](#_Toc134134756)

[5.1 Procurement Buyer 26](#_Toc134134757)

[5.2 Supplier Maintenance 27](#_Toc134134758)

[5.3 Supplier Approver 28](#_Toc134134759)

[5.4 Approving Manager (second authority, verifying officer) 29](#_Toc134134760)

[5.5 Disbursing Officer (third authority, disbursement officer) 33](#_Toc134134761)

[5.6 Opening, Closing of a Bank Account and Bank Account Signatory 34](#_Toc134134762)

[6. Travel Internal Control Roles 36](#_Toc134134763)

[6.1 Travel Arranger (in UNall) 36](#_Toc134134764)

[6.2 Travel Processor (in UNall) 36](#_Toc134134765)

[6.3 Travel Approver (Approving Manager in Quantum) 36](#_Toc134134766)

[7. Asset & Inventory Management Internal Control Roles 37](#_Toc134134767)

[7.1 Asset Manager 37](#_Toc134134768)

[7.2 Asset Focal Point 38](#_Toc134134769)

[7.3 Fixed Asset Physical Verification Coordinator 38](#_Toc134134770)

[7.4 Inventory Manager 39](#_Toc134134771)

[7.5 Inventory Focal Point 39](#_Toc134134772)

[7.6 Inventory Physical Count Coordinator 40](#_Toc134134773)

[8. General Financial Management Internal Control Roles 41](#_Toc134134774)

[8.1 Finance Staff 41](#_Toc134134775)

[9. Human Resources Management Internal Control Roles 47](#_Toc134134776)

[9.1 Human Resources Local Focal Point 47](#_Toc134134777)

[9.2 Human Resource Manager (first authority, committing officer) 49](#_Toc134134778)

[9.3 Global Payroll Manager (second authority, verifying officer) 51](#_Toc134134779)

[9.4 Disbursing Officer – Payroll (third authority, disbursement officer) 51](#_Toc134134780)

[9.5 Payroll staff 52](#_Toc134134781)

[9.6 Position Administrator 52](#_Toc134134782)

[10. Office Management Internal Control Roles 53](#_Toc134134783)

[10.1 Head of Office 53](#_Toc134134784)

[11. Other Internal Control Roles 62](#_Toc134134785)

[11.1 Designated Officials to submit service requests to BMS/GSSC 62](#_Toc134134786)

[11.2 IDAM Focal Points 62](#_Toc134134787)

[12. Transactions performed on behalf of other offices or organizations 63](#_Toc134134788)

[12.1 Transactions performed at the request of other offices or UN organizations 63](#_Toc134134789)

[12.1.1 Making payments for other offices or UN agencies that do not have banking facilities in certain countries 63](#_Toc134134790)

[12.1.2 Signing UN agency contracts at the request of another office or UN organization 64](#_Toc134134791)

[12.1.3 Contracting procurement, recruitment, travel, and other services on behalf of another office or UN organization and concluding contracts for UN organizations in UNDP’s name 64](#_Toc134134792)

[12.2 Transactions performed at the request of implementing partners 65](#_Toc134134793)

[12.2.1 Direct payments at the request of an implementing partner 65](#_Toc134134794)

[12.2.2 Advances to Implementing Partners 66](#_Toc134134795)

[12.2.3 Procurement, recruitment, and travel services at the request of the Implementing Partner 66](#_Toc134134796)

[Annex 1. Overview of ERP-enforced ICF requirements 68](#_Toc134134797)

[Annex 2. Correlation of Quantum profiles to business processes 71](#_Toc134134798)

# Introduction

Internal controls are a foundational component of organizational management and help UNDP to achieve its strategic objectives in an effective, efficient, transparent, and accountable manner. [UNDP’s Internal Control Framework (ICF) Policy](https://popp.undp.org/node/171) articulates the key components of UNDP’s internal control framework, including: (a) the legislative and administrative documents; (b) the internal control implementation approach, which applies industry best practices for organizing what we do and who does it in the context of UNDP’s business, including clustered and non-clustered environments; and (c) how UNDP assesses and reports on the effectiveness of internal control.

This Operational Guide of the Internal Control Framework serves as a supplementary document to the Internal Control Framework Policy. Given the complexity of UNDP’s activities and the resulting breadth and depth of POPP content, **the purpose of this Operational Guide to the Internal Control Framework** is to bring together the key internal control requirements included throughout the POPP to help UNDP offices implement effective internal controls in both clustered and non-clustered environments. Specifically, the Operational Guide: (i) articulates the key day-to-day internal control roles and their associated **authorities, accountabilities, and responsibilities**; (ii) describes, at a high level, some **key process control points;** and (iii) identifies the **supporting technology roles (i.e., ERP), rights, and available tools** to affect and monitor internal control implementation.

The internal controls described in this Guide apply throughout UNDP in all locations for the functions undertaken. This Guide provides guidance on who executes internal control roles (or elements thereof) with respect to both clustered and non-clustered processes. For all country offices, the majority of operational processes are clustered within the BMS/GSSC. For HQ offices, certain processes have not yet been clustered in the BMS/GSSC. All offices should therefore follow the clustered or non-clustered guidance that is relevant to their processes.

This Guide should help Heads of Offices/Units in their management capacity and Bureaus in their oversight or monitoring capacity (as relevant) to understand and implement more effectively the requirements for internal control, and to devise their own internal control procedures and oversight approaches that consider their specific circumstances, characteristics of their country, region and/or outposted office/unit operations, and the risks faced. While this Operational Guide describes certain minimum internal control standards that must be observed, Heads of Offices/Units in collaboration with their respective Bureau, have considerable scope in designing an internal control system that makes sense for their offices and regions, especially for smaller offices. The internal control system so designed should be documented and reviewed and updated regularly.

Under the UNDP FRRs, the Comptroller (referred to as the CFO throughout this Guide) must provide prior written approval for any exceptions to the internal control framework, including assignment of the three authorities[[1]](#footnote-2)) and segregation of duties in general. Where the ICF requires functions to be executed by staff for financial risk management reasons (see section 2.3), the CFO must also approve exceptions requested in this regard. For all other roles, the relevant business process owner may decide to assign the role to staff and/or non-staff based on their assessment of tolerable risk in line with the UNDP ERM Policy and Risk Appetite Statement.

Access to Quantum and Quantum+ is managed through the Identity and Access Management (IDAM) application. This application has in-built preventive controls to ensure that segregation of duties is implemented at the role assignment stage, and to ensure that roles required to be performed by staff can only be assigned to staff.

# Minimum internal control requirements applicable to all offices

There are several areas where minimum internal controls must be in place and functioning regardless of where the business process is executed – be it through: (i) the BMS/GSSC as the shared services platform; (ii) country offices when performing emergency transactions for clustered processes in situations where the BMS/GSSC has indicated it cannot process the transaction in time; or (iii) directly by an HQ office/unit not using the BMS/GSSC. They include the following, each of which is described further in the sections below:

|  |  |  |
| --- | --- | --- |
| **Minimum internal control requirements applicable to all offices** | | |
| 2.1 Minimum segregation of duties | 2.2 Procedures to identify and manage conflicts of interest | |
| 2.3 Minimum control functions that must be performed by UNDP staff | | |
| 2.4 Actions or exceptions that must be cleared by an authority owner | | 2.5 Documenting a Local ICF |
| 2.6 Monitoring and reporting on risk management | | 2.7 Reporting Fraud |
| 2.8 Mitigating risks associated with money laundering & terrorist financing | | 2.9 Personal Accountability |

## Minimum segregation of duties

Segregation of duties is anchored in UNDP financial regulation 20.02 and is a keystone control that helps UNDP safeguard its assets and mitigate the risk of fraud and error. Segregation of duties is based on ensuring that no one staff member can: (i) have custody of assets; (ii) authorize and approve the use of assets; and (iii) record and report assets. Segregation of duties is also critical to minimizing the risk of dependency and partiality - UNDP personnel must be free of influence to perform their functions with independence and objectivity. In a fiduciary relationship, one person holds a position of authority over another, such as a supervisor over a subordinate; such a relationship may impact their independence and objectivity in performing their duties. To minimize the risk of error or fraud and to help detect errors, conflict of interest and segregation of duties considerations must also be addressed regarding, but not limited to, Project Boards, Procurement Committees (CAP Chairs, Vendor Committees), Delegations of Authority, etc.

There are 8 areas where segregation of duties must be in place and functioning, **unless an exception has been granted by the CFO** in writing, for a definite amount of time, and under specific conditions and based on the implementation of agreed compensating controls (per rule 120.04), as illustrated in Table 1 below.

#### Table 1: Minimum segregation of duties required in all offices

| **Area** | **Minimum Segregation of Duties Requirements** |
| --- | --- |
| 1. **First, second & third authorities** | The three authorities for**:** (i) procurement, commitments, expense, and disbursement transactions; and (ii) payroll transactions must be segregated. The first, second and third authorities must also be appropriately segregated for country office staff when processing emergency transactions that cannot be done by the BMS/GSSC in time[[2]](#footnote-3). |
| **Exceptions:** The Comptroller may approve exceptions for small offices or those with special circumstances with appropriate compensating controls in place. Further information is provided below this table. |
| 1. **Staff must have one Quantum IDAM User Profile** | Standard IDAM user profiles have been designed to segregate duties. **As a result, staff must have only one Quantum IDAM user profile that is consistent with their role.** To see how Quantum IDAM supports segregation of duties, refer to Annexes 1 and 2. |
| **Exceptions to assigning one Quantum IDAM user profile:** The following staff may have more than one Quantum IDAM user profile as long as segregation of duties is upheld: Head of Office, DRR, and Operations Manager may need both Project Manager & Approving Manager profiles if they act as Project Manager on some transactions and Approving Manager on other transactions. In such cases, the Head of Office, DRR, or Operations Manager (holding Senior Manager, Manager Level 2 or Manager Level 1 profiles in IDAM) can still be selected as the Project Manager in Quantum PPM for a specific project. However, **they must not:** (i) approve a requisition and the associated PO (Quantum has transaction level controls to prevent this); and (ii) act as Approving Manager for transactions charged to their own projects. Profile uses & violations are monitored by BMS.  The abovementioned exception is allowed only for the Approving Manager and Project Manager roles in circumstances stated above. Note: it is possible to hold multiple HR profiles, except for the HR Manager, GP Manager, and Disbursement Officer – Payroll Validation Tool, as these roles must be segregated. Quantum has automated controls to prevent ICF violations.  These automated controls simplify and streamline the ICF so that conflicting rights cannot be granted in the first place. If a RBx/CO/CBx staff member requires an exception based upon local circumstances, exceptional approval must be granted by the CFO. This approval should be included as supporting documentation attached to the IDAM access request. |
| 1. **Supplier Approvers (including Supplier Maintenance (L1) and Supplier Approver (L2) supplementary roles)** | Supplier creation is done by the CO or HQ office, as relevant. Suppliers can be registered in Quantum by Procurement Buyers, but cannot be approved by them. The Supplier Maintenance role can create a supplier and perform the Level 1 approval.  The Supplier Maintenance role in COs and HQ offices has access to, and control over, the suppliers' banking details. It is therefore a highly sensitive role that must be executed by a staff member with diligence and care, otherwise it may result in payment errors and/or potential financial losses to the organization (i.e., fraud). This role is not necessarily required to be fulfilled by DRRs/OMs; however, the RR/Head of Office shall take the abovementioned risk management considerations into account when deciding who to assign this role to and shall document their rationale. Staff who hold the Supplier Maintenance role should not create invoices.  Large offices whose delivery is above $50 million per year are permitted to assign the Supplier Maintenance supplementary role to three staff members, while small offices whose delivery is below $50 million per year should assign the role to no more than two staff members. Exceptions to these limits must be approved by the Treasurer on the basis of a fully justified request, and the Treasurer’s approval thereof should be included as supporting documentation with the IDAM access request.  For all COs, BMS/GSSC holds the Supplier Approver (Level 2) role and performs the final approval of suppliers in the Quantum Supplier Portal.  **For HQ offices:**  HQ offices perform supplier creation and Level 1 and Level 2 approvals without the involvement of BMS/GSSC. HQ offices must not assign more than two Supplier Maintenance and two Supplier Approver roles to staff in their offices.  Supplier Approvers must also exercise care and diligence when approving suppliers and their bank account information in Quantum to ensure UNDP is not exposed to undue risk.  In all cases, staff holding Supplier Maintenance or Supplier Approver roles must not: (i) create suppliers, PO’s, or invoices; (ii) prepare bank reconciliations; or (iii) be a single signatory on a bank account. |
| 1. **Procurement Buyers** | Procurement Buyers can register suppliers in Quantum, but not approve them.  Procurement Buyers must not receipt goods, services, or works.  Procurement Buyers cannot process payments/approve invoices (control prevented by IDAM/Quantum). |
| 1. **Bank reconciliation preparers** | Bank reconciliation preparers must not be bank signatories or approve invoices or suppliers. |
| 1. **Bank account signatories** | Bank signatories must not prepare bank reconciliations or create Accounts Payable invoices or deposits. Where they are the only signatory on a bank account, as approved by the Treasurer, they must not approve suppliers. |
| 1. **Asset &**   **Inventory recording & counting** | The Asset Focal Point communicating asset changes to the BMS/GSSC must not be involved in or responsible for the physical count of fixed assets (i.e., must not be the Physical Verification Coordinator or part of the count team). Similarly, the Inventory Focal Point recording and reporting inventory to the BMS/GSSC must not be involved in or responsible for the physical count of inventory. (i.e., must not be the Inventory Physical Count Coordinator or part of the count team). |
| 1. **Emergency Transactions** | The first, second and third authorities must be appropriately segregated for country office staff when processing emergency transactions that cannot be done by the BMS/GSSC in time. See [GSSC SOP Client Critical & Emergency Transactions](https://undp.sharepoint.com/teams/GSSU/Contact_Centre/Contact%20Centre%20Document%20Library/Forms/AllItems.aspx?OR=Teams%2DHL&CT=1640294916048&id=%2Fteams%2FGSSU%2FContact%5FCentre%2FContact%20Centre%20Document%20Library%2F01%5FSOPs%2FSOP%5FCritical%20and%20emergency%20case&viewid=b258c3f7%2D2974%2D4922%2D8b86%2De902e3c3da3c). |

**Segregation of authorities in small offices or those experiencing prolonged absences of staff performing key internal control functions (such as approving managers):** In certain circumstances, particularly in small offices (which can include country offices, project offices, or representation offices) or due to prolonged absence, there may be a reduced number of staff available to fulfill key internal control roles (such as approving managers). If such circumstances arise, COs and HQ units should seek the assistance of a regional hub (RH) or supporting regional bureaux or central bureaux to perform the necessary approval functions (second and third authorities). IDAM can accommodate the same business profile in one business unit being extended to a different business unit. For example, if a user is Manager Level 1 in the regional hub, then the country office IDAM focal point can submit an IDAM request to extend the user Manager Level 1 access to the country office to allow regional bureaus to perform the approval function for the country office. All data access and approval rights will be processed automatically by IDAM.

If necessary, supporting documents may be sent (and subsequently signed) electronically to the CO and HQ units performing the approval functions. In such cases, the proposed strategy for addressing the ICF for the respective office should be discussed with the relevant bureau, in close consultation with BMS/OFM.

UNDP’s Financial Rule 120.04 requires that: (a) the Comptroller must approve all requests for segregation of duty exceptions; (b) at least two signatories are required to authorize the expense of funds; (c) the exception will be granted for a maximum of 30 calendar days; and (d) the exception will be granted on the basis of proposed compensating controls by the country office or Regional/Central Bureaux, including post facto review by another unit of all transactions made during the period of waived separation of duties. Additionally, offices can also consider implementing other best practices to augment separation of duties controls, such as mandatory vacation policy, periodic rotation of duties, and analytic reviews.

**Business units may seek exceptional approval from the CFO for time-bound ICF waivers relating to segregation of duties or assignment of roles required to be fulfilled by staff (as articulated in Section 2.3 of this Guide).** This includes exceptions for HR transactional roles that carry internal control financial risk, such as HR Manager (first authority), GP Manager (second authority), Disbursing Officer- Payroll Validation Tool (third authority), and Position Administrator. Requests for exceptions on all other HR roles can be approved by the Director, BMS/OHR.

Requests for exceptions on Finance and the abovementioned HR transactional roles should be submitted through the CBX/RBX ICF Focal point to the CFO (copied to Finance Business Advisors [fba.all@undp.org](mailto:fba.all@undp.org)) and the CFO’s approval of the request should be attached to the IDAM access request as a supporting document when requesting the special access. Requests for exceptions pertaining to all other HR roles should be sent to the BMS/OHR Directorate, and their approval thereof should be attached to the IDAM access request as a supporting document when requesting the special access

**Segregation of duties at the BMS/GSSC**: BMS/GSSC is responsible for ensuring that segregation of duties and staff-only role assignments are observed by BMS/GSSC teams in the performance of their service delivery functions, unless a waiver has been granted by the BMS Director or CFO.

## Identification & management of conflicts of interest

**Conflict between the interests of UNDP and the Individual:** Staff regulation 1.2(g) clarifies that UNDP staff shall not use knowledge gained from their official functions for private gain, financial or otherwise, or for the gain of any third party, including family, friends, and those whom they favor. Situations may arise where an individual acting for UNDP faces a potential conflict between the interests of UNDP and the interests of the individual. While staff regulation 1.2(m) further provides that staff have a positive obligation to disclose to their head of office any potential or actual conflict of interest so that it may be resolved in favor of the interests of the Organization, internal procedures and controls must also be applied in every office to identify and to manage any potential conflicts, so that the interests of UNDP are always protected. Some examples of conflicts of interest are provided below.

1. **Payments to individuals:** Creation or approval of transactions that relate to persons or entities in which the individual acting for UNDP has an interest, such as a payment to self, a relative, a friend, or a company in which they have a financial interest; or **authorization of travel** for self, a relative, or a friend.
2. **Project Management:** Where a staff member is both a Project Manager and an Approving Manager, they should not approve POs, non-PO invoices, or prepaid invoices for their projects.

**Actions required:** Where potential conflicts arise, the individual should inform their UNDP management and decline from processing a transaction and pass the transaction to another manager for processing. Where avoiding such transactions could occur routinely, the option to excuse or recuse the individual formally in writing should be discussed with their line manager and referred to the Head of Office. The Head of Office, as part of their overall accountability, may then exercise their best judgment if this conflict of interest poses an operational risk to the office.

## Minimum control functions that must be performed by UNDP staff

Certain roles must be performed by UNDP staff members holding UNDP letters of appointment (LOAs) governed by UN Staff Regulations and Rules (Fixed Term, Continuing or Permanent Appointments, TAs), but **excluding** those who hold NPSA/IPSA contracts, reimbursable loan agreements (RLAs) or non-reimbursable loan agreements (NRLAs) from non-UN entities, UN volunteers (UNV), Individual Contractors (ICs) and interns. Staff from other UN Agencies placed in UNDP may perform certain control functions as described below in the ‘Special Situation.’ The roles that must be performed by staff members include:

|  |  |
| --- | --- |
| **Minimum control functions that must be performed by staff** | |
| **Finance & Procurement** | **Human Resources** |
| * 2nd Authority: Approving Managers (including for travel transaction approval) * 3rd Authority: Disbursing Officer * Bank Account Signatory * Bank Reconciliation Approver * Trust Fund Manager * Safe custodian * Petty cash custodian * Supplemental Quantum roles of:   + Supplier Maintenance   + Supplier Approvers   + Override match exceptions   + Fund manager   + Retirement of assets | * 1st Authority: HR Manager\* * 2nd Authority: GP Manager * 3rd Authority: Disbursing Officer – Payroll Validation Tool * Position Administrator   *\*On 5 February 2021, the BMS Director approved an exception that allows the assignment of HR Administrator (previous name of HR Manager role) and HR Associate roles to BMS/GSSC PSAs under the BMS/GSSC Local BES and BMS/GSSC Recruitment to perform Local Benefits & Entitlements and Recruitment transactions.* |

It should be noted that the above list of internal control roles required to be performed by staff members does not include first authority roles, except for HR Manager, which must be a staff member unless specifically approved by the BMS Director. This is important to note, particularly since Project Managers have different contractual modalities, including IPSA and NPSA. However, even when the Project Manager role in Quantum is assigned to external personnel using the external access for projects, Country Offices should carefully consider the assignment of Quantum first authority roles to non-staff since Programme Officers are usually assigned with this right. In the case of Vertical Funds, Country Offices should also ensure that the required segregation of implementation from oversight responsibilities is observed

***Special situation:*** There may be situations where a staff member of another entity applies for and is appointed to a UNDP FTA or TA post and, at BMS/OHR’s instruction, the staff member is placed on an RLA/NRLA for the first year of the appointment (rather than a secondment) due to a lien being held on their post by the transferring UN agency. In such cases, (N)RLA staff from other UN entities should be considered UNDP staff members for the purposes of the ICF, depending upon the delegation and other accountabilities established in the RLA agreement.

### Roles that can be performed by non-staff personnel

UNDP engages non-staff personnel in various categories, including IPSA/NPSA, Non-Reimbursable Loan Agreements from non-UN entities, interns and UN volunteers. In principle, non-staff personnel cannot perform “inherent” functions of the UN, which includes: (a) binding UNDP to take some action by contract (i.e., incurring legal or financial commitments); (b) exerting ultimate control over the acquisition, use, or disposition of United Nations property; (c) establishing policies or procedures for the collection, control, or disbursement of funds; or (d) acting as internal control custodian of the organization.

As a result, non-staff personnel cannot perform control functions that encompass these areas, including transaction approvals (second & third authority) or responsibility for asset safeguarding and disposals (as reflected in the above-mentioned roles that must be performed by UNDP staff members). Within this context, and barring the roles specified above that must be performed by UNDP staff members, Heads of Offices should exercise discretion in assigning the remaining roles specified in this Operational Guide based on the specific circumstances and risks of their local operating/environmental context and office capacities.

As noted in the relevant sections of this Guide, non-staff personnel such as NPSAs/IPSAs and Individual Contractors may be allocated a Quantum IDAM Finance User profile to perform financial tasks, as the control functions that were previously included in this role are now performed by BMS/GSSC. Non-staff personnel may perform the following functions:

| **Functional roles that may be performed by non-staff personnel** | **More information in this**  **Guide** |
| --- | --- |
| * Procurement Buyer | [Section 5.1](#_bookmark20) |
| * Travel Processor | [Section 6.2](#_bookmark26) |
| Development Project Petty Cash Advance holder – subject to the policy [“Management of Petty Cash”](https://popp.undp.org/node/11051) | [Section 8.1 Finance Staff,](#_bookmark36)  [point 3 Reconcile Petty Cash](#_bookmark36)  [POPP: Management of Petty Cash](https://popp.undp.org/node/11051) |
| * Project Manager (first authority) | [Section 4.1 Project Manager](#_bookmark15) |
| * Finance User | Section [8.1\_Finance\_Staff](#8.1_Finance_Staff) |
| * PSAs may serve on corporate committees if permitted by the respective Committee’s TPRs, however, PSAs may not serve as chair, alternate chair or be the majority voting members on   corporate committees. | For more information on permissible actions for non- staff members, refer to [POPP](https://popp.undp.org/taxonomy/term/176) [Human Resources](https://popp.undp.org/taxonomy/term/176) [Management Non-Staff](https://popp.undp.org/taxonomy/term/176). |
| * PSAs may also administer or manage a selection process in accordance with the UNDP standard policies & established processes as this is not considered an “inherent function”. However, deciding what rules to put into the corporate manuals & policies or making   exceptions to such policies, in the interests of the UN is an “inherent  function” and may not be performed by PSAs. |

## Actions or exceptions that must be approved or cleared by an authority owner

Under the Delegation of Authority (DOA) Policy and specific sections of the POPP, certain actions require clearance by the relevant authority owner. Further information is included in the [DOA Policy,](https://popp.undp.org/node/10601) Annex A, POPP and/or in relevant areas of this Guide.

