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OFFICE OF AUDIT AND INVESTIGATION SERVICES

REMOTE AUDIT AND MONITORING (RAM)

UNFPA OFFICES IN THE ARAB STATES REGION

FINAL REPORT

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EXECUTIVE SUMMARY

1. The Office of Audit and Investigation Services (OAIS) performed a remote audit (the audit) of the UNFPA Offices located in the Arab States Region (ASR Offices). The audit covered selected programme and operations management activities, and transactions executed by the ASR Offices in the period from 01 January to 30 September 2019.

Background

2. The UNFPA Arab States Region comprises a Regional Office located in Cairo, Egypt and 15 Country Offices with vastly different economic structures and cultures. Some of the countries in the region are affected by humanitarian emergencies caused by conflict.

3. Expenses incurred in the period under review (01 January to 30 September 2019) amounted to a total of USD 149.0 million, corresponding to activities and transactions executed directly by the ASR Offices (USD 41.5 million; 28 per cent of total) and by 210 Implementing Partners (USD 107.5 million; 72 per cent of total). Expenses were funded from core resources of USD 16.8 million (11 per cent of total) and non-core resources of USD 132.2 million (89 per cent of total).¹

Methodology and scope

4. The audit was conducted in conformance with the *International Standards for the Professional Practice of Internal Auditing*, which require that internal auditors plan and perform the audit to obtain reasonable assurance on the adequacy and effectiveness of the operations and internal control processes in place. The audit included reviewing and analyzing, on a test basis, information that provided the basis for the audit conclusions. The work was conducted out of Headquarters and no field missions to any of the ASR countries were undertaken.

5. The scope of the audit included an assessment of the operating effectiveness of internal controls over workplan management, Implementing Partner management; supply chain management; human resource management; procurement; financial management; travel; and asset management activities and transactions. These were selected using a risk-based approach. Staff payroll expenses, amounting to USD 14.2 million in the period under review, were excluded from the scope of the audit as payroll is managed by another United Nations organization on behalf of UNFPA, which relies on the internal controls implemented by that organization.

Audit rating

6. The overall audit rating is **“Some Improvement Needed”**, which means that the assessed controls were adequately established and operating effectively but needed some improvement to provide reasonable assurance that the objectives of the audited area should be achieved. Issues and improvement opportunities identified did not significantly affect the achievement of the audited entity/area objectives. Management action is recommended to ensure that identified risks are adequately mitigated.

7. Ratings by key audit area are summarized in the following table.

¹ Based on 2018 Atlas expense figures extracted on 23 October 2019.

Audit ratings by key audit area		
Programme management		<i>Some improvement needed</i>
<i>Workplan management</i>		<i>Some improvement needed</i>
<i>Implementing Partner Management</i>		<i>Major improvement needed</i>
<i>Supply Chain management</i>		<i>Some improvement needed</i>
Operations management		<i>Some improvement needed</i>
<i>Human resources management</i>		<i>Some improvement needed</i>
<i>Procurement</i>		<i>Effective</i>
<i>Financial management</i>		<i>Some improvement needed</i>
<i>Travel</i>		<i>Some improvement needed</i>
<i>Asset management</i>		<i>Effective</i>

Key findings and agreed Management actions

8. The audit identified areas where the ASR Offices’ practices were fully compliant with established policies and procedures. However, there are a number of areas that require Management attention, related to operational, compliance and reporting matters. Overall, the audit report includes six high priority and five medium priority agreed Management actions to help the Offices improve their programme delivery and operations.

Operational level

9. Use of the Global Programming System (GPS) in programme planning could be improved upon, through timely finalization of workplans, better workplan budgeting at the monitoring account level to provide greater details on the nature of inputs budgeted, and accurate and timely processing of workplan revisions in the system.

10. The distribution of programme supplies should be expedited taking into consideration their expiry dates. Further, controls of procurement planning, ordering and shipment of programme supplies should be improved in order to ensure timely receipt of the commodities by ASR Offices and avoid the incurrence of onerous shipping, demurrage and storage costs.

Compliance level

11. To ensure availability of financial resources to settle obligations, Implementing Partners operating on a reimbursement cash transfer modality should seek and obtain prior approval from ASR Offices before incurring UNFPA-funded programme implementation expenses.

12. There is a need to improve compliance with policy requirements regarding the payment of salary supplements to Government Implementing Partner personnel.

13. The processing of Funding Authorization and Certificate of Expense (FACE) forms, which are used by Implementing Partners to request funding and report expenses incurred for programme activities, needs improvement regarding the controls applied in their review and approval by UNFPA Management.

14. To minimize the issuance of *ex post-facto* requisitions and purchase orders, ASR Offices need to timely commit financial resources in Atlas at the time of making local procurement awards.

15. Some improvement in compliance with UNFPA policies and procedures is required in the areas of contract personnel management – e.g. restricting the commencement of work by individual consultants without signed contracts and better documenting certifications of payments and consultant evaluations; and travel – e.g. timely submitting travel requests, obtaining security clearances before official travel and accurately computing daily subsistence allowances.

Reporting level

16. To enhance financial reporting and the use of financial information for monitoring, accuracy and timeliness in financial accounting and recording of transactions needs to be improved through training relevant staff, as well as implementing appropriate supervisory controls.

