

ANNEX 8: COMPLIANCE MONITORING PLAN

Compliance Monitoring

SCS's ambition is to ensure fulfilment of donor requirements and reduction of weaknesses in operation quality and compliance. To ensure early risk identification and mitigation, a monitoring plan and process that integrates lessons learnt and recommendations by internal and external auditors has been introduced. It focuses on audit requirements and partner management, as the most critical risks.

The compliance model complements the Save the Children International's (SCI) own internal control mechanisms and risk management. SCS does this through routine monitoring that includes but is not limited to: partner assessments and local partner organisation agreements, the quality of partner audits, and the follow up SCI's and local partner audit recommendations under the CSO Programme.

The Section for Award Management (SAM) at SCS bears the main responsibility for the compliance monitoring plan. In SAM, the Portfolio Managers play an essential role in its implementation with oversight and support from the Compliance Award Manager.

Compliance Monitoring Levels

The international work of SCS is mainly carried out through Save the Children International's country and regional programmes thus the commitments regarding the implementation of SCS funded programmes are stipulated in agreements between the parties on different levels.

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1. Master Programming Agreement (MPA)

- MPA is a single document that regulates all Save the Children International's (SCI) programme implementations funded by SCS.
- MPA sets the terms and details, as well as, roles and responsibilities as an overarching framework agreement.

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2. Fund Summary (FS)

- FS refers to specific agreements between SCS and SCI, which regulates specific award details, conditions and requirements.
- FS is integrated in and generated by AMS (Award Management System).
- It contains all annexes (donor agreement, proposals, budgets, audit instructions etc.)

Process Step 1:
FS is approved and activated in AMS



Process Step 2:
SCI can start to carry out the project, sign sub-awards and disburse funds to local partners.

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3. Sub-Award Agreements

- Sub – Award agreements are signed by SCI with local implementing partners. They regulate all project details, conditions and requirements.
- Sub – Award agreements includes procurement regulations, audit requirements (Annex D of agreement), anti-corruption and child safeguarding policies as per Sida's requirements

Compliance Monitoring Overview and Plan for 2022 – 2026

Identified Risk Areas	Compliance monitoring mechanism	Frequency
1. Donor requirements: procurement regulations, audit requirements (Annex D), anti-corruption and child safeguarding policies of Save the Children are misinterpreted or not reflected in agreements.	Review all implementing partner agreements (SCS-Member, SCI-Local Partner) to ensure that the correct procurement regulations, audit requirements, anti-corruption and child safeguarding policies are included.	Once per Agreement
	SCS participates actively in kick-off meetings with SCI and partners to ensure that the procurement regulations, audit requirements (Annex D), anti-corruption and child safeguarding policies are discussed and reviewed.	Once per Agreement
	Spot checks on procurement regulations, audit requirements (Annex D), anti-corruption and child safeguarding policies.	Based on annual spot check plan
2. Partner agreements, assessments and amendments: are outdated, incorrect or not properly kept on AMS.	Review availability of partner agreements, assessments and amendments. Verify that all documents are up to date, approved and saved on AMS.	Once per Agreement
3. Audits and internal controls mechanisms have not been completed and there are gaps and weaknesses in terms of audit reporting from local partners.	Review the expenditures in the Audit Report matches to the Financial Report from Agresso.	Annual - based on audit submission plan
	Obtaining monitoring summary and certification of annual/final financial and narrative reports from SCI on all partners that are exempted from audit.	Annual - based on audit submission plan

	Review quality and availability of audit reports and reports of factual findings in accordance with agreed audit instructions.	Annual - based on audit submission plan
	Follow up on recommendations in SCI and partner audits.	Depending on the agreed action plan in Management Response
4. There is Risk of fraud and corruption at partner level.	Follow up on all reported cases of fraud at Country Office and Partner level to ensure appropriate actions are taken.	Ongoing as part of communications and field visits
5. Programme Specific Commitments; Sida CSO programme commitment of allocating 70% to local partners has not been adhered to by SCI.	Ensure that the percentage of planned and used budget is in line with programme commitment of 70% to local partners.	In annual budgeting/reporting process, and with all budget revisions