## Documenting the Office’s Local ICF

Each Head of Office/Unit has overall responsibility for establishing and maintaining adequate internal controls in their office/unit, and for ensuring documentation of the office’s internal control procedures in a manner consistent with this Guide. Periodically and at least annually, the Head of Office should review, update and approve the office’s documented internal control framework and upload it to the  [HQ Local ICF Repository](https://undp.sharepoint.com/teams/OFRM_Archive/fbp/fbat/Lists/ICF%20Repository/Official.aspx) for future reference and audit. The documented local ICF should include the following key minimum elements: (i) distribution of roles; (ii) delegations of authority; (iii) budget override policy; and (iv) organizational chart of the office. *(Note: Budget override functionality is still being configured in Quantum)*

Offices may use local or regional tools to support management and issuance of delegations of authority (DOA). However, all offices must still upload the required information on their local ICF to the  [HQ Local ICF Repository](https://undp.sharepoint.com/teams/OFRM_Archive/fbp/fbat/Lists/ICF%20Repository/Official.aspx). In cases where offices use a specific DOA tool, they should still upload the required information about their local ICF, which may include a link to the tool where the DOA information is stored. The local ICF should include all delegations assigned to staff, including those exercised outside the ERP.

For Country Offices whose business processes are executed through the BMS/GSSC, the local ICF should indicate which processes have been transferred to the BMS/GSSC and who the Head of Office has assigned to be the designated official(s) authorized to submit service requests to the BMS/GSSC. The submission of a service request by Country or HQ offices to the BMS/GSSC constitutes all the necessary authorization for the BMS/GSSC to perform the transaction in its entirety on behalf of the office submitting the request.

BMS/GSSC services provided monthly without a service request include B2B Reconciliations, Accounts Receivable Reporting, Processing and review of other receivables, Inventory Reporting, and PPR. Offices should ensure segregation of duties is carefully followed when assigning roles for submitting BMS/GSSC service requests.

In the normal course of business, staff members may identify weaknesses in the ICF of the office or areas of non-compliance. The Head of Office should establish procedures to facilitate receiving staff’s reports of weaknesses or non-compliance per financial rule 102.02. The Head of Office is responsible for taking remedial action if, in their best judgment, non-compliance poses an operational risk to the office.

## Monitoring & reporting on risk management

Risk management in an integral component of UNDP’s Internal Control Framework and the results of risk monitoring and review must be recorded and reported as appropriate and be used as a regular input to programme and project management decisions, audits, and organizational performance. In addition, the status and effectiveness of treatment measures needs to be monitored for Moderate, Substantial and High-level risks and included in programme and project management monitoring plans and budgets. For more guidance, refer to [POPP Enterprise Risk Management](https://popp.undp.org/node/10716).

## Reporting Fraud

Any act of fraud and corruption in UNDP’s activities depletes funds, assets, and other resources necessary to fulfill UNDP’s mandate. Fraudulent and corrupt practices can also seriously damage UNDP’s reputation and

diminish donors’, partners’ and beneficiaries’ trust in its ability to deliver results in an accountable and transparent manner. Furthermore, it may affect staff and personnel effectiveness, motivation and morale, and impact on the Organization’s ability to attract and retain a talented work force. UNDP has zero tolerance for fraud and corruption, meaning that UNDP staff members, non-staff personnel, suppliers, implementing partners and responsible parties are not to engage in fraud or corruption.

All incidents of fraud and corruption are to be reported promptly to improve the chances of fund/resource recovery. They will be assessed and, as appropriate, investigated in accordance with the Investigation Guidelines of the UNDP Office of Audit and Investigations (OAI) and the UNDP Legal Framework for Addressing Non-compliance with UN Standards of Conduct (“UNDP Legal Framework”), when applicable. For more information, refer to [POPP Anti-Fraud Policy](https://popp.undp.org/node/10426).

## Mitigating risks associated with money laundering and terrorist financing

UNDP is committed to the highest ethical standards and will not tolerate the diversion of the resources entrusted to it through money laundering or terrorist financing. Similarly, UNDP will not engage with entities that tolerate the diversion of resources through money laundering or terrorist financing. UNDP’s Anti-Money Laundering (“AML”) and Countering the Financing of Terrorism (“CFT”) (together referred to as “AML/CFT”) Policy (2022) sets out UNDP’s requirements in: (i) establishing fundamental guiding principles and standards regarding AML/CFT, as reflected in the various procedures and controls within UNDP’s policy and procedural framework, and (ii) defining the roles and responsibilities of its management and staff in relation to AML/CFT.

The AML/CFT Policy provides guidance on performing mandatory risk-based due diligence (with risk rating criteria and the process for standard vs. enhanced vetting); establishing and terminating contractual arrangements; suspicious activity reporting and management; and applicable protection against retaliation procedures.

At the CO/office/hub level, the AML/CFT Focal Point role shall be assigned to a UNDP staff member with sufficient experience, independence and seniority to support the AML/CFT policy implementation and risk management processes for the relevant CO/office/hub. To avoid conflicts of interest, the AML/CFT Focal Point should not have responsibilities for originating and/or maintaining relationships with counterparties. Examples of UNDP staff members who may perform this role include CO operations managers, finance officers, desk officers, etc. Further information can be found in the [AML/CFT Policy](https://popp.undp.org/node/10431).

## Personal accountability

Financial rule 102.02 of UNDP FRRs states, “All personnel of UNDP are responsible to the Administrator for the regularity of actions taken by them in the course of their official duties. Any personnel who take any action contrary to these financial rules or the instructions which may be issued in connection there with may be held **personally responsible and financially liable** for the consequence of such action.

## Overview of Required Segregation of Duties

| **Finance Profile Roles** | |
| --- | --- |
| **Role** | **Provisions (functions this Role CANNOT perform …)** |
| **Project manager**  **(1st Authority)** | * Be a 2nd Authority * Be a 3rd Authority |
| **Approving manager *(includes Manager Level 1 and 2 and Senior Manager)***  **(2nd Authority)** | * Be a 1st Authority * Be a 3rd Authority   (see exceptions described in Table 1, Area 2 for RRs, DRRs and OMs) |
| **Disbursing officer**  **(3rd Authority)** | * Be a 1st Authority * Be a 2nd Authority |
| Head of Office  (2nd Authority) | * Sign trust fund agreements unless authorized by the Associate Administrator * Open/close bank accounts |
| Buyer | * Hold Supplier Approver or Supplier Maintenance roles * Approve POs * Receive goods/services/works * Approve payments * Process invoices |
| Bank Account Signatory | * Perform bank reconciliations * Create payment invoices * Create deposits * Approve Supplier if authorized by the Treasurer to function as the single signatory for the bank account * Serve as signatories on NEX/NIM bank accounts opened by IPs |
| Asset Focal Point | * Be a Fixed Assets Physical Verification Coordinator |
| Fixed Asset Coordinator | * Be the Asset Focal Point |
| Inventory Manager | * Inventory Focal Point * Inventory Physical Count Coordinator |
| Inventory Focal Point | * Be an Inventory Physical Count Coordinator |
| Inventory Physical Count Coordinator | * Maintain inventory records * Be responsible for safeguarding and accounting for inventory |
| Supplier approvals, including Supplier Maintenance (L1) and Supplier Approver (L2) roles  *(Note: HQ offices, whose supplier approval process is not clustered, designate both L1 and L2 approvers; COs only designate L1 approvers, as L2 approval is performed by BMS/GSSC)* | * Have more than 2 staff in this role the Office (if >$50m delivery may have up to 3) * Create suppliers * Create POs * Create Invoices * Prepare Bank Reconciliations * Be a Single Bank Account Signatory if authorized as the single signatory for the bank. |
| Bank Reconciliation Preparer | * Be a Bank Account Signatory * Approve Invoice * Create Invoices * Create Deposits |
| Safe Custodian | * Have just one staff per office with access to the safe. There must be alternate safe custodians designated by the Head of Office. |
| Budget Override Approver | * Approve budget overrides in Quantum in the absence of a budget override office policy approved by the CFO * Approve budget overrides which do not conform to UNDP’s [Risk Management Guidelines](https://popp.undp.org/taxonomy/term/326) (*budget override functionality is still being configured in Quantum)* |
| Travel Processor | * Authorize & process own travel or requests having a conflict of interest |
| **Human Resources Profile Roles** | |
| HR Manager  (1st Authority) | * Be GP Manager * Be Disbursing Officer |
| GP Manager  (2nd Authority) | * Be HR Manager * Be Disbursing Officer |
| Disbursing Officer – Payroll Validation Tool  (3rd Authority) | * Be GP Manager * Be HR Manager |

# Overview of Key Internal Control Roles

With the roll out of shared services, some elements of internal control roles are performed by Country Offices directly, while other elements are performed by the BMS/GSSC on behalf of the Country Office. For HQ Offices still performing processes directly, the full complement of internal control roles is performed by the office, except for:

1. Revenue and Contributions Management, General Accounting, Project Accounting and some Payable Services performed by the BMS/GSSC;
2. Global Payroll Services (GPS), Benefits and Entitlements (BES), Recruitment, Staff Transitions, performed by the BMS/GSSC (except outposted HQ locations); and
3. authorizing disbursements (third authority) and acting as bank signatories on HQ bank accounts, which is performed by BMS/OFM/Treasury.

**BMS/OHR/TAPP performs functions** for the JPO Programme services as follows:

* 1. Finance: 1) Supplier maintenance and approval, 2) PO/invoice creation and approval, and 3) Contract and revenue management
  2. Human Resources Management: 1) Position management, 2) Benefits and entitlements administration, 3) Recruitment

Sections 4-11 of this Guide describe the functions, responsibilities, and accountabilities of key internal control roles within UNDP and who performs the role if processes are clustered in the BMS/GSSC or performed directly by an office.

**Overview of day-to-day Internal Control functional roles included in this Guide**

|  |
| --- |
| [Section 5:](#_bookmark19) [Procure & Pay](#_bookmark19) |
| Procurement Buyer |
| Supplier Approver |
| Supplier Maintenance |
| Approving Manager (second authority, verifying officer) |
| Disbursing Officer (third authority, disbursement officer) |
| Bank Account Signatory |

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| [Section 6:](#_bookmark25) [Travel](#_bookmark25) |
| Travel Arranger |
| Travel Processor |

Travel Approver

|  |
| --- |
| [Section 4:](#_bookmark14) [Programme & Project](#_bookmark14) [Management](#_bookmark14) |
| Project Manager (first authority, committing officer) |
| Programme Officer |
| Trust Fund Manager |

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| --- |
| [Section 7:](#_bookmark28) [Asset & Inventory](#_bookmark28)  [Management](#_bookmark28) |
| Asset Manager |
| Asset Focal Point |
| Fixed Asset Physical Verification Coordinator |
| Inventory Manager |
| Inventory Focal Point |
| Inventory Physical Count Coordinator |

Head of Office

[Section 10:](#_bookmark44) [Office Management](#_bookmark44)

|  |
| --- |
| [Section 9:](#_bookmark37)  [Human Resources Management](#_bookmark37) |
| Human Resources Local Focal Point |
| Human Resources Manager (first authority, committing officer) |
| Global Payroll Manager (second authority, verifying officer) |
| Disbursing Officer - Payroll (third authority, disbursement officer) |
| Payroll Staff |
| Position Administrator |

Finance Staff

[Section 8:](#_bookmark35) [General Financial](#_bookmark35) [Management](#_bookmark35)

|  |
| --- |
| [Section 11:](#_bookmark46) [Other Roles](#_bookmark46) |
| Designated Officials to submit service requests to BMS/GSSC |
| IDAM Focal Point & IDAM Request Approver |

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Key:** | Active in all offices |  | Active in BMS/GSSC  only | Active in offices with non-clustered processes & BMS/GSSC | Active in offices with clustered processes, BMS/GSSC & Treasury | Active in all offices & BMS/GSSC, but for specific transaction types or transaction elements |
|  |

# Programme & Project Management Internal Control Roles

The [POPP Programme and Project Management](https://popp.undp.org/taxonomy/term/36) comprehensively articulates the roles and responsibilities of Project Managers, Programme Officers, and Trust Fund Managers. Below is an overview of the key internal control responsibilities fulfilled by these roles.

|  |  |  |
| --- | --- | --- |
| [4.1 Project Manager](#_bookmark15) | [4.2 Programme Officer](#_bookmark17) | [4.3 Trust Fund Manager](#_bookmark18) |

## Project Manager (first authority, committing officer)

Project Managers are responsible for day-to-day project management and decision-making. They ensure that projects produce results (i.e., outputs) specified in the project documents, to the required standards of quality, and within the specified constraints of time and cost. For this Operational Guide, the ‘Project Manager’ role refers to the person with primary responsibility for managing resources, in that all budgets, commitments and disbursements are assigned to a project in Quantum.

|  |  |
| --- | --- |
| **Project Manager (first authority, committing officer): Internal Control**  **Responsibilities** | **Performed within the**  **office (for all offices)** |
| * Manage Project – plan, implement, monitor & close |  |
| * Manage Budget - establish annual & multi-year budgets in Quantum |  |
| * Initiate Procurement – approve e-procurement purchase requisitions in Quantum |  |
| * Request Payments – approve requests for non-PO payments |  |
| * Request Prepayments – approve requests for prepayment invoices |  |
| * Receipt goods, services and works |  |
| * Open and operationally close projects |  |
| **Quantum profile - Project Manager** | |

**For management projects**, the Project Manager role must be assigned to managers and this could include RRs, Deputy Resident Representatives (DRRs), Assistant Resident Representatives (ARRs) or Operations Managers in COs. At HQ units, they could be Heads of Office, Deputy Heads of Office, or Executive Officers.

**For development projects directly implemented by UNDP**, Project Managers could be RRs, DRR Programme (limited positions), ARR Programme, or Project Managers.

**For development projects not directly implemented by UNDP**, the implementing partner (e.g., government institution, UN agency, Inter-Governmental Organization, or NGO) appoints the Project Manager according to the requirements of POPP (see project management). For these projects, the external national project director (NPD) or chief technical advisor (CTA) is often the primary person responsible for achieving development results and proper use of UNDP resources as agreed in the project document. In this scenario, the external NPD or CTA may use the Quantum external access facility to perform the Project Manager role or may approve and submit authorized transactions to the UNDP Programme Manager responsible for the project for entry and approval in Quantum. (See section 12.2 [Transactions performed at the request of implementing partners](#12.2.2_Advances_to_Implementing_Partners)).

The Project Manager’s responsibilities are articulated in [POPP Programme and Project Management](https://popp.undp.org/taxonomy/term/36), with key highlights below.

| **Project Manager - Responsibilities** |
| --- |
| **1. Manage Project: Plan, implement, monitor, close** |
| The Project Manager has the authority to run the project on a daily basis on behalf of the project board within the requirements set by the project board. The broad responsibilities of Project Managers include:   * Preparing annual budgets and work plans for approval by office management. * Achieving the outputs described in the work plan. * Reviewing Accounts Receivable for their projects and following up with donors on outstanding amounts. * Reviewing budgets and work plans monthly and bringing to the attention of senior management any proposed changes. * Preparing and monitoring implementation of project procurement and recruitment plans. * Regularly reviewing Quantum project reports, ensuring that revenue, commitments, expenses, and disbursements are complete and accurate, and detecting erroneous or unauthorized charges. * Ensuring the physical safeguarding of project assets. * Ensuring that funds are adequately reserved to cover the full cost of staff. * Monitoring project activities and initiating the designation of projects as operationally closed, then financially closed. |
| **2. Manage Budget: Establish annual & multi-year budgets in Quantum** |
| Prior to finalizing the budget in Quantum, the Project Manager must ensure that: (i) the activities and inputs have been correctly entered and are consistent with the annual work plan; (ii) for activities with non-core resources, as per the signed contribution agreement; and (iii) ensure that the financial plan is created and consistent with the proposed budget in the project document.   * **Multi-year budgeting must be entered in Quantum:** Project Managers are responsible for ensuring that project budgets are entered into Quantum on a multi-year basis if projects last more than a year. In principle, total budgets entered in Quantum should not be greater than the funding amount (the total agreement amount) of the award (s). * **Commitments cannot be made unless the contribution has been received:** Quantum does allow for the creation of a budget when the award is setup even though the contribution has not been received, but it **does not permit** offices to make commitments (i.e., approve POs) unless the contribution has been received. * **Delegation of project budget creation in Quantum:** With Head of Office approval, Project Managers may document their approval of project budgets outside Quantum and delegate budget creation in Quantum to Finance staff. The Project Manager remains accountable for ensuring the budget created in Quantum by the Finance User aligns with the approved budget. The actual approval of the budget in Quantum is done by Approving Managers. |
| **3. Initiate Procurement: Approves e-procurement purchase requisitions as the first authority** |
| The Project Manager exercises first authority designated from the CPO per financial rule 120.01(a) and performs this first authority role on transactions charged to the project. The Project Manager is responsible for approving e-procurement requisitions in accordance with [POPP Raising E-requisitions](https://popp.undp.org/node/11401).  The concept of first authority applies only to those commitments and expenses[[3]](#footnote-4) directly managed by UNDP such as commitments and expenses in management projects, projects implemented by UNDP, and projects implemented by national institutions where the office provides support to the national institution. It does not apply to projects implemented by national institutions where the UNDP role is limited to issuing advances and/or direct payments. Refer to [section 12.2 ‘Transactions performed at the request of implementing](#12.2.2_Advances_to_Implementing_Partners) [partners’](#_bookmark51) for more information on the office’s responsibilities for projects implemented by national institutions.  **Capturing first authority approval for direct UNDP payments that do not require a PO:** For single project payments, such as PCA or grants, the Project Manager approval is manual and should be included as an attachment to the payment (whether it be email authorization, physical/docusign signature on invoice or similar) to maintain an adequate audit trail. For multi-project invoices, it should be sufficient that the CO has documented their cost share process, including methodology for cost allocation between COAs, and invoice (including receipt for PO based payments) is signed off by a delegated official in the CO.  Salary advances are processed through the online salary advance tool and are approved by an Approving Manager. |
| **4. Request Payments: Approve requests for non-PO payments** |
| The Project Manager holds first authority over transactions charged to the project and is responsible for approving requests for non-PO payments (e.g., requests for payment of a training workshop) after confirming that: (i) activities to be financed are within the UNDP mandate; (ii) payment complies with procurement under POPP or other applicable guidelines; and (iii) goods were received, services were performed, and works milestones were reached.  Non-PO Invoices can be processed in and approved in the following two manners:  **Offices with clustered Accounts Payable Processes:**   1. Supplier Portal – The Supplier submits the invoice and relevant supporting documentation using the Supplier Portal. The CO validates, fund checks and performed the first level review. BMS/GSSC performs the final approval, according to their approval thresholds (Level 1 to Level 3) 2. Directly in Quantum by the CO – The CO creates the non-PO invoice in Quantum, validates and initiates approval. BMS/GSSC does the final review and approval of the Non-PO invoice.   Once the invoice is created and saved, the validation and approval processes are initiated automatically by the system, every four hours.  The Head of Office allocates the functions above to a staff member in the CO who will exercise due care and diligence in the execution of this role due to the sensitive nature of the functions and ensuring adequate segregation of duties.  **Invoice creation by BMS/GSSC:** Invoices from suppliers (including micro-purchasing) should be entered directly into Quantum by the supplier through the Quantum supplier portal, or by project partners through the Quantum External Access facility. If, and only if, neither of these routes is available, COs should create invoices directly in Quantum. Where large numbers of invoices need to be paid for the same activity with the same supporting documents, BMS/GSSC creates invoices on behalf of clustered offices using bulk payment tools.  **For offices who perform Accounts Payable processes directly,** the Project Manager submits a request for a non-PO payment, along with supporting documents evidencing the transaction, to the office finance unit. If the request is complete and accurate, finance staff create the AP invoice and send it to the Approving Manager for approval (second authority). For PO payments, the receipt is entered in Quantum, the finance user prepares the invoice, three-way matching occurs and the payment is processed.  **For both clustered and non-clustered Accounts Payable processes,** Project Managers are responsible for resolving budget errors that may be identified by Quantum automatic checks, or by the BMS/GSSC or the local finance unit (as applicable), and for providing explanations regarding non-compliance with POPP. |
| **5. Prepayments** |
| Prepayments in Quantum are used for the following:   1. Prepayments for advances to supplier 2. Direct Cash Transfers (advances or NEX advances are known as ‘prepayments’ in Quantum) to Implementing Partners or Responsible Parties. 3. Petty cash and project cash advances   The Project Manager is responsible for requesting prepayments and ensuring that the prepayment request complies with [POPP Prepayments](https://popp.undp.org/node/11291) for advances to suppliers.  The Project Manager reviews the Prepayment Invoice Request form and supporting documentation and forwards to Finance for processing. The Approving Manager reviews the supporting documentation and approves the prepayment invoice in Quantum, if appropriate.   1. Direct Cash Transfers (advances or NEX advances are known as ‘prepayments’ in Quantum): Refer to the POPP Section on [Direct Cash Transfers and Reimbursements](https://popp.undp.org/node/10651)     e) Petty cash and project cash advances: Refer to POPP Sections on petty cash and project cash advances |
| **6. Receipt Goods, Services & Works: Verify receipt of goods, services, & works** |
| Project Managers are responsible for verifying, documenting, and recording satisfactory receipt of goods, services, and works in Quantum on a timely basis in accordance with [POPP Receipt of Goods, Services and Works](https://popp.undp.org/node/11411).  Project Manager assigned in Quantum has overall accountability for the project management so should ensure the receipting is done appropriately, but the actual receipting in the system can be delegated by the assigned Project Manager, including in situations where another BU performs the receipting (e.g., BMS/PSU). Depending on the size of the project and the volumes, Project Managers may delegate this function to other project staff. Where the volumes are significant, this delegation should be in writing and copied to the Operations Manager, so that the finance unit is aware of the delegation. Copies of this delegation should be maintained and securely filed. In many offices, the staff member who physically receives the goods confirms receipt of goods and forwards such confirmation to the Project Manager for written approval before recording the receipt in Quantum. **Remember: The receipting of goods, services, and works must not be performed by staff members with the ‘Procurement Buyer’ profile.**  The ‘Expense Receiver’ role can be assigned to other Quantum users besides Project Managers, including General Users or Manager L1-2/SM. The receipting role is a critical function that must be done with care and diligence, and this should be taken into account when assigning the Expense Receiver role.  **Important Accounting Alert!** The receipt date plays a very crucial role in (i) triggering the recording of expenses where applicable, (ii) recording of fixed assets, (iii) title and insurance, (iv) management and control and (v) all the rights associated with the item. The different scenarios and their specific receipting instructions are detailed within the [Receipt of Goods, Services](https://popp.undp.org/node/11411) and Works policy.  **Special year-end requirements for receipting construction works:** Construction works should be recorded at the stage when milestones per the contract are completed and accepted by UNDP as part of the regular project monitoring activities. It is of utmost importance that the Project Manager enters in Quantum the correct date (as close to 31 December as possible) and amounts for work completed in order to ensure that both the Supplier Performance and the UNDP expenses and accrued liability for the services are correctly reflected in Quantum. Such construction works or similar works are often very specialized in nature and UNDP acceptance and receipt should only be performed by personnel that have the requisite knowledge of construction/works. Amounts receipted in Quantum should be based on the progress certificate or site assessment report as appropriate.  For year-end expense recognition purposes of construction works or similar works: in the event that a progress certificate or site assessment report is not available as at 31 December (i.e. the end of UNDP’s financial year), the Project Manager is still required to estimate the progress of works completed as of 31 December in order to receipt the works in Quantum so that the financial records are accurate. The last available progress certificate or site report can be used as the basis of the last stage of completion against which to estimate the additional value of un-receipted works undertaken as of 31 December. As construction works are specialized in nature, the estimate should only be performed by personnel that have the requisite knowledge of construction works. This is normally done by the site engineer and confirmed by the Project Manager as appropriate.  Retentions: It is important to note that even though the contractor will be paid at a future period in time, receipts recorded in Quantum and based on progress certificates should be inclusive of retentions, as the milestone has been reached but the funds are held back as a risk mitigation strategy/safeguard for UNDP to cover for any potential issues that may be encountered during the contractor’s liable period. |
| **7. Open & close projects** |
| The Project Manager is responsible for monitoring project activities and initiating the designation of projects as operationally closed in accordance with POPP PPM [Close and Transition](https://popp.undp.org/node/10501). The BMS/GSSC is responsible for the financial closure of projects. For more information, refer to the POPP on Financial Closure of Development Projects. **For offices who perform their Project Closure process directly,** the finance unit of each office is responsible for reviewing ongoing projects and coordinating with Project Managers to initiate financial closure.  *Note: The Regional Bureau is responsible for oversight of timely project closure in offices within their region.* |

**To achieve adequate segregation of duties,** Project Managers must not act as the second or third authority on transactions in which they have fulfilled the first authority role.