Agreed Management actions

17. ASRO Senior Management, as well as all Representatives and Heads of Office in the region, agree with the findings of this report. The report was shared with all ASR Offices, along with a matrix showing the office-specific findings. Each office accepted the findings and indicated the actions they intend to take. In January 2020, during a session of the Regional Leadership Meeting, ASRO conducted a session for all Representatives in the region and their respective management teams to discuss the audit’s preliminary findings. The key follow-up actions below were recommended and remain relevant. It is expected that they will be implemented throughout the remainder of 2020 and up to mid-2021:

- (a) Representatives and Heads of Office will ensure implementation of the identified shortcomings at their respective offices;
- (b) ASRO, together with management teams at the ASR Offices, will identify office-specific capacity gaps and conduct focused capacity-building activities through regional webinars, workshops, online or face-to-face trainings, missions, coaching;
- (c) ASRO will engage with UNFPA Headquarters to address systemic issues identified through the audit and contribute to establishing solutions that will address field-specific situations;
- (d) ASRO has an oversight committee and a desk officer system within its oversight framework. Through these mechanisms, ASRO will continue to regularly examine various agreed indicators for each ASR Office and follow up to ensure management oversight, as well as monitoring of implementation of audit findings;
- (e) A number of ASRO staff are involved in various change management working groups. Dependence will be placed on them to further examine the issues arising from the audit of ASR Offices in the working groups so that corporate structures and systems may be established to help maintain efficiency and effectiveness; and
- (f) ASRO will organize missions, when travel is possible following the Covid-19 restrictions, that will make it possible for ASRO staff to assess the environment in which ASR Offices and their Implementing Partners operate, and identify challenges in controls and systems in a timely way so that they are addressed.

18. ASRO Senior Management takes this opportunity to thank the OAIS team for the remote audit and monitoring exercise and will separately share comments and suggestions on process improvement for similar engagements in the future.

19. The OAIS audit team would like to thank the Management and staff of all Country Offices in the Arab States Region, as well as the Regional Office, for their cooperation and assistance throughout the audit.

I. OBJECTIVES, SCOPE AND METHODOLOGY

1. The objective of the remote audit, conducted in conformance with the *International Standards for the Professional Practice of Internal Auditing*, was to provide reasonable assurance on the operating effectiveness of internal controls over activities and transactions executed by the ASR Offices (see complete list in paragraph 7) in the period from 01 January to 30 September 2019, for the following processes:

- Programme management:
 - a) Workplan management;
 - b) National execution;
 - c) Inventory management;
- Operations management:
 - a) Human resources management;
 - b) Procurement;
 - c) Financial management;
 - d) Travel; and
 - e) Asset management.

2. The audit included such tests, as considered necessary in the circumstances, to obtain reasonable assurance with regards to:

- a) The appropriateness of the activities and transactions reviewed in the context of the Offices' programmes;
- b) The operating effectiveness of the internal controls in place over the activities and transactions;
- c) The level of compliance with the rules, regulations, policies and procedures applicable to activities and transactions; and
- d) The accurate recording of activities and transactions.

3. Audit procedures applied as part of the audit included an analytical review of Atlas financial information; a review of workplan information in the Global Programming System (GPS); a review of supporting documents, records and other documentary evidence related to the activities and transactions reviewed; and inquiries to Management on matters arising from the procedures applied. All work was conducted out of Headquarters, with no field missions undertaken to any of the ASR Offices.

4. Activities and transactions reviewed were selected using a risk-based approach. Staff payroll transactions were excluded from the scope of the audit, as they are managed by another United Nations organization on behalf of UNFPA, which relies on the internal controls implemented by that organization.

5. The engagement was conducted by a team of OAIS audit specialists and individual professionally qualified audit consultants, starting on 21 October 2019. Findings resulting from the audit were discussed with Management at an exit meeting held on 04 March 2020. Comments received and clarifications provided throughout the report preparation period were incorporated in a draft report submitted to the Arab States Regional Office (ASRO) on 10 July 2020. Final management actions agreed with ASRO, received on 01 September 2020, are reflected in the report.

II. BACKGROUND

6. The Arab States region is one of the most diverse regions in the world, both demographically and economically. It includes Egypt with a population approaching 100 million and other countries with populations of less than three million such as Bahrain and Qatar. The 22 Arab States range from some of the wealthiest countries in the world to some of the poorest. With fragile economies, vulnerable financial institutions, and persistent political instability and security issues, the region faces serious developmental challenges. Several Arab States have suffered, or continue to suffer, from occupation, armed conflict, civil war, terrorism, forced displacement, political instability, economic crises, or severe environmental challenges.² Nine Arab States are currently responding to humanitarian emergencies³ and the crises in the region are becoming increasingly protracted in nature, as emergencies and conflicts in Palestine, Somalia, Sudan, Iraq and Yemen have persisted for decades and the crisis in Syria has passed its seven-year mark.⁴

7. The UNFPA Arab States Region comprises a Regional Office located in Cairo, Egypt, and 15 Country Offices located in Algeria, Djibouti, Egypt,⁵ Iraq, Jordan, Lebanon, Libya, Morocco, Oman, Palestine, Somalia, Sudan,⁵ Syria, Tunisia and Yemen.⁶ The countries have vastly different economic structures and cultures.

8. Although progress has not been even and some countries clearly lag behind, the region has made remarkable progress towards achieving the vision of the 1994 International Conference on Population and Development (ICPD) in Cairo and the previous Millennium Development Goals (MDG). Periodic regional reviews have documented: discernible declines in infant, child and maternal death rates; improved access to reproductive health care, reproductive rights and family planning services; a reduction in unmet needs for family planning and reproductive health services; increasing school enrolment ratios; improved gender parity in education; a drop in extreme poverty; increased urbanization; and improved access to safe water and sanitation.⁷ In addition, service delivery interventions in the areas of maternal health and gender-based violence continue to be undertaken, primarily in countries affected by humanitarian emergencies.⁸

9. Countries in the Arab States region achieved significant progress in increasing the coverage of effective sexual and reproductive health services. The maternal mortality ratio declined by 47 percent between the year 2000 (158/100,000 births) and 2017 (84/100,000 births);⁹ the contraceptive prevalence rate increased by 45 per cent between 1994 (33 percent) and 2019 (48 percent);¹⁰ and the adolescent birth rate decreased by 11 percent from 56/1000 girls in 2015¹¹ to 50/1000 girls in 2019.⁹

10. Expenses incurred in the period under review amounted to a total of USD 149.0 million, corresponding to activities and transactions executed directly by the Asia Pacific Offices (USD 41.5 million; 28 per cent of total – ‘UNFPA execution’) and by 210 Implementing Partners (IP) (USD 107.5 million; 72 per cent of total). The main individual expense categories are presented in Table 1 below.