## Programme Officer

The Programme Officer is generally responsible for a portfolio of projects, usually development projects, and typically holds the project assurance role. Project Assurance is the responsibility of each Project Board member; however, UNDP has a distinct assurance role for all UNDP projects and carries out objective and independent project oversight and monitoring functions. **Project Assurance must be independent of the Project Manager.** A UNDP Programme Officer or Monitoring and Evaluation Officer typically holds the project assurance role [for development projects] on behalf of UNDP.

The Programme Officer is responsible for ensuring projects in their portfolio are prepared and monitored according to POPP and that all projects for which they are responsible for overseeing are properly opened, awarded and operationally closed in Quantum following agreed supporting documents (e.g., Project document, contribution agreements, etc.). This responsibility applies regardless of the implementation arrangements for the project.

Programme Officers may also be Approving Managers where the Head of Office has assurance that these staff members have strong knowledge of UNDP procurement rules and **can independently review the authority exercised by the Project Manager**. However, Programme Officers may not have both Project Manager and Approving Manager profiles.

|  |  |
| --- | --- |
| **Programme Officer: Internal Control Responsibilities** | **Performed within the**  **office (for all offices)** |
| * Independent project monitoring across a portfolio of projects, including overseeing project planning & budget entry; monitoring project implementation & supporting documentation; ensuring contribution agreements are recorded timely and contributions receivable are followed-up; and ensuring timely operational project closure |  |
| **Quantum profile – General User** | |

The Programme Officer’s responsibilities are comprehensively articulated in the POPP (refer [POPP Programme](https://popp.undp.org/taxonomy/term/36) [and Project Management](https://popp.undp.org/taxonomy/term/36); and sub-sections [provide oversight](https://popp.undp.org/node/11371) and [selecting an implementing partner](https://popp.undp.org/node/11526).) Key responsibilities are highlighted below on key internal control considerations in the programme and project management cycle that will help Programme Officers with their project monitoring role.

| **Programme Officer responsibilities** |
| --- |
| **1. Project monitoring from planning, through implementation, to closure** |
| * **Planning:** Creating a proposal in Quantum, though data entry may be delegated; preparing and clearing the project’s annual work plan (i.e., inputs, activities, and outputs); ensuring projects are planned and approved according to POPP; ensuring project procurement plans are prepared and submitted. * **Budgeting:** Entering multi-year budgets into Quantum if the project continues for more than a year, based on approved documents (e.g., project documents, contributions agreement, resource planning framework, institutional budget issued, etc.) before submitting the budget to the programme manager (programme manager is defined as UNDP RR (or delegated authority) who approves and signs the project document). |
| * **Implementation:** (i) Monitoring whether project activities, commitments, and expenses align with the project’s annual work plan, including progress toward outputs and outcomes; (ii) Managing and monitoring advances issued to implementing partners; (iii) Visiting project sites and reviewing project narrative and financial reports; (iv) Ensuring that project assets are properly maintained and recorded. * **Revenue management:** (i) providing signed contribution agreements (or project documents for government cost-sharing) to Finance staff to submit to the BMS/GSSC to record contribution information on a timely basis; and (ii) ensuring donor requirements are adhered to, including payment schedules of contributions and accounts receivable. **Important Accounting Alert!** Delayed submission of signed agreements to BMS/GSSC at year-end can result in a material misstatement of UNDP’s revenue in the financial statements and could lead to an audit qualification. **It is critical that Programme Officers ensure that signed agreements are submitted to Finance staff for uploading to the BMS/GSSC as soon as they are signed.** * **Closure:** Ensuring that proper operational closure of projects in Quantum occurs on a timely basis according to agreed supporting documents. BMS/GSSC is responsible for the financial closure of projects. (Refer to the Quantum Project Closure Workbench to be used as per POPP [Financial Closure of Development Projects Project Closure Workbench](https://intranet.undp.org/unit/ofrm/fbp/fbat/_layouts/15/WopiFrame.aspx?sourcedoc=/unit/ofrm/fbp/fbat/Shared%20Documents/Project%20Closure/UNDP_Project_Closure_Workbench%20-%20Introduction%20(Guide).pdf&action=default). * **Document management:** Maintaining, filing, and managing copies of all key documents relating to the projects (e.g., project documents, contributions agreements, and audit reports). |

## Trust Fund Manager

Under financial rule 108.01(b), the Associate Administrator has authority to establish trust funds and sign trust fund contribution agreements. The Associate Administrator may further delegate this authority to the relevant Regional or Central Bureau Director or to a Head of Office who, in turn, may appoint a ‘Trust Fund Manager’ when a trust fund is established.

The Trust Fund Manager is accountable for the management of trust funds in accordance with UNDP’s financial regulations, rules, policies, and procedures. The accountability for managing trust funds normally resides with the Head of Office, but they may delegate their authority to another staff member, as long as they communicate this delegation to the Associate Administrator and to the Comptroller. The Trust Fund Manager remains responsible for monitoring the authorities exercised. Similarly, while the Trust Fund Manager may delegate tasks to staff under his/her supervision, the Trust Fund Manager retains overall accountability. **Only UNDP staff members may be designated as a Trust Fund Manager.** The Trust Fund Manager’s responsibilities are articulated in [POPP Trust Fund Management](https://popp.undp.org/node/11661).

Fund Manager is a supplementary role in Quantum that is granted to facilitate issuance of ASLs under Trust Funds, Vertical Funds, and other HQ-managed functions. All Fund Manager access requests must be cleared by BMS/OFM.

|  |  |
| --- | --- |
| **Trust Fund Manager: Internal Control Responsibilities** | **Performed within the office (for all offices)** |
| * Concludes contribution agreements with donors & ensures timely receipt of   contributions |  |
| * Effectively manages trust fund resources in compliance with UNDP’s financial regulations, rules, policies, and procedures, including maintaining a resource plan; ensuring consistency between project activities and the trust fund terms of reference; ensuring that allocations are not made beyond available resources; and that all activities relating to the trust fund are accurately recorded |  |
| * Ensures timely and accurate reporting & monitoring in compliance with the trust fund agreement |  |
| * Ensures timely trust fund closure, including for inactive funds, in accordance   with [POPP Financial Closure of Trust Funds](https://popp.undp.org/node/10806) |  |
| * Oversees cost sharing projects under cash-controlled open trust funds |  |
| **Quantum profile – supplemental profile of Fund Manager** | **Must be a UNDP staff member** |

**All new trust funds must be cleared** by headquarters and approved by the Associate Administrator. Requests for clearance of the TORs and the contribution agreements should be submitted to BMS/Office of Legal Services or [cosupport@undp.org.](mailto:cosupport@undp.org)

Under certain circumstances, there may be cost-sharing (C/S) projects under open trust funds (e.g., GEF, Funding Windows). Although C/S projects under open trust funds have been created through separate C/S agreements, the underlying Trust Fund Manager still has the responsibility of overseeing fund management and reporting requirements as long as such C/S projects are funded through the said trust fund. In light of Regional Bureaus’ accountability for oversight of the performance of offices within their regions, Trust Fund Managers should collaborate with Regional Bureaus in the identification and resolution of any programmatic and/or operational performance issues related to such projects.

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| **Why is it important for Project Managers, Programme Officers, and Trust Fund Managers to closely**  **monitor revenue?** | |
| 1. **UNDP’s annual financial statements may be misstated and potentially qualified** if revenue is not recorded timely due to delayed submission of agreements to the BMS/GSSC; late reporting of invoice events to the BMS/GSSC; late billing for services provided to third parties; and/or the inclusion of uncollectible receivables. 2. **Delayed programme implementation and potential loss of donor confidence** if contributions received remain in unapplied deposits for extended periods due to late submission of contribution agreements to the BMS/GSSC. 3. **Delayed programme implementation and possible loss of revenue** if accounts receivable is not followed up and collected on a timely basis. | |
| **Guidance resources:**   * [POPP Pipeline & Revenue Management](https://popp.undp.org/taxonomy/term/106) * [POPP Resource Planning & Cost Recovery](https://popp.undp.org/taxonomy/term/116) |  |

# Procure & Pay Internal Control Roles

The POPP sections [Programme and Project Management;](https://popp.undp.org/taxonomy/term/36) [Procurement;](https://popp.undp.org/taxonomy/term/186) and [Financial Resources Management](https://popp.undp.org/taxonomy/term/76) comprehensively articulate the roles and responsibilities of those involved in Procure & Pay activities, including Project Managers (first authority), Buyers, Supplier Maintenance and Supplier Approvers, Approving Managers (second authority), Disbursing Officers (third authority) and Bank Account Signatories. This section of the Guide provides an overview of the key internal control responsibilities fulfilled by these roles (except Project Manager, which is described in section 4.1).

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| 4.1 Project Manager (first authority) | 5.1 Procurement Buyer | 5.2 Supplier Maintenance |
| 5.3 Supplier Approver | [5.4 Approving Manager (second](#_bookmark22) authority) | 5.5 Disbursing Officer (third [authority)](#_bookmark23) |
| 5.6 Bank Account Signatory |

Three of these roles – Project Manager, Approving Manager, and Disbursing Officer – exercise authority for UNDP procurement, commitments, expense[[4]](#footnote-5) and disbursement transactions. These three roles are especially important to internal control and equate to the three orders of authority set forth in financial regulation 20.02.

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| **First authority – Project Manager** | **Second authority – Approving**  **Manager** | **Third authority – Disbursing**  **Officer** |
| The first authority, referred to herein as the ‘project manager,’ has the primary responsibility for managing the resources being spent. This person approves e- procurement requisitions for  purchase order (PO) transactions, requests for non-PO payments for non-PO transactions, and requests for prepayments. This authority equates to the **‘committing officer’** in financial regulation  20.02 (a). | The second authority, referred to herein as the ‘approving  manager,’ approves POs, non-PO payment invoices for non-PO transactions, and prepaid invoices. This authority equates to the **‘verifying officer’** in financial regulation 20.02 (a).  The Approving Manager must be a  **UNDP staff member.** | The third authority, referred to herein as the ‘disbursing officer,’ authorizes pending disbursements. This authority equates to the **‘disbursement officer’** in financial regulation  20.02 (b).  The Disbursing Officer must be a **UNDP staff member.** |
| **These three authorities must be segregated within the same transaction** | | |
| No single person can exercise both first and second authorities over any one transaction because the second authority acts as an independent check on the first authority and verifies that applicable policies and procedures have been followed. Similarly, the third authority, with an exception to Bank Signatory, must be separate from either first or second authorities.  **Exceptions:** The Comptroller may approve exceptions for small offices or those with special circumstances provided that appropriate compensating controls in place. | | |

## Procurement Buyer

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|  | **Procurement and Supplier Management Processes** | |
| **Procurement Buyer: Internal Control Responsibilities** | **All**  **Offices** | **BMS/GSSC** |
| * For procurement and LTAs for goods services & works: Conducts procurement process and creates POs |  |  |
| * Verification and clean-up of sanctioned vendors (vendors who were sanctioned after being approved) – CO reviews list and sends request to BMS/GSSC to archive |  |  |
| * Clean up of duplicate vendors – BMS/GSSC performs quarterly review and contacts COs to confirm which suppliers to archive. |  |  |
| * **Supplier Registration role** – Buyers can be assigned this supplementary role – provides first review/ approval of supplier portal requests and can also register suppliers in the Supplier Portal directly.   *(Note that Procurement Buyers with the Supplier Registration role cannot approve suppliers since they cannot be assigned the Supplier Maintenance Role (L1 approver) role)* |  |  |
| **Quantum IDAM profile – Procurement Buyer, with supplementary role of Supplier Registration** | **Can be assigned to non-staff personnel** | |

The Procurement Buyer role refers to personnel who conduct procurement (including procurement of individual contractors). **The Head of Office can delegate the Procurement Buyer profile in Quantum IDAM to IPSA and NPSA holders.** Procurement Buyers must have strong knowledge of UNDP procurement policies and must have successfully completed UNDP Procurement Certification Level 1; for new recruits to the Procurement Buyer position, this requirement may be waived by the office for a period not exceeding six months. Procurement Buyers can **create** POs in Quantum. (Procurement Buyers must not approve POs).

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| **Procurement Buyer - Responsibilities** |
| **1. For procurement and Individual Contracts (ICs): Procurement Buyers conduct the procurement process and creates POs in all offices.** |
| A Procurement Buyer must be designated for every PO. The name of the Procurement Buyer is attached to the PO in Quantum. The Procurement Buyer:   * Undertakes procurement only on the basis of an approved requisition. * Conducts the procurement and contracting process according to POPP (see [procurement](https://popp.undp.org/taxonomy/term/186)) and maintains associated documentation.   For LTA procurement, the Procurement Buyer performs the following actions: (i) developing and executing sourcing strategy based on the description of needs/ToR/specs provided by the Requesting Office; (ii) signing and executing the LTA contract; (iii) registering the supplier/contract in Quantum; (iv) providing end- user support; and (v) managing procurement protests. The Requesting Office performs: (i) contract evaluation; (ii) requisition and PO processing; and (iii) supplier/contractor performance analysis.   * Ensures that the shipping terms and the payment terms outlined in the contract comply with POPP (see [contract management](https://popp.undp.org/node/10541) and [payment and taxes](https://popp.undp.org/node/11231)). * Obtains a written justification from the Project Manager where the procurement process did not comply with POPP, then brings the exception to the attention of the Approving Manager prior to approval of the PO. * Reviews supporting documentation received from the supplier and the shipper, to verify that that the supplier has passed the goods over to the shipper. * Follows up with both the supplier and shipment carrier if necessary and notifies the requester and/or the Programme Manager about the shipment, so that the requester knows when to expect the physical receipt of the goods. * Forwards payment information to the finance unit to pay the supplier payment. |
| **3. Creates Supplier Registration Link** |
| After completing the procurement process, the Procurement Buyer identifies a new supplier and then generates and sends the Self-Registration link to the Supplier who submits information via the Supplier Portal. Supplier registration can be done directly in the Supplier Portal by the Supplier or by the CO/HQ office. In all cases, CO/HQ staff with Supplier Maintenance roles (**not** the Procurement Buyer) perform the Level 1 supplier approval. BMS/GSSC performs the Level 2 supplier approval for all CO supplier registrations, while HQ offices perform their own Level 2 supplier approvals. Refer to POPP on Supplier Management for more information. |
| **4. Reviews supplier data on a quarterly basis, including performing updated sanctions checks** |
| The Procurement Buyer must perform quarterly review and clean-up of supplier profiles, **including reviewing existing suppliers for sanctions status changes in accordance with** [POPP Supplier Management](https://popp.undp.org/node/11611).  **For offices with clustered supplier management processes:** The BMS/GSSC performs a quarterly review of supplier data to check for duplicate suppliers, while the Procurement Buyer in the Requesting Office performs the quarterly review for supplier sanctions based on a supplier data list sent by the BMS/Office of Procurement. **For HQ offices,** the Procurement Buyer should follow POPP on Supplier Management to review and clean up supplier data on a quarterly basis.  With the transition to Quantum, duplicate vendors should not arise. The Oracle Cloud system prevents the registration of a vendor with the same name, tax ID or bank details as an existing vendor. BMS is taking the lead on cleaning up any remaining UNDP duplicate vendors that arose during the conversion (the vast majority of duplicate Atlas vendors were cleared by BMS/GSSC in 2021 and 2022, in collaboration with COs and RBs). |

## Supplier Maintenance

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| **Office Type** | **All Offices** |
| **Supplier Maintenance: Internal Control Responsibilities** |  |
| * Staff member with Supplier Maintenance role supports supplier registration through Supplier Portal or through Internal Registration, uploads and reviews all documents for completeness, maintains supplier details, and initiates promotion of Prospective Suppliers to Spend/Authorized. |  |
| **Quantum profile – Supplemental role: Supplier Maintenance (Level 1 approver)** | **Must be UNDP staff member** |

The Supplier Maintenance role is performed by staff members who authorize the establishment of a Supplier in Quantum. Only UNDP staff members may be assigned the Supplier Maintenance role. For COs, the Supplier Maintenance role performs the Level 1 supplier approval (which is different from the Approving Manager L1 Manager role). The BMS/GSSC Supplier Approver role performs the Level 2 Supplier approval.

COs should limit the assignment of Supplier Maintenance roles to two for offices with annual delivery below $50 million, and three for COs whose annual delivery is above $50m. Based on their knowledge of the country office context and business, the role of the Level 1 approver is to validate the legitimacy of the supplier request, and to review all documents for completeness before executing the Level 1 approval in Quantum. As noted previously, the Supplier Maintenance Role has access to, and control over the suppliers' banking details. It is therefore a highly sensitive role that must be executed by a staff member with diligence and care, otherwise it may result in payment errors and/or potential financial losses to the organization (i.e., fraud). This role is not necessarily required to be fulfilled by DRRs/OMs; however, the RR/Head of Office shall take the abovementioned risk management considerations into account when deciding who to assign this role to and shall document their rationale. The Supplier Maintenance Role cannot create invoices.

HQ offices should limit the number of Supplier Maintenance roles to no more than two staff members.

**To achieve adequate segregation of duties,** staff assigned the Supplier Maintenance role should not be able to create POs or payment vouchers, nor prepare the bank reconciliation. Where only one bank account signatory is designated for a bank account, the signatory cannot hold a Supplier Maintenance role.

## Supplier Approver

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| **Office Type** | **Country Offices - Supplier management**  **processes** | |  | **HQ Offices** |
| **Supplier Approver: Internal Control Responsibilities** | **Requesting**  **Office** | **BMS/**  **GSSC** |
| * Staff member with Supplier Approver role performs Level 2 supplier approval in Quantum after confirming that supplier data is complete; the supplier is legitimate and not sanctioned; supplier banking details have been entered correctly in Quantum; and a valid supplier email address exists. |  |  |  |
| **Quantum profiles – Supplemental roles: Supplier Approver (Level 2 approver)** | **Must be UNDP staff member** | | | |

The Supplier Approver role is performed by staff members who authorize the establishment of a supplier in Quantum. Only UNDP staff members may be assigned the Supplier Approver role. For COs, the BMS/GSSC performs the Level 2 supplier approval. Refer to POPP on Supplier Management

**Emergency Transaction Processing in Offices with clustered supplier management processes:** The Head of the Requesting Office should designate a Supplier Approver who is authorized to perform the Supplier Approver role in emergency situations in which the BMS/GSSC has communicated that it cannot process a transaction in time. In this case, the procedures for the processing of emergency transactions should be followed, as described in the [GSSC SOP Client Critical & Emergency Transactions](https://undp.sharepoint.com/teams/GSSU/Contact_Centre/Contact%20Centre%20Document%20Library/Forms/AllItems.aspx?OR=Teams%2DHL&CT=1640294916048&id=%2Fteams%2FGSSU%2FContact%5FCentre%2FContact%20Centre%20Document%20Library%2F01%5FSOPs%2FSOP%5FCritical%20and%20emergency%20case&viewid=b258c3f7%2D2974%2D4922%2D8b86%2De902e3c3da3c). For emergency transactions, large offices whose previous year delivery is above $50 million per year are permitted to have three Supplier Approver supplementary roles, while small offices whose previous year delivery is below $50 million should assign the role to no more than two staff members.

For HQ offices who have non-clustered supplier management processes, the Head of Office must specifically assign no more than two Supplier Approver roles to staff members to perform the Level 2 supplier approvals for the office. Exceptions to these limits must be approved by the Treasurer on the basis of a fully justified request, and the Treasurer’s approval thereof should be included as supporting documentation with the IDAM access request.  Refer to POPP on Supplier Management

**To achieve adequate segregation of duties,** Supplier Approvers should not be able to create POs or payment invoice, nor prepare the bank reconciliation. Where only one bank account signatory is designated for a bank account, the signatory cannot be a Supplier Approver. Quantum allows for Supplier Approvers to create and update suppliers but the system ensures that the suppliers they create/update are approved by a different Supplier Approver.

## Approving Manager (second authority, verifying officer)

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| **Office Type** | **Country offices** | |  | **HQ divisions with non- clustered processes** |
| **Approving Manager (second authority, verifying officer): Internal**  **Control Responsibilities** | **Requesting**  **Office** | **BMS/**  **GSSC** |
| * Procurement: approves Purchase Orders in Quantum, including signing POs, contracts for goods, services or works; & all PSA’s |  |  |  |
| * PO 3-way exceptions – approves exception overrides |  |  |  |
| * Payments – performs 2nd review on high value PO invoices |  |  |  |
| * Payments – approves non-PO payment invoice in Quantum according to threshold levels. *Note that in Quantum, when the micro-purchasing canvas form is filled in, Quantum automatically creates a PO* |  |  |  |
| * Zero Dollar Invoice (ZDI) – approves ZDI in Quantum (limited to Manager Level 2 and Senior Manager) |  |  |  |
| * Prepayments – approves prepaid invoice in Quantum |  |  |  |
| **Quantum profile – Manager Level 1, Manager Level 2, or Senior Manager** | **Must be a UNDP staff member** | | | |
| * GLJEs – approves GLJEs (GLJE Approver) |  |  |  |  |
| **Quantum Supplementary Role – GLJE Approver – Assigned to Manager Level 2 or Senior Manager in COs and HQ offices** | **Must be a UNDP staff member** | | | |

The ‘Approving Manager’ (second authority, verifying officer) role refers to the staff member who independently reviews the authority exercised by the Project Manager (first authority, committing officer), verifies that applicable policies and procedures have been followed, and approves POs, non-PO payment invoices, and prepayment invoices. The Approving Manager’s responsibility includes reviewing and approving all payments by inspecting supporting documentation and ensuring the validity and accuracy of payments and ensuring compliance with procurement rules - this responsibility rests with the Approving Manager and not the Disbursing Officer.

Approving Managers are formally designated by the Head of Office (or BMS/GSSC for clustered processes) on behalf of the UNDP CFO and must be UNDP staff members. Second authority cannot be further delegated, per financial rule 122.01. **Any exceptions must be approved by the CFO, on a case-by-case basis, based upon full justification and the application of appropriate controls by the respective office.** The Head of Office must also confirm with these staff members that they understand the requirements of POPP regarding procurement, including ensuring that the ACP or the RACP approval has been sought and granted prior to approving POs that exceed the threshold of approval of the office.

**For offices with clustered accounts payable processes,** the Head of Office appoints the Approving Manager to approve POs and to clear non-PO payments at the CO level. Quantum automatic validation rejects any invoices that fail either the 3-way match or the budget check and the requestor (as specified by the supplier or the invoice creator) must resolve these errors or request an override from the Approving Manager. The BMS/GSSC also performs sample reviews on invoices below established thresholds prior to running the pay cycle, oversees the Quantum Accounts Payable ledger for clustered offices, and liaises with the Requesting Office as appropriate for resolution of aged payables balances.

Non-PO Invoices are routed to CO for first approval and BMS/GSSC for second approval. Below established thresholds, they flow to pay-cycle as soon as the Approving Manager in the CO/Office has approved. BMS/GSSC performs sample checks at the pay cycle stage, including for lower value transactions.

**For offices with non-clustered accounts payable processes,** the Head of Office appoints the Approving Manager to approve POs and non-PO payments and prepayments and travel requests. The Head of Office designates the Approving Manager with the override exceptions function to review and approve exception overrides.

Approving Managers should include, at minimum, the RR, one or more of the DRRs, and the Operations Manager (or their equivalent in an HQ office). Key to exercising oversight over UNDP projects, the Head of Office may also appoint Programme Officers as Approving Managers to **review independently the authority exercised by the Project Manager**. In such cases, the Programme Officers must have strong knowledge of UNDP procurement rules and the support of the RR and DRR(P) in exercising project oversight tasks. The Head of Office’s formal written designation of Approving Managers should be securely filed.

This designation as Approving Manager by the Head of Office authorizes the staff to enter into contracts on behalf of UNDP, that is, **to approve and sign POs, travel authorizations, and contracts for works**. The designation should describe precisely the responsibilities and the authorities of an Approving Manager, such as the authority to approve POs, non-PO payments, and prepayments up to certain thresholds (see below for thresholds for Senior Manager, Manager Level 2 and Manager Level 1). The Head of Office must also confirm with these staff members that they understand the requirements of POPP regarding procurement, including ensuring that the ACP or the RACP approval has been sought and granted prior to approving POs that exceed

the threshold of approval of the office. The Approving Manager (L1-2/SM) approves the payment for travel as a standard AP item in Quantum.

**Emergency transaction processing in Offices with clustered Accounts Payable processes:** The Head of the Requesting Office should designate Approving Managers who are authorized to execute the second authority for non-PO payments and prepayments in emergency situations in which the BMS/GSSC cannot process a transaction in time. In this case, the procedures for the processing of emergency transactions should be followed, as described in the [GSSC SOP Client Critical & Emergency Transactions](https://undp.sharepoint.com/teams/GSSU/Contact_Centre/Contact%20Centre%20Document%20Library/Forms/AllItems.aspx?OR=Teams%2DHL&CT=1640294916048&id=%2Fteams%2FGSSU%2FContact%5FCentre%2FContact%20Centre%20Document%20Library%2F01%5FSOPs%2FSOP%5FCritical%20and%20emergency%20case&viewid=b258c3f7%2D2974%2D4922%2D8b86%2De902e3c3da3c).

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| **Types of Approving Managers & their Approval Thresholds**  **(must be UNDP staff members at the national officer or international level)** | | |
| **Senior Manager** | **Manager Level 2** | **Manager Level 1** |
| * No Quantum approval limit, follow authority limits prescribed by CPO in POPP and any threshold set by Head of Office (see [financial roles](https://popp.undp.org/node/4681)) * CPO pre-approval required for transactions that exceed Senior Manager limits prior to Senior Manager approving in Quantum | * Quantum Approval Limit: US$ 50,000 | * Quantum Approval Limit: US$ 10,000 * **Flexibility allowed** to broaden staff able to undertake 2nd authority approvals: 2nd authority approving role may be delegated to GS7 staff members in **large offices** and GS6 staff members in the BMS/GSSC, and if approved by the CFO, BMS/GSSC GS5 staff members for low value transactions |
| **Exclusions & Exceptions** | | |
| **Exclusions:** The above Approving Manager thresholds do not apply to payments such as national implementation (NIM) advances, direct budget support, payments under LOAs, memoranda of understanding (MOUs) and memoranda of agreement (MOAs), and small grants issued to implementing partners that do not relate to procurement. These approvals must be performed by the Head of Office, or the DRR, based on the underlying agreements. | | |
| **Exception:** As second authority, Approving Managers must be independent of the Project Manager (first authority) and the Disbursing Officer (third authority). Therefore, in rare circumstances, where a staff member is both a Project Manager and an Approving Manager, they should not approve POs and non-PO payments [or prepaid invoices] for their own projects. **There is one possible exception: Where the Project Manager is also the Head of Office.** In this situation, it may not be realistic to expect an Approving Manager, who reports to the Head of Office, to act as an independent check to the actions of the Head of Office, given their fiduciary relationship. | | |

The internal control responsibilities of the Approving Manager include:

| **Approving Manager – Responsibilities** |
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| **1. Approving POs** |
| The Approving Manager approves POs after performing the review steps outlined in the [POPP Purchase Orders (Commitments, Maintenance & Closure)](https://popp.undp.org/node/11376).  The staff member (whether in the BMS/GSSC or a local office) who approves the PO in Quantum is committing UNDP and is accountable for compliance with UNDP procedures. Therefore, UNDP does not require a separate signature on the hard copy PO. However, most suppliers require a signed PO as evidence that UNDP has authorized the commitment, and so the staff member who approved the PO in Quantum should also sign the PO, contract for services or works. *(Note: In any event, the accountability remains with the staff member who approved the PO in Quantum).* Copies should be securely filed. No signature is required if the Supplier can accept an electronic PO dispatched from Quantum. |
| **2.** **Approving Quantum PO 3-way match overrides** |
| The automated three-way matching process is run in Quantum six times per day for PO invoices. If the validation process is successful, the payment is approved automatically and posted to update the accounting entries in the GL. The invoice goes on a System Hold (Needs Revalidation state) when there is a mismatch between the Invoice, Receipt, and the PO. The mismatch could be caused by lack of receipt, amount, or quantity. If the amount (quantity) invoiced is less than or equal to the amount (quantity) received on the PO, then the invoice will be validated and flow to Pay cycle for payment.  **For HQ offices with non-clustered Accounts Payable processes,** should the finance team conclude that an **exception override** needs to be performed in Quantum, it **should be referred to the Approving Manager designated with the override exceptions function for their review and approval**. Operations Managers (or their HQ equivalent) are responsible for on-going monitoring of exception overrides, supported by the Finance Unit. For more guidance on the Quantum matching process and parameters for exercising the override function, refer to [POPP Accounts Payable.](https://popp.undp.org/node/10361)  **For offices with clustered Accounts Payable processes,** the requestor (as specified by the supplier or the invoice creator) must resolve errors on any invoices that fail either the 3-way match or the budget check or request an override from the Approving Manager in the clustered office. |
| **3. Approving non-PO payment invoices (performed by BMS/GSSC for offices with clustered Accounts**  **Payable processes)** |
| The Approving Manager is responsible for approving non- PO payment invoices in accordance with [POPP Accounts Payable.](https://popp.undp.org/node/10361) In Quantum, micro-canvass forms are now filled in Quantum and a touchless PO is automatically created.  The Approving Manager must review supporting documentation in either electronic or hard copy. The list of documents varies depending on the nature of the transaction and the Approving Manager’s assessment of the risk involved. For offices with non-clustered Accounts Payable processes, the Head of Office must provide some guidance on the risk assessment. For offices with clustered Accounts Payable processes, the [BMS/GSSC SOP for Accounts Payable Processing](https://undp.sharepoint.com/:b:/r/teams/GSSU/Contact_Centre/Contact%20Centre%20Document%20Library/01_SOPs/SOP_AP%20voucher/SOP_Voucher%20Processing%20-%20V1.6-Final%20on%2030%20June%202020.pdf?csf=1&web=1&e=51NwkN) is followed. |
| **4. Approving prepayments** |
| The Approving Manager is responsible for ensuring that the prepayment was accurately created, and that the prepayment is appropriate according to the supporting documentation, and payments were made per financial rule 125.11(a). Prepayments are approved by BMS/GSSC for offices with clustered Accounts Payable processes. For further guidance on the requirements for prepayments, refer to [POPP Prepayments.](https://popp.undp.org/node/11291) |
| **5. Approving GLJEs** |
| General Ledger Journal entries are used only for exceptional cases where source modules/sub ledgers cannot be used or need not be impacted. General Ledger journal entries cannot be used for entries that have cost bearing on project level resources and project level accounting. Manager Level 2 or Senior Manager in CO and HQ offices can be assigned the Supplemental GLJE Approver role to approve GLJE’s.  As an alternative process, Zero dollar invoice can be used. Subject to certain criteria, this function in Quantum facilitates adjustments between projects without the need for GLJEs. Refer to the training covering [Zero-Dollar Invoice](https://web.microsoftstream.com/video/e3ef574c-fe50-45e9-a9e6-cc39c0bec550?channelId=c1b407c8-ae9e-41ad-b619-726765e0aa9a).  Approving Managers review, approve, and post GLJEs within their authorized limits. GLJEs should not be approved by the same person who created or edited the GLJE. All GLJEs should be supported by appropriate documentation and these supporting documents should be maintained and securely filed as part of UNDP office records.  Since GLJEs are posted directly in the GL without the built-in checks and balances normally within Quantum sub-modules, it is critical that these be prepared and approved by knowledgeable staff. To discharge their responsibilities effectively, those **staff** who approve GLJEs must be a Senior Manager or Manager Level 2 in operations or finance with knowledge and understanding of key accounting principles and concepts. |

**To achieve adequate segregation of duties,** Approving Managers must not perform the 1st or 3rd authority role on the same transaction in which they fulfil the 2nd authority role.

## Disbursing Officer (third authority, disbursement officer)

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| **Office Type** | **Offices with clustered Fund Disbursement**  **processes** | |  | **HQ offices** |
| **Disbursing Officer (third authority, disbursement officer):**  **Internal Control Responsibilities** | **Requesting**  **Office** | **BMS/**  **GSSC** |
| * Authorize pending disbursements – including reviewing payments against supporting documents, running Payment Process Request (PPR) and uploading payment files prior to release by bank signatories |  |  |   BMS/OFM/  Treasury for HQ offices |
| * Fulfill bank signatory role, including: (i) signing cheques; (ii) signing the transmittal letter to the bank for local EFT interfaces; and (iii) electronically approving payment via the local bank’s software |  |   Performs point (iii) in some  cases |   BMS/OFM/  Treasury for HQ offices |
| **Quantum profile – Disbursement Officer** | **Must be a UNDP staff member** | | | |

The third authority, referred to herein as the ‘disbursing officer,’ authorizes pending disbursements. This authority equates to the ‘disbursement officer’ in financial regulation 20.02 (b). The third authority, with an exception to the Bank Signatory, must be separate from either first or second authorities and must be exercised by a UNDP staff member. **Any exceptions to this requirement must be approved by the Treasurer, copied to the CFO, on a case-by-case basis and based upon full justification and application of appropriate additional controls by the respective office.** For more detailed guidance on making disbursements, refer to the [POPP Disbursing Funds (making payments)](https://popp.undp.org/node/10666).

The ‘Disbursing Officer’ role holds third authority in the requisition to payment process, exercised by: (a) authorizing pending disbursements, and/or (b) being the Bank signatory as it relates to the method of payment. The Disbursing Officer:

* **Authorizes pending disbursements** by: (i) Ensuring sufficient funds in the relevant bank account; and (ii) Reviewing the consistency of currency and amount between approved voucher and letter of instruction to the bank/cheque when manually prepared. *(Note: UNDP Chequewriter software should be used for cheque preparation unless the cheque issuance is an emergency (e.g., under conditions when it is not possible to run pay-cycle));* ***AND/OR***
* **Exercises the role of Bank Signatory** as it relates to the method of payment including: (i) Signing cheques;(ii) Signing the transmittal letter to the bank for local EFT interfaces; and (iii) Electronically approving payment via the local bank’s software.

For HQ units, the third authority role is fulfilled by BMS/OFM/Treasury. For offices with clustered Fund Disbursement processes, the BMS/GSSC Disbursing Officer authorizes all pending disbursements (i.e., fulfils part (a) above), including reviewing payments against supporting documents, running the PPR, checking availability of funds, approving the PPR, uploading payment files onto banks’ online portal, dependent on the online banking regulations of the country.

The Requesting Office (Country Office) Disbursing Officer designated by the Head of Office performs the bank signatory role (i.e., fulfills part (b) above) for all local CO banks based on payment files prepared and uploaded by the BMS/GSSC. As the bank signatory, the Country Office Disbursing Officer reviews and: (i) signs cheques; (ii) signs the transmittal letter to the bank for local EFT interfaces; and/or (iii) electronically approves payment via the local bank’s software. The Country Office Disbursing Officer does not have access to upload, alter, or modify any payment information prepared by the BMS/GSSC, but can reject the payment to be reworked by the BMS/GSSC. In some cases, the Requesting Office requests the BMS/GSSC to perform point (iii) above – that is, electronically approve payments via the local bank’s software

**Emergency Transaction Processing in Offices with clustered Disbursement Processes:** The Head of the Requesting Office should appoint Disbursing Officer(s) to fulfill the entire third authority role (to authorize pending disbursements, release EFTs and/or exceptionally sign manual cheques) in emergency situations in which the BMS/GSSC cannot process a transaction in time. In this case, the procedures for the processing of emergency transactions should be followed, as described in the [GSSC SOP Client Critical & Emergency Transactions](https://undp.sharepoint.com/teams/GSSU/Contact_Centre/Contact%20Centre%20Document%20Library/Forms/AllItems.aspx?OR=Teams%2DHL&CT=1640294916048&id=%2Fteams%2FGSSU%2FContact%5FCentre%2FContact%20Centre%20Document%20Library%2F01%5FSOPs%2FSOP%5FCritical%20and%20emergency%20case&viewid=b258c3f7%2D2974%2D4922%2D8b86%2De902e3c3da3c).

## Opening, Closing of a Bank Account and Bank Account Signatory

Only the Treasurer has the authority to open and close UNDP bank accounts whether at HQ or in Country Offices. Country Offices must obtain Treasurer prior approval to open or close a bank account and consult with the Treasurer to open or close a bank account in case of local emergencies. Refer POPP – “[Opening and Closing of Bank Accounts.”](https://popp.undp.org/node/11176)

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Office Type** | **Offices with clustered and non-clustered Fund Disbursement processes** | |  | **HQ and Agencies’ administered Bank Accounts** |
|  |  | |
| **Bank Account Signatory (must be approved by** | **Requesting** | **BMS/GSSC** |
| **Treasurer): Internal Control Responsibilities** | **Office** |  |  |
| * (i) Signs cheques; (ii) signs transmittal letters to the |  |   Performs point (iii) in  some cases |   BMS/OFM/  Treasury for  HQ units |
| bank for local EFT interfaces; and/or (iii) approves payments electronically via the local bank’s software. |
| **Quantum profile – N/A** | **Must be a UNDP staff member** | | | |

The Bank Account Signatory role refers to staff members who sign cheques or transmittal letters to the bank for local EFT interfaces and approve payments electronically via the local bank’s software. This role is exercised outside Quantum upon completion of approval of a disbursement in Quantum, ensuring full due diligence. While only the Treasurer can open and close UNDP bank accounts and designate the initial signatories to operate UNDP bank accounts, the RR has delegated authority from the Treasurer to **designate staff members, including locally recruited staff,** to serve on the signatory panel of local UNDP bank account(s). These delegations should be maintained and securely filed. The number of bank account signatories should be kept to a minimum, but there must be adequate coverage during absences from the office. For further guidance, refer to [POPP Designation and Responsibilities of Signatories](https://popp.undp.org/node/10636).

**Only UNDP staff members can be designated a Bank Account Signatory and once appointed by the RR, cannot be further delegated.** To ensure adequate controls, Bank Account Signatories should note the following:

* All processes and responsibilities for administering local bank accounts, including rules regarding deposits, withdrawals, distributions, or wire transfers of funds, must be observed.
* Unused blank cheques must be kept in an office safe and may be accessed only by staff who are authorized to prepare checks but do not themselves have signatory authority.
* Unless otherwise authorized, no staff should sign cheques for which they are themselves the beneficiary.
* Pre-signing blank cheques is prohibited.
* Signatories who have changed duty station should be promptly removed from the bank signatory panel.

**To achieve segregation of duties,** Bank Account Signatories must not prepare the bank reconciliation, nor create A/P invoices or deposits. Additionally, where only one bank account signatory is authroized for the bank account, the signatory cannot also hold Supplier Maintenance or Supplier Approver roles.

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| **Why is it important for all offices to closely monitor Procure & Pay activities?** | |
| * **Unauthorized or inappropriate expenses** may be incurred if proper segregation of duties between the first, second and third authorities is not respected and/or if buyers receipt goods or services. | |
| * **UNDP’s annual financial statements may be misstated and potentially qualified** if expenses are not recorded completely and timely because of inaccurate or delayed receipting of goods, services or works. | |
| **Guidance resources:**   * [POPP Procurement](https://popp.undp.org/taxonomy/term/186) * [POPP Expense Management](https://popp.undp.org/taxonomy/term/111) |  |

# Travel Internal Control Roles

All individuals traveling on official business organized and due to be paid by UNDP must submit a Travel Request in UNall to secure approval to incur travel expenses and undertake travel. The PO/invoices created based on the travel request approved in UNall are processed and approved in Quantum. This section of the Guide provides an overview of the key internal control responsibilities fulfilled by the Travel Arranger, the Travel Processor and the Travel Approver. Further information can be found in [POPP Duty Travel](https://popp.undp.org/taxonomy/term/296).

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| 6.1 Travel Arranger | 6.2Travel Processor | 6.3 Travel Approver |

**To ensure segregation of duties,** the level one (Travel Processor) and level two (Travel Approver) approval role must be fulfilled by a different individual.

## Travel Arranger (in UNall)

|  |  |
| --- | --- |
| **Office Type** | **All Offices** |
| **Travel Arranger: Internal Control Responsibilities** | **Travel Arranger** |
| * Creates and submits travel requests |  |
| * Submit travel claims |  |
| **IDAM/UNall profile – Travel Arranger** |

Per POPP Authorizing Official [Duty Travel](https://popp.undp.org/node/4071), Travel Request creation can be done by the traveler or the travel arranger (who may also be the travel processor).

## Travel Processor (in UNall)

|  |  |
| --- | --- |
| **Office Type** | **All Offices** |
| **Travel Processor: Internal Control Responsibilities** | **Travel Processor** |
| Reviews submitted travel requests and claims to ensure compliance with the travel policy, budget is available, and COA is correct, and processes in UNall. |  |
| **IDAM/UNall profile – Travel Processor** |

Travel Processors are assigned the ‘Travel Processor’ supplemental role in UNall through IDAM. They are responsible for ensuring that Travel Requests comply with policy, that sufficient budget is available, and that the COA is correct before processing the Travel Request in UNall. For more guidance on duty travel processing refer to [POPP Authorizing Official Business Travel](https://popp.undp.org/node/10446) and the UNAll Guide.

## Travel Approver (Approving Manager in Quantum)

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| --- | --- |
| **Travel Approver: Internal Control Responsibilities** | **Travel Approver** |
| Approves the Travel related Quantum Invoice and PO |  |
| **IDAM/Quantum profile – Approving Manager (Senior Manager, Manager Level 2, Manager Level 1)** | **Must be a UNDP staff member** |

After the Travel Request is processed in UNAll by the Travel Processor, the related PO and invoice is approved in Quantum by the Travel Approver. As per [POPP Authorizing Official Business Travel](https://popp.undp.org/node/10446), the Travel Approver: (i) approves the validity of travel as official and authorized; (ii)Validates the travel requirement is based upon the latest possible arrival and the earliest possible departure time; (iii) Approves delegations of two or more staff in a similar substantive role, per Bureau to participate in UN meetings; (iv) Certifies that there are no alternative means which are feasible to meet the objectives of the proposed travel; (v) Responsible for controlling the level of travel in accordance with budget and greening goals; and (vi) Confirms usage of COA.

The Travel Approver role is usually fulfilled by staff members that the Head of Office has designated as an Approving Manager (Manager Level 1, Manager Level 2, or Senior Manager). Travel Approvers must approve (2nd authority) duty travel in accordance with POPP and thePOPP Authorizing Official Business Travel UNAll guide on Travel.

**Ticket reconciliation and payment:** **For offices with clustered Fund Disbursement processes,** the BMS/GSSC runs the Paycycle to generate the payment to the traveler after the travel request has been approved in Quantum. Once invoices have been received from the Requesting Office’s travel agent, the BMS/GSSC also performs the ticket reconciliation against the PO in Quantum and processes and reconciles cash advance refunds from travelers. Alternatively, offices may arrange for their supplier to submit travel ticket invoices through the supplier portal, at which point they will be routed to the travel processor for review and then to BMS/GSSC for approval if >$5,000. The BMS/GSSC also performs sample review on travel ticket invoices below $5,000 prior to disbursement. For more information, refer to the [GSSC SOP Air Ticket Reconciliation](https://undp.sharepoint.com/:b:/r/teams/GSSU/Contact_Centre/Contact%20Centre%20Document%20Library/01_SOPs/SOP_Air%20ticket/SOP_Air%20Ticket%20Reconciliation%20for%20CO-Final_(4%20Oct%202019)%20(2).pdf?csf=1&web=1&e=Cn7qDr).

# Asset & Inventory Management Internal Control Roles

The POPP sections [Asset Management](https://popp.undp.org/taxonomy/term/266) and [Inventory Management](https://popp.undp.org/taxonomy/term/81) describe the roles and responsibilities of those involved in asset and inventory management, including the Asset Manager, Asset Focal Point, Fixed Asset Physical Verification Coordinator, Inventory Manager, Inventory Focal Point, and Inventory Physical Count Coordinator. This section of the Guide provides an overview of the key internal control responsibilities fulfilled by these roles. Based on service requests submitted by all UNDP offices, the BMS/GSSC records asset and inventory accounting entries in Quantum, including adjustments that may be necessary following periodic physical asset verifications and inventory counts.