² Reviewing the Implementation of the 2013 Cairo Declaration: Regional Report 2018

³ One vision, three zeros, Annual Report 2018

⁴ UNFPA Arab States Regional Office - Regional Strategic Partnership Framework 2019 -2021

⁵ Egypt and Sudan were excluded from the audit scope as the UNFPA Offices in these two countries have been audited by OAS in 2019.

⁶ <https://arabstates.unfpa.org/en/arab-states-glance> - extracted 1st April 2020

⁷ Arab Regional Conference on Population and Development, Reviewing the Implementation of the 2013 Cairo Declaration, Regional Report, 2018.

⁸ Humanitarian Action 2020 Overview, February 2020

⁹ Trends in maternal mortality: 2000 to 2017, Estimates by WHO, UNICEF, UNFPA, World Bank Group and the United Nations Population Division, published 2019, page 39

¹⁰ State of the world population 2019

¹¹ State of the world population 2015

Table 1 - Key expense categories¹² for the period in scope

Activities implemented by	Value in USD million	Percentage of total	Percentage within each category
ASR Offices	41.5	28%	100%
Staff payroll	14.2	10	34
Contract personnel costs	4.2	3	10
Procurement of other goods and services	7.1	5	17
Procurement of inventory items	11.0	7	27
Travel	4.9	3	12
All other expenses (aggregated)	0.1	0	0
IP expenses	107.5	72%	100%
Consultancies and salaries	51.5	35	48
Procurement	39.0	26	36
Training	13.8	9	13
All other expenses (aggregated)	3.2	2	3
TOTAL	149.0	100%	--

11. Expenses were funded from core resources of USD 16.8 million (11 per cent of total) and non-core resources of USD 132.2 million (89 per cent of total).¹³ Approximately USD 119.3 million (80 per cent) corresponded to programme expenses, with 54 per cent allocated to the Reproductive Health component (USD 64.3 million); 24 per cent to the Gender component (USD 29.1 million); 16 per cent to the Population and Development component (USD 19.1 million); and 6 per cent to the Adolescents component (USD 6.8 million). Costs funded from the Institutional Budget and programme coordination and assistance costs, not allocated to any of the above thematic areas, accounted for the remaining 20 per cent of expenses.¹⁴

¹² Based on 2018 Atlas expense figures.

¹³ Based on 2018 Atlas expense figures

¹⁴ Based on 2018 Atlas expense figures

III. DETAILED FINDINGS

A. PROGRAMME MANAGEMENT

MAJOR IMPROVEMENT NEEDED

A.1 – WORKPLAN MANAGEMENT

SOME IMPROVEMENT NEEDED

12. During the period under review, ASR Offices implemented programme activities that were managed through 210 workplans,¹⁵ inclusive of 14 UNFPA workplans, amounting to USD 149.0 million. A large portion of the expenses incurred in relation to UNFPA-implemented activities corresponded to personnel costs and the procurement of programme supplies and other goods and services.

13. Audit procedures performed focused on the analysis of 168 workplans maintained in and generated from GPS, with aggregate expenses of USD 146.7 million during the period under review (98 per cent of programme implementation expenses). The review was limited to specific procedures and analyses of GPS data during the audit period and was based only on information available as at 30 September 2019. The procedures included follow-up inquiries of ASR Offices' focal points on identified potential exceptions or inconsistencies in data generated from GPS, especially with regard to workplan management.

14. Based on the audit work performed in this area, the audit noted the following matter that needs Management attention.

Strengthen the use of GPS for programme planning

Late finalization of workplans in GPS

15. There were significant delays in finalizing the 2019 workplans in GPS. In particular, 19 out of the 168 workplans reviewed (11 per cent) were finalized between May and August 2019. The delayed finalization of the workplans contributed to low financial implementation rates as at 30 September 2019, with 25 IPs registering rates between nil and 59 per cent.

16. ASR Offices' Management attributed the delays in finalizing the workplans to: (a) late receipt of co-financing funds; (b) a need to register new IPs during the course of year – which proved to be time consuming; (c) human resource capacity gaps (skills and numbers) at the ASR Offices; (d) delays by some ASR Offices in submitting inputs to regional or multi-country workplans coordinated by ASRO; and (e) the commencement of new country programme cycles, some of which involved more humanitarian interventions – presenting a shift in focus from previous mainly development-oriented programmes, and thereby creating a steep learning curve.

Workplan budgeting

17. Twenty-five IP workplans reviewed revealed differences between budget amounts in the workplans and commitment control¹⁶ budgeted amounts in Atlas, for an absolute total value of USD 12.7 million – which could lead to potential overspending. The differences were mainly caused by workplan budget revisions that were not accurately and timely processed by the relevant programme managers in GPS. The differences noted also corresponded to workplan budget revisions that were not properly supported by appropriate documents. For example, 51 workplans in GPS had more than five revisions each, which were not supported by the requisite documents such as signed letters with the concerned IPs.

18. Further, programme activities amounting to USD 96.2 million relating to 85 workplans were budgeted in GPS at the aggregate account level of "General Operation Expenses" – instead of the corresponding sub-account levels by expense type (i.e. the "monitoring" account level), which could significantly improve monitoring by providing greater details on the nature of inputs budgeted.