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| --- | --- | --- |
| [7.1 Asset Manager](#_bookmark29) | [7.2 Asset Focal Point](#_bookmark30) | [7.3 Fixed Asset Physical Verification Coordinator](#_bookmark31) |
| [7.4 Inventory Manager](#_bookmark32) | [7.5 Inventory Focal Point](#_bookmark33) | [7.6 Inventory Physical Count Coordinator](#_bookmark34) |

## Asset Manager

|  |  |  |
| --- | --- | --- |
| **Office Type** | **Globally Clustered**  **Process** | |
| **Asset Manager (normally Operations Manager): Internal Control Responsibilities** | **All Offices** | **BMS/**  **GSSC** |
| * Conducts overall asset administration, monitoring & reporting |  |  |
| * Physically safeguards management assets |  |  |
| * Submits all asset transaction service requests to the BMS/GSSC |  |  |
| * Performs all asset accounting in Quantum, including entering asset transactions as well as recording adjustments based on asset counts |  |  |

The Asset Manager role, normally held by the Operations Manager (or the HQ office equivalent), is responsible for the overall management of assets. This person ensures that monitoring, reporting and follow-up actions, if necessary, take place for assets, and authorizes asset transactions for processing by the BMS/GSSC. Specifically, the Asset Manager is responsible for: (i) authorizing all asset transactions services requests for BMS/GSSC to process in Quantum; (ii) physically safeguarding management assets; and (iii) reviewing the mid-year and year-end asset certification letters prior to signature by the Head of Office and onward submission to BMS/General Operations.

The BMS/GSSC performs all asset management and accounting transactions in Quantum for all UNDP offices globally, based on service requests authorized by the office Asset Manager and submitted to the BMS/GSSC. This includes processing asset additions, disposals, adjustments, transfers, impairments, recategorizations, and lease recording and accounting.

**To ensure adequate segregation of duties**, the Asset Manager (normally the Operations Manager) should not perform the duties of the Fixed Asset Physical Verification Coordinator.

## Asset Focal Point

|  |  |
| --- | --- |
| **Asset Focal Point: Internal Control Responsibilities** | **Performed within the**  **office (for all offices)** |
| Conducts day-to-day management of office assets, including ensuring asset acquisitions are properly identified and recorded; assets are physically safeguarded; and asset transactions are promptly reported to the BMS/GSSC for processing. |  |

The Asset Focal Point role refers to the individual designated by the Head of Office to perform day-to-day management of assets according to [POPP Asset Management](https://popp.undp.org/node/11361) and periodic financial closure instructions issued by BMS. The Asset Focal Point must have knowledge of the Quantum asset module, the BMS/GSSC service request submission platforms, and internal control procedures. For practical reasons, units with personnel located in several floors or buildings should designate more than one Asset Focal Point.

**To achieve adequate segregation of duties**, the Asset Focal Point must not be the Asset Physical Verification Coordinator and must not be part of the asset physical verification team.

Specifically, the Asset Focal Point is responsible for ensuring that the relevant asset details are entered in the Quantum Asset Module on a timely basis, assets are tagged, the movement of assets are controlled and monitored, and that assets are safeguarded in accordance with the internal control procedures and UNDP policies and regulations. The Asset Focal Point is responsible to submit asset transaction service requests to the BMS/GSSC.

For HQ offices, Asset Focal Points must also inform BMS/General Operations of receipt of assets to ensure that they are tagged and scanned into Quantum against the relevant PO. This action is vital for the mid-year and year-end physical verifications and reconciliation of HQ assets. For more guidance, refer to [POPP Asset](https://popp.undp.org/node/11361) [Management.](https://popp.undp.org/node/11361)

## Fixed Asset Physical Verification Coordinator

|  |  |
| --- | --- |
| **Fixed Asset Physical Verification Coordinator: Internal Control Responsibilities** | **Performed within the**  **office (for all offices)** |
| Coordinates the process to verify physical existence of management & project  assets over which UNDP maintains physical control |  |

The Fixed Asset Physical Verification Coordinator role refers to the individual designated by the Head of Office through the Operations Manager (or its HQ equivalent) to coordinate the process of verifying the physical existence of both management and project assets over which UNDP maintains physical control. With this mandate comes the responsibility of establishing a team to carry out two annual (i.e., at the end of June and at the end of December) physical verification of assets. The Fixed Asset Physical Verification Coordinator uses the Asset list in the Quantum asset register during the verification and to reconcile the results with the assistance of the Asset Focal Point, who communicates any adjustments or impairments to the BMS/GSSC. The Fixed Asset Physical Verification Coordinator should have some finance or accounting knowledge.

**To achieve adequate segregation of duties**, the Asset Focal Point and the Asset Manager should not be the Fixed Asset Physical Verification Coordinator, nor should they participate in the asset physical verification team.

## Inventory Manager

|  |  |  |
| --- | --- | --- |
| **Office Type** | **Globally Clustered**  **Process** | |
| **Inventory Manager (normally the Operations Manager): Internal Control**  **Responsibilities** | **All**  **Offices** | **BMS/**  **GSSC** |
| * Performs overall coordination of periodic inventory physical count, valuation,   reporting & certification for financial reporting purposes, and approval of inventory balance adjustments |  |  |
| * Reviews inventory reports prior to submitting to the BMS/GSSC |  |  |
| * Performs all inventory accounting in Quantum, including recording adjustments based on inventory counts |  |  |

The Inventory Manager is responsible for the overall coordination of periodic inventory physical count, valuation, reporting and certification for financial reporting purposes in accordance with [POPP Inventory Management](https://popp.undp.org/taxonomy/term/81) and instructions and guidance notes on inventory counts and certifications for period end issued by BMS/OFM/CFRA. The Inventory Manager is ultimately responsible for: (i) review and submission of the inventory control reports and inventory certifications through the Head of Office to the BMS/OFM/CFRA; (ii) ensuring inventory valuations are correctly calculated; and (iii) approving all adjustments to balances of inventory records.

The BMS/GSSC performs all inventory accounting transactions in Quantum for all UNDP offices globally, based on inventory control report(s) and accompanying inventory certification(s) reviewed by the Inventory Manager, signed by the Head of Office, and submitted by the Inventory Focal Point. The BMS/GSSC: (i) reviews the accuracy of inventory control reports submitted by offices; (ii) ensures that balances are certified by the Head of Office; and (iii) records an accounting journal entry to recognize the balance of inventories.

## Inventory Focal Point

|  |  |
| --- | --- |
| **Inventory Focal Point: Internal Control Responsibilities** | **Performed within the**  **office (for all offices)** |
| Performs day-to-day management of inventory items under UNDP control and held at various UNDP storage locations |  |

The Inventory Focal Point role refers to the individual entrusted with the day-to-day management of inventory items under the control of UNDP and held at various storage locations of UNDP. Storage locations may include, but are not limited to, warehouses, distribution points, and service centers. The Inventory Focal Point is responsible for ensuring that:

* Appropriate planning is undertaken, and resources mobilized for carrying out the quarterly inventory physical counts.
* Inventory at storage locations owned and/or controlled by UNDP are properly accounted for according to [POPP Inventory Management](https://popp.undp.org/taxonomy/term/81).

For practical reasons, HQ units or COs that store inventory items at multiple locations may designate more than one Inventory Focal Point. In cases where inventory items are held at third party warehouses, the Inventory Focal Point is responsible for coordinating with the third party to ensure UNDP’s policies and control procedures are applied on these inventory items. The Inventory Focal Point must be an individual with knowledge of Quantum, internal control procedures, and accounting.

**To achieve adequate segregation of duties,** the Inventory Focal Point should not be the Inventory Physical Count Coordinator**.**

## Inventory Physical Count Coordinator

|  |  |
| --- | --- |
| **Inventory Physical Count Coordinator: Internal Control Responsibilities** | **Performed within the**  **office (for all offices)** |
| Coordinates the quarterly process of physical counting of all qualified inventory items that UNDP controls |  |

The Inventory Physical Count Coordinator is the individual designated by the Head of Office through the Operations Manager (or the HQ equivalent) to coordinate the process of physically counting all qualified inventory items that UNDP controls. This role requires establishing a team to conduct the physical count of qualified inventory items on a quarterly basis, using the inventory stock-cards and records available at each UNDP owned and/or controlled storage locations.

**To achieve adequate segregation of duties,** the Inventory Focal Point should not be the Inventory Physical Count Coordinator or be part of the physical count team**.** Also, the Inventory Physical Count Coordinator should not maintain inventory records or be responsible for the daily safeguarding and accounting of inventory items.

# General Financial Management Internal Control Roles

General financial management in UNDP offices is guided by [POPP Financial Resources Management](https://popp.undp.org/taxonomy/term/76) and includes a wide range of activities that involve revenue and expense management, cash management, receivable management and preparation of accounting entries. These activities are usually performed by Finance staff with the Quantum user profile of ‘Finance.’ The BMS/GSSC performs many of the Finance staff functions for offices with clustered Finance processes. For offices with non-clustered Finance processes, the BMS/GSSC performs revenue, asset and inventory accounting and bank reconciliations.

## Finance Staff

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Office Type** | **Offices with clustered Finance**  **processes** | |  | **Offices with non- clustered Finance**  **processes** | |
| **Finance Staff (including programme support unit):**  **Internal Control Responsibilities** | **Requesting**  **Office** | **BMS/**  **GSSC** | **Office** | **BMS/**  **GSSC** |
| * Reviews financial status of office each month (BMS provides a suite of reports to support CO review) |  |  |  |  |
| * Creates and updates projects in Quantum |  |  |  |  |
| * Cash management: reconciles petty cash; manages   the office safe; produces manual cheques |  |  |  |  |
| * Communicates contribution agreement information   to the BMS/GSSC |  |  |  |  |
| * Creates/Approves Contract in Quantum & sets-up GMS |  |  |  |  |
| * Records contributions, contribution receipts and   miscellaneous receipts in Quantum |  |  |  |  |
| * Monitors and reconciles donor & staff receivables for follow-up by country/HQ offices, with support as needed |  |  |  |  |
| * Records revenue from agency services from requests submitted in the UNALL Agency portal and reconciles the service clearing account |  |  |  |  |  |
| * Performs common services administration & reporting |  |  |  |  |  |
| * Reconciles service clearing account |  |  |  |  |  |
| * Payment creation & issue resolution: Reviews the Quantum AP Ledger for clustered offices & facilitates resolution of pending transactions; Reviews/approves payment invoices (including prepayments) in Quantum |  |  |  |  |  |
| * Runs PPR in Quantum |  |  |  |   BMS/OFM  /Treasury for HQ  Bank Accounts |  |
| * Files supporting documentation for payments |  |  |  |  |  |
| * Prepares bank reconciliations |  |  |  |  |  |
| * Creates GLJEs in Quantum |  |  |  |  |  |
| * Perform T&E ticket invoicing and reconciliations |  |  |  |  |  |
| **Quantum profile – Finance User** | **May be assigned to non-staff personnel** | | | | |

With the launch of Quantum, the ‘Finance User’ profile can be assigned to non-staff personnel, including IPSAs, NPSAs and ICs, as the control functions that used to be in this role are now performed by BMS/GSSC and BMS/OFM/Treasury.

This framework assumes that the finance unit includes the programme support unit (PSU). While offices are not required to combine these two units, in many cases they can achieve greater synergies by doing so. **Where PSU is not combined with the finance unit, offices should maintain either a direct or matrixed reporting responsibility to the Operations Manager.**

The specific responsibilities of ‘Finance’ staff functions are described in more detail below.

|  |
| --- |
| **Finance Staff - Responsibilities** |
| **1. Review financial status of office each month** |
| BMS provides a suite of monthly financial status reports and dashboards based on Quantum data such as pipelines, forecasts and status reports for review and action by Finance staff in offices with clustered Finance processes. For offices with non-clustered Finance processes, this action is performed entirely by Finance staff within the office.  Finance and PSU staff within the office should review the following each month:  - Overdue cost-sharing and any potential shortages of resources.   * Cash status of non-core projects against commitments and disbursements to ensure that these projects have cash available at all times to meet commitments and disbursements. If staff determine that cash is not available, or that planned commitments and disbursements will exceed available cash, then a revision of the cash schedule of the cost sharing agreement should be made. * Forecast of projected extra-budgetary revenue, commitments, and disbursements, and identification of deficits. * Collection of A/R, funds received in advance, and pending events relating to contribution agreements. * Funds availability for each project to ensure that there are sufficient funds to cover the duration of existing staff positions, since Quantum does not check this automatically. * Status of projects in terms of whether they are inactive or require operational or financial closure. * Contents of the office safe to report its contents to the head of office as prescribed in UNDP’s [**safe**](https://popp.undp.org/node/11496)[**management policy**](https://popp.undp.org/node/11496)**.** * POs in Quantum to ensure they are complete or closed. * Open POs to determine whether they should be closed. * Ageing of outstanding prepayments.   Possible problems should be brought to the attention of senior management during the monthly meeting. |
| **2. Create and update projects in Quantum** |
| Prior to creating a project in Quantum, Finance staff must ensure that: (i) The project has completed PAC review; (ii) The project document is signed; (iii) PAC minutes and project document are attached to the proposal in Quantum; and (iv) Core funding is confirmed and/or the non-core funding is anticipated. |
| **3. Perform Cash Management functions** |
| Finance staff perform the following cash management functions:   * Reconcile petty cash accounts in accordance with [POPP Petty Cash Management](https://popp.undp.org/node/11051). * Manage the office safe in accordance with [POPP guidance on safe management](https://popp.undp.org/node/11496) and the policy on [ICT](https://popp.undp.org/node/10916) [Disaster Recovery Standards for UNDP Offices](https://popp.undp.org/node/10916) * Produce manual payments. A ‘manual cheque’ or ‘payment transmittal letter’ is a payment issued outside Quantum and subsequently recorded in Quantum. When recorded in Quantum, the payment type is ‘MAN’ for ‘manual.’ Manual payments are a major control risk and should be used very exceptionally. The use of manual payments circumvents all Quantum control features such as a budget check. If not done properly, there is also a risk that manual controls might be circumvented as well. Manual payments must be made only after recording in Quantum, or when Quantum is unavailable and the payment is urgent, the payment must be recorded in Quantum immediately as soon as Quantum functionality is restored after issuance of the payment. **The CFO has authorized offices to issue up to five manual payments per month; any additions require the written approval of the CFO.** |
| **4. Perform Revenue & Receivable Management functions** |
| Finance staff perform the following revenue and receivable management functions:   * **Communicate information and submit documents to the BMS/GSSC to record contributions -** Finance staff must complete the necessary information in Unity/UNAll, upload signed agreements/documents, and submit for subsequent recording by the BMS/GSSC **immediately upon receipt from Programme Officers**. Additionally, the BMS/GSSC should be notified through Unity/UNAll as soon as outstanding events like deposits and approved reports are achieved so that Quantum can be updated accordingly. Delayed submission of signed agreements or late reporting of events to the BMS/GSSC at year-end can result in a material misstatement of UNDP’s revenue in the financial statements and could lead to an audit qualification. * **Record receipt of contributions –** Finance staff record receipt of contributions in accordance with [POPP](https://popp.undp.org/taxonomy/term/106) [Revenue Management](https://popp.undp.org/taxonomy/term/106) and [POPP Handling Cash & Receipts](https://popp.undp.org/node/10876) and the [BMS/GSSC SOP on Revenue Management](https://undp.sharepoint.com/:b:/r/teams/GSSU/Contact_Centre/Contact%20Centre%20Document%20Library/01_SOPs/SOP_Revenue/SOP_REV_Revenue%20Management%20v4.0_ready%20for%20GPO.pdf?csf=1&web=1&e=FmuZCc). * **For HQ bank accounts:** The BMS/GSSC receives a daily ‘unapplied receipts report’ produced by BMS/OFM/Treasury identifying all deposits to be recorded in Quantum, including donor contributions and miscellaneous receipts. The BMS/GSSC records the deposits listed in the daily ‘unapplied receipts report in Quantum. It is the responsibility of the HQ division to communicate the receipt information via Unity/UNAll. **For CO bank accounts:** For Country Office bank accounts, deposits are created by the BMS/GSSC based on the CO’s bank statements obtained either through BMS/GSSC access to online banking or based on bank statements provided by the CO. In cases where the CO has received the deposit directly, the CO creates a ‘deposit creation service request’ in Unity/UNAll for the BMS/GSSC to create and apply the deposits received. It is the responsibility of the CO or HQ office to communicate the receipt information via Unity/UNAll. * **Record miscellaneous revenue:** Finance staff prepare a ‘deposit creation service request’ via Unity/UNAll for submission to the BMS/GSSC for recording in Quantum all miscellaneous revenue that may result from the reimbursement for personal activities such as personal telephone calls or small amounts of cash received at the CO. For further guidance on managing receipts, refer to [[POPP Handling Cash & Receipts](https://popp.undp.org/node/10876)](https://popp.undp.org/SitePages/POPPSubject.aspx?SBJID=308&Menu=BusinessUnit&Beta=0) and the [BMS/GSSC SOP on Revenue Management](https://undp.sharepoint.com/:b:/r/teams/GSSU/Contact_Centre/Contact%20Centre%20Document%20Library/01_SOPs/SOP_Revenue/SOP_REV_Revenue%20Management%20v4.0_ready%20for%20GPO.pdf?csf=1&web=1&e=FmuZCc). * **Monitor and reconcile donor & staff receivables: For offices with clustered Receivable Management processes,** the BMS/GSSC performs periodic review and analysis of: (i) aged outstanding accounts receivables (both donor and other receivables, such as staff receivables); and (ii) pending or past due events and works with the Requesting Office on resolution. The BMS/GSSC also reconciles GL to AR and balance accounts. **For offices with non-clustered Receivable Management processes,** all receivable monitoring, collection or other resolution is performed within the office. |

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| **Finance Staff - Responsibilities** |
| **5. Perform agency service billing** |
| **For offices with clustered Agency Billing processes,** the BMS/GSSC performs cost recovery accounting and control for services provided by Country Offices to UN Agencies, including service billing and reconciliation and service revenue application. Specifically, the BMS/GSSC prepares service bills to UN Agencies based on CO's signed SLA and negotiated LPLs, processes and applies service revenue earned, and reports and reconciles the cost recovery amounts billed and applied. The BMS/GSSC also reconciles the Service Clearing Account. Offices with clustered Agency Billing processes monitor the application of the service revenue. **For offices with non-clustered Agency Billing processes,** all agency service billing actions are performed within the office. |
| **6. Perform common services administration and reporting** |
| **For offices with clustered Common Services Administration processes,** the BMS/GSSC performs UN agency common service management, administration and reporting, including performing advanced billings to Agencies prior to receiving the payments/funds; recording all project-related transactions (Other service lines  - AP, GLJE, deposits), monitoring and tracking projects and budget spending (UN Entities); and preparing periodic reports for the UN agencies. **For offices with non-clustered Common Services Administration processes,** all common service billing actions are performed within the office. |
| **7. Perform payment creation and issue resolution functions** |
| Finance staff perform the following payment creation and issue resolution functions:   * **Create payment invoices for PO payments, non-PO payments, and prepayments**: payment invoices must be prepared in accordance with [POPP Accounts Payable](https://popp.undp.org/node/10361). Invoices should be created by suppliers using the supplier portal, but can also be created by the invoice creator in the CO or through bulk invoice upload by request to BMS/GSSC. The invoice is automatically checked against the PO and receipt of goods and services and when there is a 3-way match this is sent to the pay cycle. For payments above an established threshold, the BMS/GSSC does a final review before the payment is made. * **Special situation: Creating invoices for other offices with clustered Accounts Payable processes:** There may be situations where an office/unit (such as BMS/GSSC HR) creates an invoice for a salary advance in a CO. BMS/GSSC HR does not have clustered AP processes, but the CO does. In these situations, the Quantum workflow will send the invoice to the CO approver rather than to BMS/GSSC HR. If the amount is more than $5k, it will be directed to BMS/GSSC Finance for approval. However, if it is for less than $5k, it will be approved only in the CO. * **Payment of NIM/Responsible Party (RP) Advances:** The Requesting Office designated personnel are responsible to ensure that the payment request is per the approved Annual Work Plan and budget and meets the 3 criteria for releasing advances to Implementing Partners (IP) or Responsible Parties (RP). **Regional Bureau approval is required for:** (i) any project that does not use a FACE form; and (ii) NIM/RP payments that do not meet the 3 criteria and exceed the BMS/GSSC’s processing flexibility thresholds. **The Requesting Office is responsible for obtaining the required approvals from the Regional Bureau.** Refer to POPP on [NIM advances](https://popp.undp.org/node/11141) for detail on the criteria to be applied.   **For offices with non-clustered Accounts Payable processes,** Finance Staff in the office’s Finance Unit create payment invoices based on receipt of invoices or requests for payment from programmes or finance teams.   * **Review and facilitate resolution of Quantum PO 3-way match exceptions:** The automated three-way matching process is run in Quantum several times per day. If the validation process is successful, the payment is approved automatically and posted to update the accounting entries in the GL. The invoice goes on a System Hold (Needs Revalidation state) when there is a mismatch between the Invoice, Receipt, and the PO. The mismatch could be caused by lack of receipt, amount, or quantity. If the amount (quantity) invoiced is less than or equal to the amount (quantity) received on the PO, then the invoice will be validated and flow to pay cycle for payment.   **For offices with non-clustered Accounts Payable processes,** should the finance team conclude that an **exception override** needs to be performed in Quantum, it **should be referred to the Approving Manager designated with the override match exceptions function for their review and approval**. For most offices, it is the responsibility of the Operations Manager (or HQ equivalent) to do the on-going monitoring of exceptions overrides, supported by the Finance Unit. For more guidance on the Quantum validation process and parameters for exercising the override function, refer to [POPP Accounts Payable.](https://popp.undp.org/node/10361)  **For offices with clustered Accounts Payable processes,** the BMS/GSSC oversees the Quantum 3-way matching process for PO transactions and liaises with the Requesting Office as appropriate for resolution. For more information on this process, refer to the [BMS/GSSC SOP for Accounts Payable Processing](https://undp.sharepoint.com/:b:/r/teams/GSSU/Contact_Centre/Contact%20Centre%20Document%20Library/01_SOPs/SOP_AP%20voucher/SOP_Voucher%20Processing%20-%20V1.6-Final%20on%2030%20June%202020.pdf?csf=1&web=1&e=51NwkN).   * **Route the non-PO voucher to an Approving Manager for approval:** Micro-purchasing canvass form is now filled in Quantum and a touchless PO is automatically created. Non-PO invoices can be processed in and approved in the following two manners:   Offices with clustered Accounts Payable Processes   * + Supplier Portal – The Supplier submits the invoice and relevant supporting documentation using the Supplier Portal. The CO validates, fund checks and performed the first level review. The BMS/GSSC performs the final approval, according to their approval thresholds (Level 1 to Level 3)   + Directly in Quantum by the CO – The CO creates the non-PO invoice in Quantum, validates and initiates approval. The BMS/GSSC does the final review and approval of the Non-PO invoice.   The Head of Office is responsible for the allocation of the above functions to a staff member who will exercise due care and diligence in the execution of this role due to the sensitive nature of the functions and ensuring adequate segregation of duties.  **For offices who perform Accounts Payable processes directly,** the Project Manager submits a request for a non-PO payment, along with supporting documents evidencing the transaction, to the office finance unit. If the request is complete and accurate, finance staff create the AP voucher and send it to the Approving Manager for approval (second authority). For PO payments, the receipt is entered in Quantum, the finance user prepares the invoice, three-way matching occurs, and the payment is processed.  **For offices with clustered Accounts Payable processes,** the PPR is run by the BMS/GSSC for local and international banks. The BMS/GSSC is responsible for ensuring that all disbursements are properly recorded in Quantum and verifying that the details of every disbursement (payee, bank information, and amount) match the payment details in Quantum. The Country Office Disbursing Officer designated by the Head of Office performs the bank signatory role (i.e., fulfills part (b) above) for all local CO banks based on payment files prepared and uploaded by the BMS/GSSC. The CO Disbursing Officer does not have access to upload, alter, or modify any payment information prepared by the BMS/GSSC, but can reject the payment to be reworked by the BMS/GSSC. |

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| **Finance Staff - Responsibilities** |
| **For HQ offices with non-clustered Accounts Payable processes,** the PPR is run by BMS/OFM/Treasury. In emergency situations where the BMS/GSSC cannot process a payment, Finance staff should use the internal UNDP cheque writer software to automate cheque preparation, thereby reducing manual effort and risk of human error. Cheques should not be manually prepared (i.e., by manually entering date, payee, or amount) following pay-cycle processing.   * **Maintain Supporting Documentation for Payments:** After creating invoices (non-PO, PO, and prepaid), supporting documentation must be securely filed (e.g., invoices, travel claims, financial reports, etc.). Electronic filing systems for supporting documentation may also satisfy this role to the extent prescribed in the relevant guidance and policy established by the Head of Office. Refer to POPP on [Record Retention, Data Security and Contingency](https://popp.undp.org/node/11416). |
| **8. Prepare bank reconciliations (done by the BMS/GSSC for all offices)** |
| Regular bank reconciliations are an essential internal control and should be performed at least monthly. The objective of bank account reconciliation is to prove that the entries in Quantum are correct and reconciled with the transactions that have been recorded by the bank. Any differences must be analyzed and reported.  Bank reconciliations are prepared and approved by the BMS/GSSC for all offices. Country Offices provide B2B information/documents to the BMS/GSSC; liaise with local banks to resolve bank errors/issues; and clear unreconciled or legacy items. For HQ offices, BMS/OFM/Treasury completes these actions. For more information on B2B and the specific responsibilities of the BMS/GSSC and the Requesting Office in the B2B process, refer to the POPP Bank Account Reconciliation and the relevant SOP below. ([POPP Bank](https://popp.undp.org/node/10451) [Reconciliation Policy](https://popp.undp.org/node/10451); [Standard Operating Procedures for B2B if performed in the BMS/GSSC](https://undp.sharepoint.com/:b:/r/teams/GSSU/Contact_Centre/Contact%20Centre%20Document%20Library/01_SOPs/SOP_B2B/SOP_RTR_B2B%20Bank%20Reconciliation%20Version%2011%20(Signed%20Off).pdf?csf=1&web=1&e=0F8kKi)).  At the point of clustering, the BMS/GSSC took over responsibility for all unreconciled items dating from 6 months before the clustering or later. The older balances remain the responsibility of the Country Office, since the BMS/GSSC does not have the historical files. The RR/DRR should sign off on the bank reconciliation for as long as there are pre-clustering items on the bank reconciliation. As soon as there are only post-clustering balances in the bank reconciliation, then BMS/GSSC will fully sign off on bank reconciliations.  **To maintain segregation of duties:**   1. **Bank reconciliation preparers** must not be a bank signatory and must not be able to approve suppliers or approve invoices. 2. **Supervisors reviewing and approving bank reconciliations** should not record AR deposits, create AP payments in Quantum or perform the online reconciliation function to match B2B transactions. 3. **Bank account signatories cannot prepare bank reconciliations, nor create AP invoices or deposits.** |
| **9. Create GLJEs in Quantum** |
| GLJEs are created based on accounting requirements. Any GLJEs created must be submitted in Quantum and sent for approval to the Approving Manager (Manager Level 2 or Senior Manager). GLJEs should not be approved by the same person who created or edited the GLJE. All supporting documentation should be maintained and securely filed for all GLJEs. For more guidance on creating GLJEs, refer to [POPP GLJEs](https://popp.undp.org/node/4446). |

# Human Resources Management Internal Control Roles

The [POPP Human Resources Management](https://popp.undp.org/taxonomy/term/126) sets out the policies and procedures pertaining to Human Resources.

The concept of three authorities applies to payroll transactions and requires that one person cannot exercise both the Human Resources Manager (first authority) and the Global Payroll Manager (second authority) on any one monthly payroll because the Global Payroll Manager authority acts as an independent check on the Human Resources Manager and verifies that the applicable policies and procedures have been followed. The Disbursing Officer – Payroll (Third Authority) must be separated from the first and second authority. The third authority performs the final sign-off of monthly payrolls and authorizes that the payroll payments be disbursed. The BMS/GSSC performs the first (Human Resources Manager), second (Global Payroll Manager) and third authorities (Disbursing Officer – Payroll) for all monthly payrolls (global and local) for all offices (except local payroll for outposted HQ locations). For clustered local payroll processes, the Country Office fulfills the Bank Signatory role **for local payroll payments**, including: (i) signing cheques; (ii) signing the transmittal letter to the bank for local EFT interfaces; and/or (iii) electronically approving payment via the local bank’s software.

This section of the Guide provides an overview of the key internal control responsibilities fulfilled by human resource management roles.

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| 9.1 Human Resources Local Focal Point | 9.2 Human Resources Manager [(first authority)](#_bookmark39) | 9.3 Global Payroll Manager (second authority) |
| 9.4 Disbursing Officer – Payroll (third authority) | 9.5 Payroll Staff | 9.6 Position Administrator |

## Human Resources Local Focal Point

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| --- | --- | --- | --- |
| **Human Resources Local Focal Points** | **Country**  **Office** | **HQ Office** | |
| **Internal Control Responsibilities** | **HQ Office** | **BMS/OHR** |
| * Administers HR actions performed by the local office |  |  |  |
| * Submits human resources service requests to the BMS/GSSC   that are duly authorized by the Head of Office (where required) |  | (for  IPSAs) | (for HQ offices & IP staff, excepting IPSAs) |

The Human Resources Local Focal Point is responsible for: (i) administering human resources actions performed directly by the Requesting Office; and (ii) submitting human resources related service requests authorized by the Head of Office (where required) for action by the BMS/GSSC, including those pertaining to hires, life events, contract extensions, organization events, separations, and position management. For HQ offices and all International Professional staff, BMS/OHR submits the authorized service request to the BMS/GSSC for processing, except for IPSA requests, which are sent directly to the BMS/GSSC by the HQ office.

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| **Human Resources Local Focal Point - Responsibilities** |
| **1. Managing human resources actions performed by the office** |
| The Local Human Resources Focal Point is responsible for facilitating the following human resource actions performed by the Requesting Office, in conjunction with the local supervisor:   * Developing job descriptions/TOR * Shortlisting candidates; providing technical assessment questions; conducting interviews & preparing minutes * Managing employee orientation and deployment * Facilitating visa, ID issuance, and other protocol related activities * Coordinating the review of employee performance * Managing employee health, wellbeing, safety and security * Facilitating approval of work-life balance arrangements * Reviewing retention and motivation indicators (GSS response plan) * Managing the training budget * Facilitating Cigna medical claims processing at local level |
| **2. Submitting approved service requests to the BMS/GSSC (performed by BMS/OHR for HQ offices & and separations for CO IP staff and CO IP extensions for P5 levels and above, excluding IPSA requests, which are sent directly to the BMS/GSSC by the HQ office)** |
| **Hires, Life Events, Organization Events & Separations:** The HR Local Focal Point submits service requests to the BMS/GSSC, accompanied by the required authorizations (Head of Office or Supervisor), funding availability certifications (where applicable), and supporting documentation established in the [GSSC SOP Human resources: Local benefits and entitlements](https://eur03.safelinks.protection.outlook.com/ap/b-59584e83/?url=https%3A%2F%2Fundp.sharepoint.com%2F%3Ab%3A%2Fr%2Fteams%2FGSSU%2FContact_Centre%2FContact%2520Centre%2520Document%2520Library%2F01_SOPs%2FSOP_Local%2520BES%2FGSSU%2520HR%2520Local%2520BES%2520SOPs%25201.1.pdf%3Fcsf%3D1%26web%3D1%26e%3DN0i3zw&data=05%7C01%7Cshazma.nathwani%40undp.org%7C5f21da561bb54e625f4808db3c2f5f3a%7Cb3e5db5e2944483799f57488ace54319%7C0%7C0%7C638169946370435069%7CUnknown%7CTWFpbGZsb3d8eyJWIjoiMC4wLjAwMDAiLCJQIjoiV2luMzIiLCJBTiI6Ik1haWwiLCJXVCI6Mn0%3D%7C3000%7C%7C%7C&sdata=t1jrVjGjEJOcYBqhRK18IEm%2B%2B7JMu5FiQ9QLSJY144k%3D&reserved=0) and for decentralized IP posts in COs. For HQ offices and CO IP staff, the service requests are submitted to the BMS/GSSC by BMS/OHR, BMS/GSSC Recruitment team, and HR/Hiring Unit focal points of the respective business units, in line with the applicable SOPs.    **Contract extension or expiry:** The Human Resources Local Focal Point is responsible for monitoring upcoming contract expirations for individual staff members and NPSA/IPSA contract holders and for taking action to submit instructions to the BMS/GSSC (via BMS/OHR for HQ office staff and IPs in NY, except NPSA/IPSA requests, which HQ offices submit directly to the BMS/GSSC). Extensions of CO IP staff at P5 level and above are submitted by BMS/OHR at the request of the CO. The request for contract action should be submitted to the BMS/GSSC at least one month prior to expiry. Prior to submitting the contract action request to the BMS/GSSC, the HR Local Focal Point or BMS/OHR if/as applicable liaises with supervisors and budget owners, to obtain confirmations on whether to extend —and if so for what duration—or to separate from service. The HR Local Focal Point or BMS/OHR if/as applicable also ensures budget availability and senior management approval of extension duration. The HR Local Focal Point (or BMS/OHR for HQ offices staff or for extensions of CO IP staff at P5 level and above) submits the contract action request to the BMS/GSSC and ensures that—for positions where periodic medical clearances are required—a current and valid medical clearance is obtained. All IP separations are submitted to BMS/GSSC by BMS/OHR, except for CO IP TA separations, whose management is decentralized to COs.    **Position management:** the HR Local Focal Point submits position administration requests approved by Head of Office to the BMS/GSSC, including supporting documentation and certification of available funding from budget owner/local finance focal point/bureau (as necessary). |

## Human Resource Manager (first authority, committing officer)

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| **HR Manager (first authority, committing officer): Internal Control Responsibilities** | | **Performed within the BMS/GSSC (for all offices, except outposted HQ**  **locations[[5]](#footnote-6))** |
| * Administers and certifies staff benefits & entitlements | |  |
| * Administers hires | |  |
| * Administers life events | |  |
| * Administers contracts | |  |
| * Administers organization events | |  |
| * Administers separation from service | |  |
| **Quantum profile – Human Resources Manager** | **Must be a UNDP staff member (unless an**  **exception has been approved by the BMS Director)** | |

The Human Resource Manager role refers to staff members who are responsible for human resources administration, including the processes of hiring, organization events, life events and separations. The Quantum user profile is ‘HR Manager.’ The HR Manager acts as the first authority and has the primary responsibility for managing and certifying the benefits and entitlements of staff. This authority equates to the “committing officer” in UNDP Financial Regulation 20.02 (a). The BMS/GSSC performs the Human Resource Manager role for all benefits and entitlements transactions for all UNDP staff and PSA/IPSA contract holders, including hires, life events, contracts administration, organization events, and separation from service. The BMS/GSSC also performs the Position Administration role, which is further described in section 9.6 below.

Within the established framework of salaries and other entitlements and in conformity with UN Staff Regulations and Rules, the Human Resource Manager and Human Resources Associates grant of entitlements results in expense against the project resources without explicit transactional level approval by the Project Manager (first authority, committing officer). In this regard, the Human Resources Manager acts as the first authority for benefits and entitlements transactions. Examples include all grants of entitlements and benefits such as dependency allowance, mobility and hardship, participation in pension fund, and medical insurance. Project Managers should ensure that funds are always reserved for these costs to avoid deficits in projects.

Within the context of their work, the authorities, responsibilities, and accountabilities of the finance staff will be applicable to Human Resources Manager and the payroll staff responsible for approving, calculating, or processing employee benefits. The payroll staff are responsible for ensuring correct calculation and recording of entitlements and benefits within the framework of the United Nations Common System of Salaries and Allowances or as approved by the Human Resources Managers.

| **Human Resources Manager - Responsibilities** |
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| **1. Administers Hires** |
| In Quantum, recruitment is referred to as ‘hire.’ Hire applies also to re-hires (including retirees), contract changes, and inter-agency movements, such as transfer/secondment/non-reimbursable loan from another UN organization. The addition of a new hire or re-hire (including retirees) in Quantum gives rise to financial commitments for UNDP and is performed by the BMS/GSSC for all staff and PSA/IPSA contract holders. The Human Resources Manager adds a new hire in Quantum once the recruitment process has been finalized and the successful candidate has been selected. The Country Office submits a request to the BMS/GSSC for local staff or PSA/IPSA contract hires, accompanied by the required supporting documentation established in the BMS/GSSC SOP Human resources: Local benefits and entitlements.  Before adding a new hire in Quantum, the BMS/GSSC is responsible for:   * Confirming that the contract complies with UNDP procedures and raising any concerns with the Operations Manager (or HQ equivalent) or the Head of Office. *Note: The BMS/GSSC may also confirm that the recruitment process complies with UNDP procedures once the recruitment process clustering is completed.* * Ensuring the minimum required supporting documentation for hires is present, as prescribed by POPP and the related BMS/GSSC SOP. |
| **2. Managing Life Events** |
| These refer to personal life events that take place during a career with the United Nations. By their nature, life events are always triggered by family status changes (e.g., birth of a new child/dependent and registration of a new spouse), application of allowances to employees (e.g., language allowance and driving bonuses), or the application of entitlements (e.g., home leave travel, education grant, and repatriation grant). The BMS/GSSC must ensure that supporting documentation for ‘Life events’ is obtained prior to taking action in Quantum (e.g., a birth certificate as evidence for dependency allowance) or authorization triggers (e.g., doctor’s certificate authorizing extended sick leave). |
| **3. Administers contracts** |
| The BMS/GSSC maintains a contract administration dashboard for use by offices with clustered contract administration process to assist in monitoring contract expiry dates and actions needed. The BMS/GSSC executes contract extensions or expiry in Quantum based on approved service requests submitted by Requesting Offices. |
| **4. Managing Organization Events** |
| ‘Organization events’ take place during a career with the United Nations. By their nature, assignments are always triggered by management decisions (e.g., reassignment or promotion), organizational changes (e.g., salary increases, and hazard pay), or the application of standard agreements (e.g., secondments, loans, and transfers). The BMS/GSSC must ensure that supporting documentation for the Organization event is obtained prior to taking action in Quantum. Some authorizations are implicit, such as salary increases posted on the ISCS website, and application of benefits and allowances, others are explicit, approval of decisions by management, boards, and committees. BMS/GSSC staff must receive and store authorizations electronically or in hard copy. |
| **5. Separation from Service** |
| The BMS/GSSC administers actions pertaining to end of service for all staff and PSA/IPSA contract holders. This includes all types of separations/terminations, including contact expiry, agreed separation, retirement, and resignation. For terminations, the documentation varies depending on whether the termination is due to resignation, contract termination, or dismissal. A complete list of the documentation necessary for separation from service is located within POPP. **Note: The Head of Office does not have authority to dismiss staff members; that authority resides within HQ (BMS Director, Associate Administrator or Administrator, depending on the situation and staff level).** |

## Global Payroll Manager (second authority, verifying officer)

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| **Global Payroll Manager (second authority, verifying officer): Internal Control Responsibilities** | | **Performed within the BMS/GSSC (for all**  **offices)** |
| * Approves monthly payroll, verifying policies & procedures have been followed (Global & Local) | | (Except local payroll in outposted HQ locations) |
| **Quantum profile – Global Payroll Manager** | **Must be a UNDP staff member** | |

Payroll entails the administration and processing of payroll on a monthly basis and includes: (i) updating banking information for personnel (staff members and PSA/IPSA contract holders); (ii) reviewing and entering manual earnings and deductions; (iii) validation of payroll results and the resolution of payroll issues; and (iv) payroll initial sign-off. The Global Payroll Manager **verifies** the benefits and entitlements of staff and creates one-time and recurring earnings & deductions. This authority performs the initial sign-off of the monthly payroll confirming that relevant policies and procedures have been followed and must be a UNDP staff member. This second authority equates to the “verifying officer” in UNDP Financial Regulation 20.02 (a). As part of the payroll validation and initial sign-off by the second authority, non-standard variances (i.e., those variances that do not stem from changes to standard benefits, such as salary scale revisions, pension & insurance enrollment, etc.) should be reviewed for accuracy and any errors must be resolved in a given month.

## Disbursing Officer – Payroll (third authority, disbursement officer)

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| **Disbursing Officer – Payroll (third authority, disbursement officer): Internal Control**  **Responsibilities** | **Country Office** | **BMS/ GSSC** |  | **HQ**  **Office** |
| * Final sign-off on monthly payroll, authorizing payment be disbursed (Global & Local) |  |   (Except local payroll in outposted HQ locations) |  |
| * Fulfills bank signatory role **for local payroll payments**, including: (i) signing cheques; (ii)   signing the transmittal letter to the bank for local EFT interfaces; and (iii) electronically approving payment via the local bank’s software |  |  | N/A |
| **IDAM/Quantum profile – Disbursing Officer – Payroll Validation Tool** | **Must be a UNDP staff member** | | | |

The Disbursing Officer – Payroll holds the third authority in the global and local payroll processes and performs the final sign-off on monthly payrolls, authorizing payments to be disbursed. This approval confirms that payroll amounts are correct and ready for disbursement, and automatically sends an email notification to the Global Payroll Services to request payroll finalization. Only UNDP staff members may be designated as Disbursing Officer- payroll. This function is performed by the BMS/GSSC for all UNDP country offices. This third authority equates to the “disbursement officer” in UNDP Financial Regulation 20.02 (b). **For Country Offices,** the local office Bank Signatories perform part (b) of the third authority role by reviewing and signing cheques; signing the transmittal letter to the bank for local EFT interfaces; and/or electronically approving payment via the local bank’s software for local payroll payments.

## Payroll staff

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| --- | --- | --- | --- | --- |
| **Payroll Staff: Internal Control Responsibilities** | **Country**  **Office** | **BMS/**  **GSSC** |  | **HQ**  **Office** |
| * Prepares monthly payroll (global) for all offices |  |  |  |
| * Sends information on recurring and manual earnings and   deductions to BMS/GSSC |  |  | N/A |
| * Prepares monthly payroll (local) |  |  | (for  outposted HQ  locations  only) |

For financial transactions related to staff compensation and benefits, the ‘payroll specialists,’ ‘payroll officers’, ‘payroll associates’ or other staff in the BMS/GSSC record expenses against the projects without the explicit transactional level approval of the Project Manager but with adequate source and supporting documentation that validates the transaction. Examples include charging the position chart of accounts (COA) for tax reimbursements, education grants, pension fund adjustments, payroll service charges, and other payroll supported charges. Project Managers should ensure that funds are always be reserved for these costs to avoid deficits in projects.

With respect to clustered local payroll processes in country offices: the country office submits earnings & deductions information to the BMS/GSSC Global Payroll Manager, ensuring all one-time earnings & deductions (i.e., manual data entries) are duly approved by the Operations Manager/DRR prior to submission to the BMS/GSSC. The BMS/GSSC Global Payroll Manager verifies the global and local staff benefit and entitlement information in Quantum **(as second authority, verifying officer)**, creates one-time and recurring earnings & deductions, and performs the initial sign-off on the monthly payroll.

## Position Administrator

|  |  |  |
| --- | --- | --- |
| **Position Administrator: Internal Control Responsibilities** | | **Performed within the BMS/GSSC (for all**  **offices)** |
| * Creates and maintains position records in Quantum | |  |
| **Quantum profile – Position Administrator** | **Must be a UNDP staff member** | |

‘Position management’ refers to creating and maintaining position records in Quantum and this function is performed by Position Administrators in the BMS/GSSC based on authorized service requests submitted by Local HR Focal Points in clustered country offices and by BMS/OHR for HQ offices. For all offices, the Head of Office must approve position administration service requests submitted to the BMS/GSSC and certification of available funding must be provided with the request. This is an important internal control function as it impacts funding arrangements for the **creation and extensions of non-core positions**. The Quantum user profile is Position Administrator. The BMS/GSSC Position Administrator is responsible for ensuring relevant approvals have been provided, funds availability has been confirmed, and adequate supporting documents exist as articulated in the BMS/GSSC SOP on Position Administration.

1. **Position management**: creation and/or management of positions up to G3 (Fixed-Term Appointment (FTA)/ Temporary Appointment (TA)) and National Personnel Service Agreement (NPSA) 3 is the responsibility of Business Units/Country Offices with no pending HR-related audit observations.
2. **Recruitments**: recruitment process for positions up to G3 (FTA/TA) and NPSA3 is the responsibility of Business Units/Country Offices with no pending HR-related audit observations.

# Office Management Internal Control Roles

The Head of Office role refers to the head of either an HQ unit or a CO, that is, Regional and Central Bureau Directors, Regional Directors, and Resident Representatives (RRs). No specific Quantum profile has been developed for the Head of Office; instead, they are assigned an Approving Manager (second authority) role in Quantum with the user profile ‘Senior Manager.’ The Head of Office has overall accountability for establishing and maintaining adequate internal controls within their office and for ensuring that their office’s internal control procedures are documented.