¹⁵ Source: Global Programming System (GPS) data extracted in October 2019

¹⁶ Atlas module where all financial transactions are subjected to budgetary controls

ROOT CAUSE	<i>Guidance: inadequate supervision at Office level. Other: factors beyond the control of UNFPA.</i>
IMPACT	<i>Implementation of programme activities may be delayed due to late finalization of workplans and the effectiveness of budgetary controls may be diminished.</i>
CATEGORY	<i>Operational</i>

AGREED MANAGEMENT ACTION NO. 1

PRIORITY: HIGH

ASRO will conduct GPS spot-checks on all ASR Offices through the established desk officer system. The spot-checks are to help ensure that budget revisions are recorded in a timely and accurate manner and that all relevant documentation is uploaded, as required. ASRO will also develop standard operating procedures, to be shared with all ASR Offices, for finalization of workplans. International Operations Managers and Operations Managers will be required to sign off in GPS, through the operational reviews, to ensure the utilization of appropriate account codes. A webinar will be conducted with all the ASR Offices with the goal of improving data quality in GPS, which will include the need for budgetary controls.

MANAGERS RESPONSIBLE FOR IMPLEMENTATION:

DUE DATE:

August 2021

Programme Coordinator, ASRO & Programme Managers, ASR Offices

A.2 – IMPLEMENTING PARTNER MANAGEMENT

MAJOR IMPROVEMENT NEEDED

19. During the period under review, IPs engaged by the ASR Offices for implementation of programme activities incurred expenses amounting to USD 107.5 million. Per the available general ledger information, expenses incurred by IPs corresponded primarily to consultancies and salaries, procurement, and training costs (see details in Table 1).

20. Audit work performed in this area included an analytical review of IP expenses in the period under review, as well as detailed testing of a sample of 73 Funding Authorization and Certificate of Expenditure (FACE) forms amounting to USD 51.8 million (48 per cent of IP expenses) as regards: (a) the existence of appropriate agreements and signed workplans with the concerned IPs; (b) controls implemented for the review, authorization and processing of the FACE forms; (c) reconciliation, for a sample of activities, of expenses reported in the FACE forms to itemized cost estimates, transaction details, and copies of supporting documents obtained from the concerned IPs; (d) submission of Workplan Progress Reports by the IPs; and (e) controls implemented over the Operating Fund Account (OFA), used to record and control funds advanced to the IPs.

21. Based on the work performed, the audit identified the following matters in need of Management attention.

Implement effective authorization controls and procedures for cash transfers to IPs

22. Four IPs, operating on a reimbursement cash transfer modality, did not seek or obtain prior approval from the three APR Offices that engaged them before incurring programme implementation expenses in the aggregate amount of USD 1.9 million during the first and second quarters of 2019. In all cases, the concerned IPs spent in excess of the USD 100,000 threshold set in applicable policy that requires prior authorization by the relevant project managers.

ROOT CAUSE	<i>Guidance: inadequate supervision at Office level.</i>
IMPACT	<i>Available financial resources may not allow the Offices to settle obligations resulting from the need to reimburse programme implementation expenses incurred by IPs.</i>
CATEGORY	<i>Compliance.</i>

AGREED MANAGEMENT ACTION NO. 2

PRIORITY: HIGH

ASRO will ensure that all ASR Offices are made aware of the relevant Implementing Partner management policies, especially those relating to reimbursement as a cash transfer modality. This will be achieved through periodic webinars organized with the Quality Management Unit (Headquarters) to cover different aspects of cash transfers to Implementing Partners. In addition, ASRO will conduct a webinar in coordination with UNFPA Headquarters to reemphasize application of the established policy.

MANAGERS RESPONSIBLE FOR IMPLEMENTATION:

DUE DATE: June 2021

International Operations Manager, ASRO; Regional Programme Coordinator, ASRO; and Programme Managers, ASR Offices

Improve compliance with policy requirements regarding the payment of salary supplements to Government officials

23. One ASR Office made 13 honoraria payments amounting to USD 34,000 to personnel of a Government IP between April and October 2019.

24. There was no evidence that a need for the *de facto* salary supplements was established and recorded in writing by the United Nations Country Team (UNCT), as required by applicable policy.¹⁷

ROOT CAUSE *Guidance: inadequate supervision at Office level.*

IMPACT *There is increased reputational risk to UNFPA.*

CATEGORY *Compliance.*

AGREED MANAGEMENT ACTION No. 3

PRIORITY: HIGH

ASRO will conduct a training session on allowable expenditure to ensure that all ASR Offices have, on file, the requisite UNCT documentation regarding exceptional honoraria to Government employees before approving any such transactions. ASRO will also sample Country Offices each season and apply checks on them to verify that systems exist to ensure compliance with policies and procedures and to build capacity where necessary.

MANAGERS RESPONSIBLE FOR IMPLEMENTATION:

DUE DATE: August 2021

International Operations Manager, ASRO & staff in charge of Operations, ASR Offices

Significantly improve controls over FACE form review and approval

25. Of the 73 FACE form transactions reviewed, 32 showed, overall, 55 exceptions. While not all being significant or pervasive in nature, the exceptions are reflective of gaps in the effectiveness of FACE form review and approval.

26. These include:

- (a) Sixteen (16) cash advances made to IPs, in the amount of USD 14.4 million, where the related cash advance requests were not accompanied by itemized cost estimates or detailed transaction lists, as required by applicable policy;
- (b) USD 25.0 million in expenses reported by six IPs relating to 28 transactions, each in excess of the policy threshold of USD 250,000, were not approved by the respective Heads of Office, as required by applicable policy;
- (c) Two (2) instances where expenses reported by IPs, in the aggregate amount of USD 2.7 million, varied from those listed in the corresponding itemized cost estimates by more than the policy threshold of USD 10,000, without documented explanations in GPS for the variances, as required by applicable policy;
- (d) Two (2) instances where the support costs paid to an IP were in excess of the rates specified in the corresponding IP agreement and workplans, resulting in a total overpayment of USD 21,979; and
- (e) Two (2) instances of disallowed expenses in the total amount of USD 0.2 million where the rationale for their disallowance was not documented in notes-to-file and uploaded in GPS by the concerned ASR Offices, as required by policy.

¹⁷ Preparation and Management of Workplans, December 2014

ROOT CAUSE	<i>Guidance: inadequate supervision at Office level.</i>
IMPACT	<i>Errors and other issues may not be identified and remediated in a timely and effective manner. There is increased risk of financial loss and reputational risk to UNFPA.</i>
CATEGORY	<i>Compliance.</i>

AGREED MANAGEMENT ACTION No.4

PRIORITY: MEDIUM

For the issue related to itemized cost estimates, ASRO will ensure that all ASR Offices are made aware of the policies and procedures that are relevant to GPS workplan management, including the importance of preparing detailed budget templates for each version of approved work plans, as well as itemized cost estimates for each FACE form submitted. This will be achieved through holding a regional webinar on GPS, coordinated with the Division for Management Services, and development of a standard operating procedure on the issue. ASRO will also sample Country Offices each season and apply checks on them to verify that systems exist to ensure compliance with policies and procedures and to build capacity where necessary.

MANAGERS RESPONSIBLE FOR IMPLEMENTATION:

DUE DATE:

May 2021

*International Operations Manager, ASRO; and
Programme Coordinator, ASRO*

A.3 – SUPPLY CHAIN MANAGEMENT

SOME IMPROVEMENT NEEDED

27. During the period under review, ASR Offices supplied inventory worth USD 11.0 million, consisting primarily of contraceptives, dignity and medical kits for humanitarian response activities. The inventory supplied was procured by the UNFPA Procurement Services Branch, based in Copenhagen, Denmark (USD 4.0 million), and locally by the ASR Offices (USD 7.0 million).

28. Audit work in this area included an analytical review of inventory transactions in the period under review, as well as tests of detail on a sample of 44 transactions amounting to USD 6.7 million (61 per cent of the inventory supplied), as regards: (a) linkage to annual workplans or other appropriate evidence of the transactions’ business purpose; and (b) compliance with the applicable policies and procedures, and operating effectiveness of controls in the areas of: (i) requisitioning; (ii) customs clearance, receiving and inspection; (iii) handover of the inventory to IPs; and (iv) transaction recording. For locally procured inventory, audit work included a review of the related procurement processes (refer to section B.2 of the report for details on the work performed).

29. Audit work also included a review of the results of ‘second line of defense’¹⁸ controls and assurance activities put in place by the Division for Management Services in this area, including analytical reviews of inventory transactions in the region.

30. Based on the audit work performed in this area, the audit noted the following matters that need Management attention.

Expedite the distribution of programme supplies

31. An analysis of inventory expiry times at one ASR Office, indicated that USD 0.2 million of pharmaceutical commodities in stock as of December 2019 were due to expire in February 2020. The commodities, procured in February 2018, represented an approximate nine months’ worth of supplies whose distribution, according to the concerned ASR Office’s Management, was affected by a volatile high security situation at the port of arrival and delayed approvals for distribution by different government regulatory and security bodies that prevented the issuance of the commodities from the warehouse – resulting in the on-hand stock.

32. It is noted that the pharmaceutical commodities were handed over to the relevant IP in March 2020. Further, medical equipment (USD 1.1 million), received in February and May 2019, and intended for distribution in July 2019, was yet to be handed over to IPs at the time of the audit fieldwork – for the same reasons provided above by the ASR Office with regard to the delay in the distribution of pharmaceutical commodities.

¹⁸ Functions that oversee or specialize in risk management, compliance.

33. In addition, one ASR Office did not provide documentation to support the distribution of dignity and baby supply kits (USD 40,000). Another three ASR Offices updated their inventory records for physical receipts of commodities into warehouses and their subsequent distribution with delays ranging between two and seven months.

ROOT CAUSE	<i>Other: factors beyond the control of UNFPA. Guidance: inadequate supervision at Office level.</i>
IMPACT	<i>The expiry of commodities negatively impacts programme implementation, results in financial loss, and increases reputational risk.</i>
CATEGORY	<i>Operational.</i>

AGREED MANAGEMENT ACTION No. 5

PRIORITY: MEDIUM

The concerned ASR Office has put in place measures to address the finding through: (a) continuous communication and engagement with Government authorities; and (b) enhanced internal monitoring and coordination mechanisms for supply chain management, including implementation of a monthly inventory status review report, an ageing analysis report, and frequent distribution plan reviews. ASRO, through its Humanitarian Unit, will support the concerned ASR Office to address the root causes of delays in the distribution of programme supplies. ASRO will also continue to provide technical assistance to all ASR Offices towards establishing fully functional systems and procedures that support their supply chain management in mitigating or addressing risks and challenges.