## Head of Office

| **Head of Office: Internal Control Responsibilities** | | **Performed within the**  **office (for all offices)** |
| --- | --- | --- |
| * **Planning & monitoring:** ensures annual workplans for the office are prepared; ensures an effective monitoring system is in place & functioning,   including for clustered services; documents internal control procedures for the office | |  |
| * **Authorizes contracts & travel:** Signs standard contracts & agreements (MOUs; cost-sharing agreements; development project documents & budget   revisions; POs and ICs; authorizes travel | |  |
| * **Transaction management:** Designates three authorities for UNDP procurement; designates staff to prepare and verify service requests   submitted to BMS/GSSC | |  |
| * **Manages human resources:** within authority and funding limits, approves positions, hires, contract administration actions (new NPSA/IPSA, contract extensions, expiry), separations (except disciplinary separations) and the associated service requests submitted to BMS/GSSC | |  |
| * **Manages cash:** Designates bank account signatories; Designates safe custodians; Ensures manual payments are kept to a minimum; Ensures   chequewriter software is installed and used to generate cheques | |  |
| * **Manages assets:** Certifies accuracy of asset register and the inventory   control report; Submits requests for disposals and write-offs | |  |
| * **Oversees management of staff receivables:** Approves and monitors timely collection of staff receivables; ensures Annual Representation Statement is complete and accurate as it relates to the status and collectability of staff receivables | |  |
| * **Financial information management:** certifies year-end financial information for UNDP financial statement use; retains supporting documentation for   year-end financial information; and completes annual assertion statement | |  |
| * **Technology control management:** Assigns Quantum user profiles to staff, including supplemental roles where applicable, ensuring segregation of duties | |  |
| * **Budget management:** defines a budget override policy within established   limits | |  |
| * **Record management:** Within the parameters of the [Record Retention, Data Security and Contingency Policy](https://popp.undp.org/node/3236) defines a local office supporting   documentation policy, including for BMS/GSSC service requests | |  |
| **Quantum profile – Senior Manager** | **Must be a UNDP staff member** | |

Further detail on the key elements of the Head of Office’s responsibilities pertaining to internal control is provided below.

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| **Head of Office - Responsibilities** | | |
| **1. Planning & Monitoring** | | |
| * **Planning:** An essential component of an effective internal control system is planning. The Head of Office is responsible for planning overall development and management results in the context of results-based budgeting, using the integrated work-planning tool on the results-based management platform. The Head of Office is responsible for ensuring that a unit work plan for the office is prepared on an annual basis, linked to corporate priorities, and communicated to all staff members. * **Monitoring:** The Head of Office is accountable for ensuring that an effective monitoring system is in place & functioning, including for clustered processes. The Head of Office must have established a monitoring system to assure that the office is progressing on its annual work plans and that the internal control system is functioning. | | |
|  | **Management reports & issues to review** |  |
| * For each project, a list of the activities, commitments, disbursements, expenses, and results achieved (e.g., outcomes or key performance indicators if relevant) during the previous month as compared to the work plan. * A list of donor agreements signed, donor agreements with pending events, accounts receivable (A/R), and donor reports pending. * The overall resource situation for the office such as TRAC, cost-sharing, extra-budgetary, etc. * Exceptions such as a list of payments without POs, where required, noting that micro-canvass forms are now filled in Quantum and a touchless PO is automatically created. * A list of changes to human resources data and the impact on payroll. * Exceptions such as a list of budget overrides to highlight cases of staff members performing Quantum functions outside their usual authority or breaching segregation of duties *(Note:* *budget override functionality is still being configured in Quantum).* * The monitoring of overridden budget expenditures, and related contributions receivable, in line with the budget override policy * A list of POs issued during the previous month (e.g., procurement, IC) with special attention to waivers. * Timeliness of service requests made to BMS/GSSC, the performance of BMS/GSSC in completing those tasks, and any recurring case management issues raised by the BMS/GSSC that could be addressed by the office to improve efficiency of transaction processing. |

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| **Head of Office - Responsibilities** |
| Note: Special considerations apply where the Head of Office also acts as the local representative of other UN agencies6 and signs contracts and agreements or approves e-procurement requisitions in Quantum **on behalf of** these organizations. Where the Head of Office signs a contract on behalf of another organization, he or she does so in the capacity as a representative of the other organization. The contract or agreement should be prepared on the letterhead or other template of the organization for which the RR is acting and not refer to UNDP, and all references to UNDP in the agreement or contract should be deleted and UNDP logos removed. Copies of these contracts or agreements should be securely filed.   * **Signing MOUs.** MOUs generally apply to agreements between UNDP and other UN organizations and government institutions. They are also used in partnership (not procurement) to record an intent to collaborate with another entity in areas of mutual interest such as common services or common premises. MOUs should not be used instead of regular contracts when purchasing goods or services is the essence of the relationship. Any proposed MOUs that deviate from model texts in POPP (see [selecting an](https://popp.undp.org/node/11526) [implementing partner)](https://popp.undp.org/node/11526) must be referred to BMS/Legal Office (LO) for clearance and to the Bureau of External Relations and Advocacy (BERA) ([cosupport@undp.org](mailto:cosupport@undp.org)) where the proposed MOU relates to financing activities. All MOUs should be securely filed in the office. * **Signing cost-sharing agreements.** Heads of Offices have the authority to sign cost-sharing agreements as long as the agreement does not depart from the standard agreement format. If the donor insists on a non-standard agreement, the Head of Office must seek clearance from the BMS Director. Evidence of this clearance should be maintained and securely filed. Note: Heads of office do not have authority to sign trust fund agreements, which must be sent to the BERA for written clearance and signature by the Associate Administrator. RRs also have the authority to sign cost-sharing agreements with participating entities and agencies in any common services, common premises, UN House, or Delivering as One initiatives. All revenue-generating agreements must be submitted to the BMS/GSSC for recording in Quantum within one week of signature. * **Signing project documents and project budget revisions for development projects.** As described in the [POPP Delegation of Authority Policy,](https://popp.undp.org/node/10601) the authority to sign on behalf of UNDP is delegated to the RR who is accountable for ensuring compliance with the requirements of [POPP Project Management](https://popp.undp.org/taxonomy/term/36). For example, the RR ensures that a Project Appraisal Committee (PAC) meeting took place and that the annual work plan was revised to address PAC comments. **Exceptions:** The programme manager/Resident Representative does not have authority to approve a project document in the following cases, unless he/she has received specific authorization from the Regional Bureau Director: (i) When support to an infrastructure project is proposed (construction or other major infrastructure development; see related policy on [Construction Works](https://popp.undp.org/node/10536)); and (ii) When the amount of core/TRAC funds to be spent on low-value grants would increase the overall amount spent on low-value grants beyond 10 percent of the country’s core allocation for the country programme period. ([See POPP Appraise & Approve, para 4](file:///C:/Users/amat.o.kebbeh/AppData/Local/Microsoft/Windows/INetCache/Content.Outlook/V8BOG6CA/See%20POPP%20Appraise%20&%20Approve,%20para%204)). * **Signing POs and ICs**. As described in POPP (see [procurement authority)](https://popp.undp.org/node/11311), CPO delegates authority to Heads of Office who are accountable for ensuring compliance with the requirements of POPP (see [contract, asset, and procurement management).](https://popp.undp.org/taxonomy/term/186) For example, beyond certain thresholds, the Head of Office must submit the proposed contract to the Contracts, Assets, and Procurement Committee (CAPC), the Advisory Committee on Procurement (ACP), or the Regional Advisory Committee on Procurement (RACP). Note: Only standard contracts and standard POs with UNDP general conditions of contract can be |

*6 It has been noted that this is not the current practice in many COs and further consultation will be undertaken with other UN agencies and detailed instructions will be issued by BMS.*

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| **Head of Office - Responsibilities** |
| concluded at the CO level. Any deviations must be sent to BMS/OLS for clearance before signature. Evidence of this clearance should be maintained and securely filed. As indicated below, the Head of Office may delegate this authority in writing to office staff.   * **Authorizing travel**: Authority is delegated to the Head of Office who is accountable for ensuring compliance with the requirements of POPP (see [authorizing official business travel).](https://popp.undp.org/node/10446)   Note: Heads of Offices are not authorized to sign Trust Fund Agreements unless authority has been delegated to them by the Associate Administrator. Refer to section 4.3 Trust Fund Manager for more information. |
| **3. Transaction Management** |
| * **Designation of three authorities for UNDP procurement:** The Head of Office has the authority of Approving Manager for all POs, non-PO invoices, and prepayments, and may also be provided the authority of Project Manager for all projects belonging to their office. The Head of Office is responsible for designating in writing three authorities as described in [sections 4.1 Project](#_bookmark15) [Manager (first authority),](#_bookmark15) [5.3 Approving Manager (second authority),](#_bookmark22) and [5.4 Disbursing Officer (third](#_bookmark23) [authority)](#_bookmark23) of this Guide, including identifying alternates. Designation in writing should be maintained and securely filed. The designation should describe the responsibilities and the authorities of each authority granted and the Head of Office should ensure that the designated manager is aware of their responsibilities and accountabilities. The Head of Office should also ensure that no one person can exercise both Project Manager and Approving Manager authorities on the same transaction.   **Note: For offices with clustered Accounts Payable processes,** the BMS/GSSC appoints the Approving Manager (second authority) for non-PO payments and prepayments made on behalf of the Country Office. The BMS/GSSC also appoints the Disbursing Officer (third authority) to authorize disbursements for PO and non-PO payments performed on behalf of the Requesting Office.  **Emergency Transaction Processing in offices with clustered Accounts Payable processes:** The Head of the Requesting Office should designate Approving Managers and Disbursing Officers who are authorized to execute the second or third authorities, respectively, in emergency situations in which the BMS/GSSC has communicated that it cannot process a transaction in time. In this case, the authorities must be segregated in accordance with this Guide and the procedures for the processing of emergency transactions should be followed, as described in the [GSSC SOP Client Critical & Emergency Transactions](https://undp.sharepoint.com/teams/GSSU/Contact_Centre/Contact%20Centre%20Document%20Library/Forms/AllItems.aspx?OR=Teams%2DHL&CT=1640294916048&id=%2Fteams%2FGSSU%2FContact%5FCentre%2FContact%20Centre%20Document%20Library%2F01%5FSOPs%2FSOP%5FCritical%20and%20emergency%20case&viewid=b258c3f7%2D2974%2D4922%2D8b86%2De902e3c3da3c).   * **Designating staff to prepare and verify service requests submitted to BMS/GSSC:** The Head of Office should assign staff responsible for entering information into the UNALL case management system/Quantum and assign staff responsible for verifying the accuracy and completeness of the information for BMS/GSSC to perform the service request. **Designations should be in line with the SOPs and user guides issued by BMS/GSSC**. It is recommended that two persons are assigned the responsibility for verifying the accuracy and completeness of the information entered for each category of service request. |

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| **Head of Office - Responsibilities** |
| **4. HR Management: Approving positions and hires** |
| * **Approving positions.** Heads of Offices have authority to approve positions funded from non-core resources as well as temporary appointment (TA) positions. Note: Only BMS/OFM can approve new core funded staff positions. Position creation in Quantum is performed by the BMS/GSSC.   **Position management**: creation and/or management of positions up to G3 (Fixed-Term Appointment (FTA)/ Temporary Appointment (TA)) and National Personnel Service Agreement (NPSA) 3 are the responsibility of Business Units/Country Offices with no pending HR-related audit observations.   * **Approving hires (including FTAs, TAs, NPSAs and IPSAs):** The Administrator has delegated authority to Heads of Offices to recruit and select UNDP staff members, subject to central review body/central review panel approval, according to applicable UNDP recruitment and selection policies (see POPP [human resources management).](https://popp.undp.org/taxonomy/term/126)   **Recruitments**: recruitment process for positions up to G3 (FTA/TA) and NPSA3 are the responsibility of Business Units/Country Offices with no pending HR-related audit observations.  **For offices with clustered hiring processes,** once the candidate has been selected and approved by the Head of Office, the office’s Local HR Focal Point submits a ‘hire’ service request to the BMS/GSSC for issuance of the LOA (for FTAs and TAs) or contract (for PSA and IPSA) and completion of all Quantum hire actions. **For offices with non-clustered hiring processes**, BMS/OHR submits this service request to the BMS/GSSC, excepting IPSA/NPSA requests and outposted HQ local staff requests. |
| **5. Cash Management** |
| * **Designates Bank Account Signatories:** The Head of Office designates Bank Account Signatories in accordance with [POPP Designation & Responsibilities of Signatories.](https://popp.undp.org/node/10636) * **Designates a safe custodian:** As prescribed under UNDP’s [**safe management policy**](https://popp.undp.org/node/11496), the Head of Office is responsible for **designating safe custodian(s) and alternate safe custodian(s) to monitor the activities of the office safe, and must be UNDP staff members.** * **Ensures manual payments are kept to a minimum:** Manual payments are defined as payments made outside Quantum and subsequently recorded in Quantum. All manual payments must have supporting documents and must be recorded immediately thereafter in Quantum. Subject to Head of Office approval, offices are authorized to issue up to five manual payments per month, and the circumstances for making such manual payments must be recorded in writing. **If this maximum amount is inadequate, then the Head of Office must request prior written authorization from the CFO to exceed this limit.** * **Ensures cheque writer software is installed and used to generate cheques:** Use of the software ensures encryption of Quantum payment data transferred to the cheque, thus reducing the risk of error or fraud in cheque preparation.   Note: Cash balances maintained must be sent annually as part of the year-end closing procedure **to BMS/OFM/Treasury with a copy to the director of the respective bureau**. In addition to the balance of cash held, the Head of Office may wish to report on any other **items of significance or items that may pose a risk** to the organization at any time, based on the judgment of the Head of Office. |

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| **Head of Office - Responsibilities** |
| **6. Asset Management** |
| * **Certifies accuracy of the asset register:** The Head of Office is accountable for ensuring complete and accurate records of [assets](https://popp.undp.org/taxonomy/term/271) within their office in the Quantum asset module. Specifically, the Head of Office must personally certify the mid-year (i.e., at the end of June) and annual asset certification letter (i.e., at the end of December). This letter includes the certification of assets used and controlled by UNDP such as equipment and furniture, building leases, equipment leases, land and buildings owned by UNDP, and leasehold improvements. * **Assigns segregated asset management roles:** The Head of Office must designate distinct individuals for the following roles: Asset Manager, Asset Focal Point, and Asset Physical Verification Coordinator. The head of office must also designate a staff member to initiate asset transactions (usually Asset Focal Point) and a staff member to authorize transactions (usually Asset Manager) for subsequent recording by BMS/GSSC in Quantum. * **Ensures asset verification takes place:** At the end of the asset verification exercise, the Head of Office personally signs the Quantum asset management in service detail report, the acquisition report, the disposal report, the adjustment report, and the summary report to certify that all are accurate, that the items in these reports match the physical count of the items on office premises, and that the disposal report is supported by CAPC or ACP minutes and approved by the head of office or the CPO as required. The reports should be maintained and securely filed as evidence of review. * **Ensures actions are taken to address asset discrepancies and affect write-offs:** The Head of Office also ensures (i) that items that cannot be located are marked as exceptions, and any discrepancies in the assets, the asset item number, description, locations, and the reconciliation performed are documented,   (ii) that action is taken to conduct a review and recommendations for write-off with the appropriate justification through the CAP, RACP or the ACP; and (iii) approves the write-off where it is within the Head of Office’s authority or ensures the CPO has approved the write-off; and (iv) communicates the approved write-off to BMS/GSSC for recording in Quantum.   * **Authorizes asset disposals within limits assigned by the CPO:** The CPO has delegated to Resident Representatives, Heads of Out-Posted HQ Units, HQ Unit Heads and the Chief of General Operations the authority to write off and to assign personal liability for assets and custodial items as follows:   + Assets with a Net Book Value of up to US$ 5,000 that are obsolete or non-functional.   + Assets Damaged Unintentionally – up to a NBV of up to US$ 5,000.   + Assets Damaged Intentionally (Negligence) - Up to a NBV of US$ 1,000.   + Assets which are lost or stolen - up to a NBV of US$ 1,000.   The amount authorized for waiver of investigation, reporting and write-off is $1,000. See the [asset loss or](https://popp.undp.org/node/10676) [theft guidelines](https://popp.undp.org/node/10676). |

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| **Head of Office - Responsibilities** |
| * **Submits requests for asset write-offs:** The head of office must submit all other write-off requests for any asset, if any, and if deemed unavoidable and necessary, through the CAP, RACP or ACP, for PP&E and chief of accounts of BMS/OFM, for all assets including PP&E, to the assistant administrator of BMS. After full investigation, the assistant administrator of BMS may authorize the writing-off of losses of cash, receivables, and PP&E (higher or NBV or market value) and deemed to be irrecoverable up to US$100,000 in value. Write-off requests in excess of US$100,000 must be submitted to the administrator for approval. In each case, an investigation shall fix the responsibility, if any, for the loss to an official of UNDP. Such official may be required to reimburse the loss either partially or in full. For more information refer to the [PP&E Asset Disposal & Write-Off Policy](https://popp.undp.org/node/10676); [POPP on Accounts Receivables](https://popp.undp.org/node/3571)   Any loss or theft of a UNDP asset in the custody of the RR or RC, the head of out-posted HQ unit, or the HQ unit head, must always be submitted to ACP regardless of the value of the lost asset. |
| 1. **Oversee management of staff receivables** |
| The Head of Office must approve staff receivables in accordance with POPP and ensure appropriate monitoring and timely collection mechanisms are in place. For salary advances, the RR/Head of Office may delegate the approval to the DRR(Operations) or similar function. See [POPP Salary Advances](https://popp.undp.org/node/2741) for more information. It is particularly important to review and address the collection of any existing staff receivables during staff transition or separation processes, as once staff have left the organization, collection becomes significantly more complex.  Additionally, the Head of Office is accountable for ensuring the Annual Representation Statement is complete and accurate as it relates to the status and collectability of staff receivables. |
| **8. Financial Information Management** |
| * **Certifies year-end financial information for financial statement use and retains required supporting documentation for year-end financial information:** The Head of Office should review, certify and submit all year-end certifications to BMS/OFM/Chief of Financial Performance Management and Reporting in a timely manner and retain locally all analyses and reconciliations that may be specified in the BMS/OFM [year-end closing instructions](https://intranet.undp.org/unit/bom/ofrm/accounts/CST/FinancialClosure/financialclosure.aspx). * **Complete Annual Representation Statement to support annual financial statement preparation:** The Head of Office must complete the [Annual Representation Statement](https://undp.sharepoint.com/sites/OFMFPM/SitePages/Annual-Representation.aspx) issued by BMS/OFM in a timely manner and confirm that:   + Key internal controls outlined in the Internal Control Framework have been in operation.   + The office has complied with UNDP Policies and Procedures and Financial Regulations and Rules.   + The office’s financial information reflected in Quantum and submitted to BMS/OFM as part of the financial closure process is complete and accurate.   + Significant issues arising from non-compliance with any of the above have been disclosed in the Annual Representation Statement and issues impacting the financial statements have been communicated to BMS/OFM for consideration in the preparation of the financial statements.   Completion of the Annual Representation Statement will require the Head of Office to obtain similar assurance from their staff. This will also ensure issues facing the office are brought to the attention of the Head of Office and timelines for resolution are discussed and agreed. The Head of Office will be held accountable for ensuring all sections of the Annual Representation Statement are complete and accurate. |

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| **Head of Office - Responsibilities** |
| **9. Technology control management** |
| * **Assigns Quantum Profiles to personnel to ensure effective control, including segregation of duties:** The Head of Office must authorize all requests for personnel access to Quantum. The Head of Office must designate an IDAM focal point who is responsible for initiating user profile requests (i.e., new/modify/delete), and ensuring their approval by an IDAM Request Approver as designated by the Head of Office. These delegations should be maintained and securely filed. Once approved in UNAll IDAM, the user profile request gets processed by BMS/ITM (i.e., access rights assigned) and a notification is sent to the user with the credentials. The Head of Office must provide written instructions to the IDAM focal point that are consistent with the requirements of this Guide and, on a monthly basis, review the list of staff members and their Quantum user profiles. The table in Annex 2 correlates standard Quantum profiles to business processes. **Exceptions:** For requests that do not conform to standard IDAM profiles, approval must be provided by the Head of Office, and where relevant the related Global Business Process Owner (for example, BMS/OFM, BMS/OHR, etc.). The request should be submitted in UNAll IDAM using the ‘special instruction’ functionality and including the relevant approvals as supporting documentation.   **Segregation of Duties:** Standard IDAM user profiles have been designed to segregate duties (see [Annex](#_bookmark62) [2, Correlation of Quantum profiles to business processes](#_bookmark62). By enforcing the requirement that each staff member has only one Quantum profile (e.g., one of project manager, general user, finance user, procurement buyer, manager level 1, manager level 2, or senior manager, disbursement officer), offices achieve the following segregation of duties: (i) Staff members who approve invoices (Approving Managers) cannot create invoices (Finance); and (ii) Staff members who approve POs (Approving Managers) cannot create POs (Procurement Buyers).  The need for segregation between **first authority (project manager) and second authority (approving manager) on any one transaction** is achieved by assigning separately either a ‘project manager’ profile or an ‘approving manager’ profile (i.e., senior manager, manager level 2, or manager level 1). **Exceptions:**  Certain staff members, such as the head of office, the DRR, and operations manager, may need both the ‘Project Manager’ and ‘Approving Manager’ profiles if they must act as project manager on some transactions and as approving manager on other transactions. Where this dual responsibility is necessary, **staff members with both project manager and approving manager profiles must not approve a requisition and the associated PO**, because it violates the requirement to segregate first authority from second authority. **A Quantum system control has been enacted to prevent this.** Also, they **must not act as second authority for transactions charged to their own projects**, as it presents a conflict of interest.  **Monitoring:** BMS monitors the use of these profiles and addresses violations in the use of the authorities.   * **Designates staff members to receive supplemental roles in Quantum via IDAM:** Certain sensitive Quantum roles are not contained within the standard Quantum user profiles because, given the risks involved, they require the careful consideration and approval of the Head of Office for their assignment to staff members. These functions are supplier approvals (L1 and/or L2, as relevant), override match exceptions, fund manager and [disposal and write-off of](https://popp.undp.org/node/10676) [assets](https://popp.undp.org/node/10676). Only UNDP staff members may be designated to receive these supplemental roles in Quantum.   **For offices with clustered Supplier Management processes**, all L2 supplier approvals are performed by BMS/GSSC. The Head of Office should assign an L2 supplier approver role for processing emergency transactions that BMS/GSSC cannot process in time. In this case, the procedures for the processing of emergency transactions should be followed, as described in the [GSSC SOP Client Critical & Emergency Transactions](https://undp.sharepoint.com/teams/GSSU/Contact_Centre/Contact%20Centre%20Document%20Library/Forms/AllItems.aspx?OR=Teams%2DHL&CT=1640294916048&id=%2Fteams%2FGSSU%2FContact%5FCentre%2FContact%20Centre%20Document%20Library%2F01%5FSOPs%2FSOP%5FCritical%20and%20emergency%20case&viewid=b258c3f7%2D2974%2D4922%2D8b86%2De902e3c3da3c). |