MANAGERS RESPONSIBLE FOR IMPLEMENTATION:

DUE DATE: October 2021

*Sexual Reproductive Health and Rights Advisor, ASRO; and
Programme Supplies focal point persons, ASR Offices*

Improve controls over the ordering and shipment of programme supplies

34. Ten out of the 44 inventory transactions reviewed had the following exceptions indicative of lapses in controls over the planning, ordering and shipment of programme supplies:

- (a) Two (2) instances relating to one ASR Office where locally procured programme supplies (USD 0.8 million) was neither included in any workplan nor in the existing procurement plan. Therefore, it was difficult to establish if the procurement was planned and relevant to the office’s programme objectives.
- (b) Three (3) instances where the procurement of programme supplies (USD 0.3 million) required in May 2019 (according to the relevant workplan and procurement plan) was initiated in June and July 2019, resulting in a late arrival of the commodities in September 2019;
- (c) One instance (USD 0.1 million) where the evaluation panel for bids to procure baby dignity kits was not properly constituted in accordance with applicable policy, as it had only two members instead of the required minimum of three;
- (d) Eight (8) instances where programme supplies, in the aggregate amount of USD 1.1 million, took between 6 and 14 months from order to delivery due to poor planning. Although the two concerned ASR Offices are prone to security challenges, better planning would have catered for extended lead times in view of programmatic needs;
- (e) Four (4) instances where the use of airfreight was not justified. In two instances, two ASR Offices used airfreight to transport programme supplies at a total cost of USD 74,390 in January and March 2019, with no reason for the urgency in transportation and use of the costly mode documented. The commodities were still in warehouses, awaiting distribution, at the time of the audit fieldwork. In the other two instances involving one other ASR Office, programme supplies were airlifted via transshipment locations in April and July 2019, at a total cost of USD 0.3 million. The shipments were, however, still in transit at the transshipment location at the time of the audit fieldwork – making the choice of this expensive mode of transportation unjustified; and
- (f) Two (2) instances where programme supplies (USD 0.6 million) ordered by one ASR Office were transshipped through an intermediate country for security reasons. The shipments, which included pharmaceutical products (e.g. lifesaving drugs and medicines) with shelf lives ranging from two to three

years, were still in transit nine months after shipping. The ASR Office should follow up with the shipping agency to expedite their delivery.

ROOT CAUSE	<i>Guidance: inadequate supervision at Office level.</i>
IMPACT	<i>Beneficiaries experience delays in receiving commodities with reduced shelf lives; unnecessary demurrage and storage costs are incurred, and the risk of damage increases.</i>
CATEGORY	<i>Operational.</i>

AGREED MANAGEMENT ACTION No. 6

PRIORITY: HIGH

ASRO notes that most of the recurring supply-chain management issues are linked to non-compliance, by ASR Offices, with applicable policies and procedures. Therefore, ASRO will follow up with the relevant ASR Offices to prevent recurrence of the issues and reemphasize the rigorous application of policies and procedures through mechanisms such as review of inventory status reports and spot-checks. In addition, there will be improved monitoring by ASRO, through its Humanitarian & Reproductive Health Commodities Security Units, to ensure compliance and provision of support when the need arises.

ASRO is also working with the UNFPA Procurement Services Branch to support ASR Offices in developing procurement plans and timely submitting them for procurement action. Further, ASRO will liaise with the Finance Branch and Procurement Services Branch to organize refresher webinars dedicated to the programming, procurement and management of programme supplies.

MANAGERS RESPONSIBLE FOR IMPLEMENTATION:

DUE DATE: August 2021

Sexual Reproductive Health and Rights Advisor, ASRO and International Operations Manager, ASRO

Enhance inventory receiving and inspection controls

35. Three out of the 44 inventory transactions reviewed, in the aggregate amount of USD 0.4 million, did not have any evidence of the related commodities having undergone the requisite receiving and inspection processes upon physical receipt by the two concerned ASR Offices.

ROOT CAUSE	<i>Guidance: inadequate supervision at Office level.</i>
IMPACT	<i>Receipt and inspection procedures of inventory items may not be sufficiently established and timely action may not be taken as regards non-conformance of the ordered goods, shortages and damage.</i>
CATEGORY	<i>Compliance.</i>

AGREED MANAGEMENT ACTION No. 7

PRIORITY: MEDIUM

The concerned ASR Offices have put in place measures to ensure that all new programme supplies arrivals are inspected and recorded according to the applicable policy and procedures, using the requisite receiving and inspection report forms. Once shipments reach warehouses, inspections are now conducted by logistics focal point persons and their sexual and reproductive health colleagues and immediately uploaded into the Shipment Tracker. For locally procured goods, pre-shipment inspection at the supplier premises is mandatory. ASRO has engaged a Logistics Specialist, who regularly follows up to ensure that the right documentation is in place. She visits the ASR Offices to build capacity and document findings for follow-up, reporting, and improvement, as advised.

The concerned ASR Offices will also conduct coaching sessions for new staff members and continue prioritizing training on new programme supplies policies and procedures to ensure their systematic and full application. The Logistics Specialist will work closely with the new staff in the area of programme supplies to build their capacity.

MANAGERS RESPONSIBLE FOR IMPLEMENTATION:

DUE DATE: October 2021

Humanitarian Advisor, ASRO; Sexual Reproductive Health and Rights Advisor, ASRO; and International Operations Managers, ASR Offices

B. OPERATIONS MANAGEMENT

SOME IMPROVEMENT NEEDED

B.1 – HUMAN RESOURCES

SOME IMPROVEMENT NEEDED

36. During the period under review, ASR Offices incurred staff payroll expenses amounting to USD 14.2 million (not in the scope of this audit). In addition, the Offices made use of contract personnel and engaged 114 individuals¹⁹ under service contracts, at a cost of USD 2.0 million, and 195 individual consultants, at a cost of USD 2.4 million, for operational and programme delivery activities.

37. Audit tests performed included an analytical review of contract personnel transactions in the period under review, as well as detailed tests of a sample of 51 contracts awarded by the Offices at a cost of USD 0.7 million (30 per cent of the contract personnel costs), as regards: (a) linkage to annual workplans or other appropriate evidence of the business purpose of the transactions; (b) use of appropriate personnel contracting modalities; and (c) compliance with the applicable policies and procedures and operating effectiveness of controls in the areas of: (i) recruitment; (ii) contract award and management; (iii) performance assessment; (iv) transaction recording; and (v) payments. Audit procedures applied also included testing of 31 payments of staff benefits and entitlements amounting to USD 0.5 million.

38. Based on the work performed, the audit identified the following matter in need of Management attention.

Strengthen supervision of the application of rules and procedures for managing contract personnel

39. The review of the 51 contract personnel transactions identified 37 exceptions (73 per cent) where rules and procedures should have been applied more rigorously:

- (a) Five (5) instances in two ASR Offices amounting to USD 33,286 where the competencies required to perform an assignment were not documented in the ‘Terms of Reference for Individual Consultant Form’ when initiating requests for the individual consultants, as required by applicable policy;
- (b) Eight (8) transactions involving four individual consultants in three ASR Offices, in the amount of USD 0.2 million, where the consultants were engaged without providing the requisite certifications for health insurance, health statements or, for those traveling, without completing the prescribed security courses;
- (c) Eight (8) transactions involving five individual consultants in four ASR Offices, in the amount of USD 0.2 million, where the consultants commenced work without valid contracts – the contracts were approved and signed retrospectively;
- (d) One (1) instance (USD 12,000) where the certification of payment and evaluation of the overall performance of an individual consultant was not documented; and
- (e) Seven (7) instances involving four individual consultants in two ASR Offices, in the aggregate amount of USD 0.2 million, where the offices waived the requirement to follow a competitive process in their recruitment but did not use the standard waiver templates to document the waivers – making it difficult to establish the reasons for the waivers.

ROOT CAUSE *Guidance: inadequate supervision at Office level.*

IMPACT *Non-compliance with policies and procedures may diminish competitiveness in the selection of personnel, result in inconsistencies in the treatment of contract personnel, limit performance evaluations, and create legal liability.*

CATEGORY *Compliance.*

¹⁹ Based on Cognos figures

AGREED MANAGEMENT ACTION NO. 8

PRIORITY: HIGH

The concerned ASR Offices are taking measures to strengthen compliance with requirements on the issuance of individual contracts. ASRO will deliver webinars on the best practices of policy compliance at the beginning of every year and encourage regular consultation. Question and answer sessions will be organized to give opportunity to ASR Offices to ask questions where not clear on the provisions of policies and procedures.

Whenever the Human Resource Strategic Partner or Regional International Operations Manager visits an ASR Office, the examination of individual consultant transactions will be prioritized to check for compliance with applicable policy. If the Covid-19 situation that currently limits travel persists, individual consultant transaction documents will be regularly be sampled for remote review at ASRO. To ensure compliance with the consultant management tool, spot-checks will be conducted on data entered in the tool by all Country Offices and the results reviewed quarterly by the Regional International Operations Manager.

MANAGERS RESPONSIBLE FOR IMPLEMENTATION:

DUE DATE: July 2021

Human Resource Strategic Partner, ASRO and International Operations Manager, ASRO

B.2 – PROCUREMENT

EFFECTIVE

40. During the period under review, the ASR Offices locally procured goods (other than inventory items) and services, at a cost of approximately USD 5.9 million. The most significant goods or services procured were event services for workshops and trainings; facility and information technology services; and office and communication supplies.

41. Audit work in this area included an analytical review of procurement transactions in the period under review, as well as detailed tests of a sample of 51 local purchases made at a cost of USD 1.9 million (32 per cent locally-managed procurement transactions), as regards: (a) linkage to annual work plans or other appropriate evidence of the business purpose of the transactions; (b) compliance with UNFPA procurement principles²⁰ and applicable policies and procedures; and (c) operating effectiveness of controls in the areas of: (i) procurement planning; (ii) requisitioning; (iii) solicitation and bidding; (iv) bid assessment; (v) vendor selection; (vi) contract award; and (vii) accounts payable and payments.

42. No reportable matters were identified based on the work performed in this area.

B.3 – FINANCIAL MANAGEMENT

SOME IMPROVEMENT NEEDED

43. During the period under review, the ASR Offices processed approximately 10,857 financial transactions, including roughly 7,795 Accounts Payable Vouchers (used for payments); and 809 Accounts Payable Journal Vouchers used primarily to process adjustments and record expenses reported by IPs. The remaining transactions corresponded to payroll and other automated transactions, mainly of an accounting nature (e.g., accruals, asset and inventory capitalization, exchange gains and losses, etc.), which were not tested, as they were assessed to present low risk.

44. Work performed in this area included tests of detail, for all transactions within the scope of the audit as indicated in the other sections of this report, as regards: (a) the authorization and proper processing of the related financial transactions; (b) the coding of transactions to the correct project, activity, general ledger account, IP and fund codes; and (c) the operating effectiveness of the accounts payable and payments process controls.

45. From the work performed, the audit noted the following matters that require Management attention.

Commit funds in Atlas before completing transactions

46. Requisitions and purchase orders for 14 transactions comprising 7 inventory transactions (USD 1.8 million; 27 per cent of the tested transactions), 5 travel transactions (USD 24,643), and 2 procurement transactions (USD 8,082) were issued and approved on an “*ex post-facto*” basis, either after notifying suppliers of the contract award or after receiving the goods and services procured.

²⁰ Best value-for-money; fairness, integrity and transparency; open and effective competition; and protection of the interest of UNFPA.

47. Processing of requisitions and purchase orders on an “*ex post-facto*” basis and other inadequate funds management processes could significantly diminish the effectiveness of UNFPA’s commitment controls – creating the risk that resources are no longer available to pay for goods and services procured if the required funds are committed for other purposes before these transactions are processed.