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| **Head of Office - Responsibilities** |
| **10. Budget Management: Defines a budget override policy** |
| * **Cash-controlled funds.** In Quantum, all cost-sharing and EU contributions are defined as ‘cash-controlled funds.’ According to UNDP FRR, offices do not have authority to enter into commitments in the absence of available cash. Use of the Quantum budgetary control enforces this control by ensuring that only those POs, invoices, and journals entries that have funds available (i.e., pass budget check) can be finalized. (*Note: budget override functionality is still being configured in Quantum)*   Nevertheless, given that special circumstances in a particular office may justify short-term deficits, the Head of Office is responsible for defining a budget override policy for the office according to [risk management guidelines for contributions by donors to ‘other resources,’](https://intranet.undp.org/unit/ofrm/fbp/fbat/Shared%20Documents/Forms/AllItems.aspx?RootFolder=/unit/ofrm/fbp/fbat/Shared%20Documents/ICF&FolderCTID=0x0120002D75E1B572B6414EBE2CBB511AA65024&View=%7b8AD414C6-9A5C-4243-A04D-D3F27D7437BB%7d) which specify circumstances for the committal of resources even though 100 percent of contributions have not been received. Prior approval of the budget override policy must be sought from and provided by the CFO ([fba.all@undp.org](mailto:bom.ofrm.riskmanagement@undp.org)). Evidence of this approval should be maintained and securely filed. This policy should outline the circumstances under which a budget override is acceptable, who is authorized to override the budget exception in Quantum, as well as who is responsible to monitor the usage of overrides. For most offices, the policy assigns responsibility to the DRR(O) for the on-going tracking of override expenditures, supported by the Finance Unit; and the DRR(O) will update the Resident Representative on a regular basis. To ensure budget overrides are cleared, Project Managers must closely monitor the contributor payments received against agreed installment schedules and proactively follow up with the donor on upcoming payments. Further details are set out in the [risk management guidelines, budget override policy template and budget override monitoring tool user guide](https://intranet.undp.org/unit/ofrm/fbp/fbat/Shared%20Documents/Forms/AllItems.aspx?RootFolder=/unit/ofrm/fbp/fbat/Shared%20Documents/ICF&FolderCTID=0x0120002D75E1B572B6414EBE2CBB511AA65024&View=%7b8AD414C6-9A5C-4243-A04D-D3F27D7437BB%7d).  Where an override has been exercised, the responsibility of the Head of Office is to ensure that funds are received within 30 days, unless special conditions are agreed to and applied by the donor. However, such special conditions, which should be contained in the office budget override policy, must be pre-approved by the CFO. If funds are not received within 30 days unless otherwise noted above, this matter must be communicated to the **head of the respective regional bureau as well as to the CFO.**  **For projects funded by the European Union (EU),** the Head of Office has blanket authorization to utilize a budget-override to address the withheld amounts of EU funded projects, provided that the following conditions are met: (i) The CO formulates its budget override policy; (ii) The blanket budget-override authorization for EC funded projects applies only to the withheld amount of EC funding; and (iii) If final payment of the withheld amount by EC remains unpaid for any reason (e.g., due to non-compliance with the EC agreement such as inadequate donor reporting), the CO replenishes any deficits created from its own alternative resources (e.g., extra-budgetary funds), or the Regional Bureau covers the replenishment. The budget override monitoring tool has been developed to assist the Head of Office to monitor usage of budget overrides within the office, in line with the monitoring process set out in the budget override policy.  **Authorized spending limit (ASL) controlled funds.** In Quantum, all core resources and some non-core resources (e.g., open trust funds and thematic trust funds) are defined as ‘ASL- controlled’ and are funded through an ASL. The ASL represents an ‘authorization to spend’ from the fund manager. Offices must not enter into commitments that exceed ASLs. |

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| **Head of Office - Responsibilities** |
| **11. Record Management: Defines a supporting documentation policy** |
| In line with UNDP FRR and POPP on [records management,](https://popp.undp.org/node/11416) the Head of Office must ensure that adequate supporting documentation is maintained (e.g., documentation of a competitive procurement process). This supporting documentation may be maintained in an electronic format, but only in compliance with the UNDP [Electronic Signatures policy.](https://popp.undp.org/node/10691) Where supporting documentation is not maintained in electronic format, hard copies should be maintained and securely filed for a minimum of seven years to support transactions recorded in Quantum. The documentation policy should also include the requirement to retain original supporting documents for service requests submitted to the BMS/GSSC, including hard copies where applicable, in accordance with UNDP’s document retention policy. |

# Other Internal Control Roles

## Designated Officials to submit service requests to BMS/GSSC

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| **Designated Official(s) assigned to submit service requests to BMS/GSSC: Internal**  **Control Responsibilities** | **Performed within the**  **office (for all offices)** |
| * Reviews and ensures service requests submitted to BMS/GSSC are valid, complete, accurate, compliant with POPP and the relevant BMS/GSSC SOP, and   adequately evidenced with supporting documentation |  |

The Head of Office assigns staff and non-staff responsible for entering information into BMS/GSSC service request platform(s)/Quantum and staff responsible for verifying the accuracy and completeness of the information for BMS/GSSC to perform the service request. Designations should be in line with the [SOPs](https://undp.sharepoint.com/teams/GSSU/Contact_Centre/Contact%20Centre%20Document%20Library/Forms/AllItems.aspx?OR=Teams%2DHL&CT=1640294916048&id=%2Fteams%2FGSSU%2FContact%5FCentre%2FContact%20Centre%20Document%20Library%2F01%5FSOPs&viewid=b258c3f7%2D2974%2D4922%2D8b86%2De902e3c3da3c) and other [user guides](https://undp.sharepoint.com/teams/GSSU/Contact_Centre/Contact%20Centre%20Document%20Library/Forms/AllItems.aspx?OR=Teams%2DHL&CT=1640294916048&viewid=b258c3f7%2D2974%2D4922%2D8b86%2De902e3c3da3c) issued by BMS/GSSC. It is recommended that two persons are assigned the responsibility for verifying the accuracy and completeness of the information entered for each category of service request.

## IDAM Focal Points

The Quantum Identity and Access Management (IDAM) in UNAll is a user provisioning system for Quantum. The roles of the IDAM Focal Point and IDAM Request Approver are established in each office to facilitate and enact Head of Office’s approval for Quantum user profile requests. The IDAM Focal Point and IDAM Request Approver should have an awareness of the various job functions within the office, a thorough understanding of the ICF Operational Guide, and an appreciation for risk management considerations, to ensure that access requests are both necessary and appropriate in the context of the office’s activities.

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| **IDAM Focal Points: Internal Control Responsibilities** | **Performed within the**  **office (for all offices)** |
| * The IDAM Focal Point initiates and routes user profile requests (e.g., new/modify/delete) to the IDAM Request Approver (as designated by the Head of   Office) for approval and to enact the approved user profile requests in Quantum |  |

# Transactions performed on behalf of other offices or organizations

## Transactions performed at the request of other offices or UN organizations

UNDP offices perform certain administrative and transactional services for other UNDP offices or other UN organizations, including:

* Making payments for offices or UN agencies that do not have banking facilities in certain countries.
* Signing UN agency contracts at the request of another office or UN organization.
* Contracting procurement, recruitment, travel, and other services on behalf of another office or UN organization and concluding contracts for UN organizations in UNDP’s name.

Each of these scenarios is described below, including the key internal control points that should be observed.

### Making payments for other offices or UN agencies that do not have banking facilities in certain countries

The UNDP BMS/GSSC and BMS/OFM/Treasury provides payment services for agencies that do not have banking facilities in certain countries, including Quantum partner agencies (UNCDF, UNFPA, UN Women, UNU, UNITAR and UNSSC) and non- Quantum agencies (UNAIDS, UNESCO, UNOCHA, FAO, et al.).

The concept of authorities does not apply to the BMS/GSSC and BMS/OFM/Treasury (the disbursing offices) when it makes a disbursement (i.e., runs PPR) at the request of the other organization (the requesting office). However, BMS/GSSC and BMS/OFM/Treasury perform the following actions for risk management purposes:

For Quantum agency payment requests:

* While the requesting agency is responsible for ensuring it follows its own procedures in creating & approving the AP invoice and the supplier in Quantum, BMS/GSSC and BMS/OFM/Treasury check that the AP invoice has been properly processed by the requesting agency – that is, the AP invoice is assigned to the correct bank account PayGroup, and payment method prior to making the payment.

For non-Quantum agency payment requests:

* Since the requesting office does not have access to Quantum, it sends an approved Agency Service Request with supporting documentation to the Country Office for submission to BMS/GSSC. The Country Office: (i) creates the supplier in Quantum following the UNDP supplier creation policy in POPP (including performing supplier sanctions checks); and (ii) creates and performs first approval on the AP invoice in Quantum, attaching the Agency Service Request to the Quantum invoice transaction. BMS/GSSC: (i) reviews and approves the supplier in Quantum following the UNDP supplier approval policy in POPP ; and (ii) performs second approval on the AP invoice in Quantum. BMS/GSSC checks that the Agency Service Request amount and bank information matches the invoice provided as supporting documentation with the request and that the request has been approved by an authorized official included on the [‘Agencies Authorized Signatories List’](https://intranet.undp.org/unit/ofrm/fpmr/CFRA/SitePages/Agency%20Services.aspx) maintained by BMS/OFM/CFRA. The responsibility of the CO Approving Manager when approving the AP invoice in this process is to ensure that the service has been provided in accordance with the request/agreement with the non-Quantum Agency and that relevant cost recovery charges have been applied. BMS/GSSC reviews that the non-Quantum approved agency service request form and supporting invoice is attached in Quantum as evidence of approval.

### Signing UN agency contracts at the request of another office or UN organization

UNDP RRs may be asked to sign a contract for goods and/or services between a UN entity represented by UNDP and a contractor. Where the RR signs a contract on behalf of another organization, the contract should not refer to UNDP. The contract should be prepared on the letterhead or other template of the organization for which the RR is acting and not on UNDP letterhead, so as not to imply that it is a UNDP contract. Refer to [General Considerations of Contracting](https://popp.undp.org/node/4176) (para 20). Copies of this contract should be maintained and securely filed.

Note: These contracts should not be recorded in Quantum, at least not within the UNDP business unit, because these contracts belong to other UN organizations and should be recorded within the accounting system of the respective organizations.

### 12.1.3 Contracting procurement, recruitment, travel, and other services on behalf of another office or UN organization and concluding contracts for UN organizations in UNDP’s name

To some extent, the concept of authorities applies when the office, referred to as the ‘contracting office,’ enters into a **UNDP contract** at the request of another office or organization, referred to as the ‘requesting office.’ In these cases, UNDP’s [procurement](https://popp.undp.org/taxonomy/term/186) policies and procedures should be followed. This section also applies to requests to arrange travel (i.e., ticket and DSA).

***Contracting & other services on behalf of another office or organization***



***\* When the external access facility is being used,*** *the requesting agency creates & approves the requisition. UNDP undertakes the procurement process using UNDP rules, including creating & approving the PO. Based on written instruction from the requesting agency, the UNDP CO enters the receipt into Quantumexternal access facility, and the requesting agency creates the invoice for payment. UNDP approves the invoice & pays the supplier.*

**Requesting office acts as the first authority** by creating & approving the purchase requisition or travel request in Quantum

Contracting office conducts procurement according to UNDP POPP and an **Approving Manager approves the PO or travel request** in Quantum and signs the hard copy PO

**Quantum agencies**

Requesting office sends Inter-Office Memo (optional) & **approved Agency Service Request (ASR)** form to the contracting office.

Contracting office verifies the ASR form signature against the [‘Agencies](https://intranet.undp.org/unit/ofrm/fpmr/CFRA/SitePages/Agency%20Services.aspx)

[Authorized Signatories List’](https://intranet.undp.org/unit/ofrm/fpmr/CFRA/SitePages/Agency%20Services.aspx) maintained by BMS/OFM/CFRA; creates and approves the purchase requisition on behalf of the requesting office; undertakes the procurement process according to UNDP POPP; and an Approving Manager approves the PO in Quantum and signs the hard copy UNDP PO or approves the travel request.

For payment requests, the disbursing officer verifies the ASR form signature against the list of authorized signatures maintained by BMS/OFM agency unit prior to disbursing the payment. For higher-risk payments, it is recommended that a second confirmation be obtained from the agency.

Before executing payment requests made by fax, email, or other method outside Quantum, UNDP must make reasonable assurances (e.g., reconfirming receipt of payment instructions with the sender) before executing the payment.

**Quantum agencies (not using external access facility)\***

## Transactions performed at the request of implementing partners

UNDP offices perform certain administrative and transactional services for implementing partners (governments and NGOs), including:

* Making direct payments at the request of an implementing partner, including governments or NGOs.
* Making advances to implementing partners.
* Providing procurement, recruitment, and travel services at the request of the implementing partner where the office provides support services to the implementing partner – that is, where UNDP is responsible for the project expenditure.

Each of these scenarios is described below, including the key internal control points that should be observed.

### Direct payments at the request of an implementing partner

Under ‘direct payments at the request of an implementing partner,’ the office provides accounting services and banking services to the implementing partner. **This section of the Operational Guide applies only to the direct payment modality,** that is, where the implementing partner is responsible for project expenses. This section does not apply where the UNDP office provides support services to the implementing partner.

***Difference between ‘Direct Payments’ and ‘CO Support Services’***

|  |  |
| --- | --- |
|  **This Operational Guide section DOES apply to:** |  **This Operational Guide section DOES NOT apply to:** |
| Direct Payments at the request of an Implementing Partner | CO Support Services to the Implementing Partner |
| **What is the difference?** | |
| In ‘direct payments,’ the government performs recruitment or procurement and signs the contract according to its own regulations and rules. The **government assumes responsibility** for the contracting process and is responsible for project expenses. | In ‘CO support services,’ the **UNDP CO assumes responsibility** for the contracting process performed according to UNDP regulations and rules. |
| **‘Direct payments’ should not be confused with ‘CO support services’ since there is a very important difference in**  **accountability!** | |

Key requirements and responsibilities for making direct payments on behalf of an Implementing Partner include:

|  |  |
| --- | --- |
| **Requirement** | **Description** |
| **Pre-requisite for use of**  **‘direct payments’** | The direct payment modality is possible only where the UNDP office has carried out a capacity assessment of the implementing partner, including an assessment of internal control, and has determined that capacity is adequate. (This requirement also applies to the advance modality.) |
| **Responsibilities of the implementing partner** | * Maintaining all supporting documentation for commitments and expenses. * Sending approved direct payment requests to the UNDP CO through the Implementing Partner’s National Project Director (NPD) * At its option, the UNDP CO **may** require the Implementing Partner to submit supporting documentation for the payment so that the office can monitor project activities on a transactional basis. Regardless, the Implementing Partner should send only copies & should retain original documents for audit in the office of the   Implementing Partner. |
| **Responsibilities of the UNDP CO** | * With Head of Office or Deputy Head of Office authorization, submitting the   Implementing Partner’s approved direct payment request to the BMS/GSSC for creation and approval of the payment voucher since the Implementing Partner does not have access to Quantum.   * Monitoring project activities to ensure prompt detection of any deviations from the project work plan and budget. * Arranging annual audits of the Implementing partner to ensure that internal controls are adequate and that UNDP resources are used for the purposes intended. (See [HACT Audits Other Useful Links](https://intranet.undp.org/unit/office/oai/audits/SitePages/ngonim-useful.aspx) website.) |

### Advances to Implementing Partners

**Financial threshold to be applied for selection of Partners for micro assessments:** For UNDP, any Implementing Partner or Responsible Party that is expected to receive cash transfers of more than $150,000 per year is presumed to present a material risk to UNDP and will require a HACT micro assessment by a qualified third-party service provider. For partners that are expected to receive below the $150,000 per year threshold, a micro assessment is not required unless, at the discretion of the office, a micro assessment is deemed necessary due to other risk considerations, e.g., the office has no previous experience with the Partner or the operating environment is considered high risk. Offices are strongly encouraged to perform micro assessment for Partners that are below the annual threshold but are expected to receive more than

$150,000 cash in a programme cycle. Refer [POPP HACT](https://popp.undp.org/node/10891) for more guidance.

**Monitoring advances:** As stated in POPP, the UNDP office must closely monitor advances to Implementing Partners and ensure that no new advances are issued before at least 80 percent of the previous advance have been cleared. In addition, where there are long outstanding advances to an Implementing Partner, then no new advances may be issued to the partner even for a new project. (See POPP, [direct cash transfers and](https://popp.undp.org/node/10651) [disbursements](https://popp.undp.org/node/10651).)

### Procurement, recruitment, and travel services at the request of the Implementing Partner

This section applies only to CO Support Services provided to the Implementing Partner. Refer to Picture 7 above for guidance on what CO support services are. For development projects implemented by national institutions, Project Managers must use the Quantum external access facility to approve requisitions. If the Project Manager cannot use the external access facility (e.g., there is no internet connectivity), then the requisitions must be approved outside Quantum and submitted to the UNDP Programme Manager responsible for the project for requisition entry and approval in Quantum. The UNDP programme staff member who approves the requisition in Quantum can do so only for a requisition approved by the Project Manager outside Quantum.

*Note: Even where projects are funded by international financial institutions (IFI) such as the World Bank, UNDP FRR and POPP must be followed. Therefore, UNDP should not go to the World Bank for a ‘no objection’ until UNDP requirements are met.*

***Procurement, recruitment, and travel services at the request of the Implementing Partner***

The UNDP CO (Contracting Office): (i) undertakes the procurement process; (ii) submits a service request to BMS/GSSC to create & approve the supplier ; and/or create the PO; and (iii) approves the PO.

Implementing Partner creates receipt into the Quantum external access facility and creates PO invoice payment.

BMS/GSSC approves the PO invoice payment through the automated matching process and disburses.

Implementing Partner creates & approves the requisition.

**Implementing Partner uses Quantum external access facility**

**Implementing Partner does not use Quantum external access facility**

Implementing Partner (Requesting Office) sends request approved by an authorized official to the UNDP CO (Contracting Office).

The Contracting Office: (i) creates & approves the purchase requisition on behalf of the requesting office;

(ii) undertakes the procurement process according to UNDP POPP; and (iii) approves & signs the PO.



# Annex 1. Overview of ERP-enforced ICF requirements

|  |  |
| --- | --- |
| Finance Business Profile | Conflicting or authorization roles that cannot be assigned in IDAM |
| Senior Manager and Manager Level 2 | Procurement Buyer, Agency Service Procurement Buyer, Accounts Payable Payment Supervisor, Cash Manager, Accounts Payable Specialist GSSC, Travel Processor, Asset Focal Point |
| Manager Level 1 | Procurement Buyer, Agency Service Procurement Buyer, Accounts Payable Payment Supervisor, Cash Manager, Accounts Payable Specialist GSSC, Travel Processor, Asset Focal Point, GLJE Approver |
| Project Manager | Procurement Buyer, Agency Service Procurement Buyer, Accounts Payable Payment Supervisor UNDP (adm), Cash Manager, GLJE Approver |
| Procurement Buyer | Supplier Maintenance, Supplier Approver, Cash Manager, Accounts Payable Invoice Supervisor GSSC, Accounts Payable Supervisor GSSC, Accounts Payable Manager, GLJE Approver |
| Finance User | Procurement Buyer, Agency Service Procurement Buyer, Supplier Approver (adm), Cash Manager (adm), Accounts Payable Invoice Supervisor GSSC (adm), Accounts Payable Supervisor GSSC (adm), Accounts Payable Manager, Expense Receiver, GLJE Approver |
| General User | Procurement Buyer, Agency Service Procurement Buyer, GLJE Approver |
| Disbursement Officer | Access limited to functional role. |

HR Business Profiles:

|  |
| --- |
| Business profile |
| UN Intermediatory Banking Extension GSSC |
| Payroll View All Flows GSSC |
| HCM Banking Focal points GSSC |
| Labor Distribution Administrator GSSC UNDP - Agency All Data Access |
| Recruiting Manager GSSC UNDP |
| Benefit Administrator GSSC - Operating Unit Level Data Access |
| Payroll Manager GSSC - Operating Unit Level Data Access |
| HR Administrator GSSC - Operating Unit Level Data Access |
| BPM Administrative Tasks GSSC |
| Payroll Validation Tool User GSSC |
| Benefits Manager - Operating Unit Level Data Access |
| UN Compensation Manager - Operating Unit Level Data Access |
| Position Administrator - Operating Unit Level Data Access |
| HR Manager - Operating Unit Level Data Access |
| Staff Advance Reviewer - Operating Unit Level Data Access |
| Staff Advance Approver - Operating Unit Level Data Access |
| Rental Subsidy Certifying Officer - Operating Unit Level Data Access |
| HR Manager - Service Contractor |
| UN UFF Download Profile |
| Benefits Analyst by Legal Employer (Read Only) UNDP - Agency All Data Access |
| Position Analyst View All Data GSSC |
| Payroll Analyst UNDP - Operating Unit Level Data Access |
| Benefits Analyst - Operating Unit Level Data Access |
| Payroll Analyst by Legal Employer (Read Only) UNDP - Agency All Data Access |
| Payroll Manager GSSC |
| Payroll Analyst (Read Only) GSSC |
| Payroll Administrator GSSC |
| Benefit Administrator UNDP - Agency All Data Access |
| Recruiting Manager UNV |
| Recruiting Manager UNCDF |
| Payroll Manager UNV - Volunteer Person type Data Access |
| HR Manager UNDP - Agency All Data Access |
| Compensation Manager GSSC |
| Payroll Manager by Legal Employer (Read Only) UNDP - Agency All Data Access |
| Payroll Admin UNDP - Agency All Data Access |
| HR Analyst by Legal Employer (Read Only) UNDP - Agency All Data Access |
| Position Administrator GSSC |
| Position Administrator UNDP - Agency All Data Access |
| Payroll Validation Tool Admin GSSC |
| Labor Distribution Administrator GSSC |
| HR Administrator UNDP - Agency All Data Access |
| Compensation Manager UNDP - Agency All Data Access |

HR Business Profiles for staff

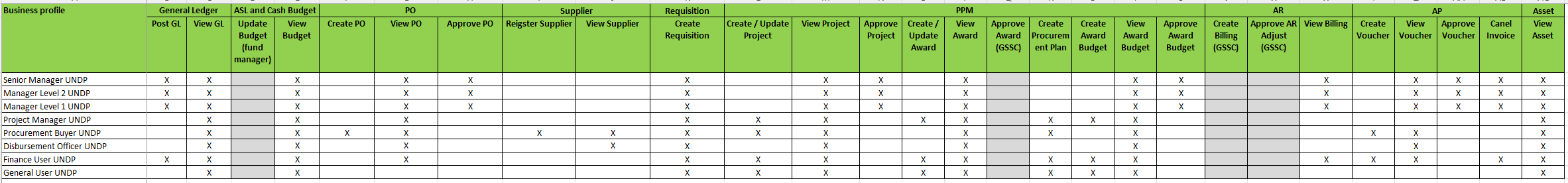
Table

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Table

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# Annex 2. Correlation of Quantum profiles to business processes



Graphical user interface, application, table, Excel

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1. This includes Project Manager (1st authority), Approving Manager (2nd authority) and Disbursement Officer (3rd authority); and for payroll transactions, HR Manager (1st authority), GP Manager (2nd authority) and Disbursement Officer – Payroll Validation Tool (3rd authority) [↑](#footnote-ref-2)
2. The KPIs for clustered processes are on the BMS/GSSC performance dashboard on their sharepoint site. The performance dashboard includes reference to service levels. See [link](https://app.powerbi.com/groups/me/reports/2043ee97-c2e2-4745-9d19-75a04e4f3b62/ReportSection). In the event that a Country Office performs an emergency transaction due to reason of exigency, they are to document the rationale and report to their respective Regional Bureau. [↑](#footnote-ref-3)
3. Refer to UNDP Financial Regulations and Rules for definitions of terms. [↑](#footnote-ref-4)
4. For all IPSAS terminology, refer to UNDP Financial Regulations and Rules applicable 1 January 2012. [↑](#footnote-ref-5)
5. For BERA, this includes Representation Offices – Brussels, Geneva, Germany, Nordic and Washington [↑](#footnote-ref-6)