ROOT CAUSE	<i>Guidance: inadequate supervision at Office level.</i>
IMPACT	<i>Buying goods and services without committing the necessary funds in Atlas reduces the effectiveness of budgetary management controls, exposing the Offices to the risk of not having sufficient resources to settle obligations.</i>
CATEGORY	<i>Compliance.</i>

AGREED MANAGEMENT ACTION No.9

PRIORITY: HIGH

ASR Offices will be reminded, in a circular, about the importance of better planning and committing funds, through requisitions in Atlas, before contracting with suppliers. In addition, ASRO will request ASR Offices to put in place procurement controls in place to ensure that funds are committed for goods and services immediately orders are made or contracts are signed, and document and submit evidence of how the controls are operating. The Regional International Operations Manager will sample Country Offices each quarter and conduct spot-checks to examine the appropriate use of account codes.

Further, Country Offices will be requested, in the circular, to review Atlas profiles to ensure that they have sufficient staff for timely transaction processing. The need for timely commitment of resources using requisitions and purchase orders will also be covered in the online finance training that will be conducted in 2020.

MANAGERS RESPONSIBLE FOR IMPLEMENTATION:

DUE DATE: August 2021

International Operations Manager, ASRO and International Operations Managers, ASR Offices

Improve financial transaction coding and processing

48. Twelve instances of inaccurate recording of expenses, in the aggregate amount of USD 0.9 million (1 per cent of the tested transactions), were noted, being charged to incorrect general ledger accounts, specifically in relation to individual consultants, travel, and IP expenses.

49. Further, as part of the 2018 financial statement preparation process, the Headquarters Finance Branch processed reclassification adjustments of transactions incorrectly recorded by ASR Offices in the amount of USD 6.0 million, corresponding primarily to the recording of purchased medical kits, and pharmaceutical products and donor fund receipts in one ASR Office. The pattern of adjustments continued in 2019 with USD 6.6 million in reclassification adjustments of transactions recorded.

ROOT CAUSE	<i>Human error: unintentional mistakes. Guidance: inadequate supervision at Office level.</i>
IMPACT	<i>Accounting data inaccuracies limit management’s ability to use the information for monitoring and could distort the presentation of UNFPA financial information.</i>
CATEGORY	<i>Reporting.</i>

AGREED MANAGEMENT ACTION No.10

PRIORITY: MEDIUM

A journal voucher was created to correct the erroneous account code related to the ASRO transaction that was identified. Similarly, the Regional International Operations Manager will seek evidence, from all concerned Country Offices, of correction of the incorrect account codes identified by the audit.

In addition, ASRO will encourage multiple checks on the correct use of account codes through reference to the account codes dictionary, with specific review at the payments level. ASRO will also ensure use of the accounts payable checklist by ASR Offices.

The Regional International Operations Manager, working closely with finance staff in the region, will prepare standard operating procedures to guide the determination of correct account codes and oversight over their use. Verification of account codes will be performed at multiple levels starting from the requisition (requester) followed by the purchase order (buyer), and finally review by Finance (accounts payable). This requirement will be communicated in a circular. In addition, training will be provided to ASR Offices’ staff on the account codes to use for different types of transactions.

MANAGERS RESPONSIBLE FOR IMPLEMENTATION:
International Operations Manager, ASRO; and International Operations Managers and Finance Associates, ASR Offices

DUE DATE: June 2021

B.4 – TRAVEL	SOME IMPROVEMENT NEEDED
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50. Travel expenses incurred by ASR Offices during the period under review amounted to USD 4.9 million. A significant portion thereof corresponded to Daily Subsistence Allowance (DSA) payments for training workshops, meetings, and consultancies.

51. Audit work performed in this area included an analytical review of travel transactions in the period under review, as well as detailed testing of a sample of 124 travel transactions amounting to USD 1.5 million (31 per cent of total travel expenses), as regards: (a) linkage to workplans or other appropriate evidence of the business purpose of the transactions; and (b) operating effectiveness of controls in the areas of: (i) procurement of travel services; (ii) security clearance; (iii) authorization, computation and payment of DSA; and (iv) submission and approval of travel expense reports.

52. From the work performed, the audit noted the following matter that requires Management attention.

Enhance controls over the travel management process

53. Exceptions, some of which minor, noted in the testing of travel transactions included: (a) seven instances of official travel having been undertaken without the necessary security clearances or travel authorizations; (b) two instances where the requisite expense forms were not completed to retire the related travel expenses in Atlas; and (c) four instances where travel tickets were purchased using expired long term agreements with suppliers.

ROOT CAUSE	<i>Guidance: inadequate supervision at Office level.</i>
IMPACT	<i>Travel without the necessary security clearances and authorization increases safety and security risks for Office personnel and legal liability risk for UNFPA. There is an increased risk of unsupported expenses or financial loss to UNFPA.</i>
CATEGORY	<i>Compliance.</i>

AGREED MANAGEMENT ACTION No.11	PRIORITY: MEDIUM
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A comprehensive online training on the management of travel will be organized, giving an opportunity for follow-up questions to give a chance to address all country-specific clarifications. In addition, when the current travel restrictions imposed by the Covid-19 situation are lifted, the Regional International Operations Manager will visit a sample of ASR Offices to review travel management and verify compliance with the related policies and procedures. ASR Offices will put in place controls, including authorization requirements, to ensure that they adhere to the requisite policies and procedures. The Regional International Operations Manager will follow up to ensure each ASR Office prepares travel standard operating procedures that ensure compliance with all requirements, including those relating to security clearance. Travel requirements will be further reviewed once the new Enterprise Resource Planning system is in place.

MANAGERS RESPONSIBLE FOR IMPLEMENTATION:
International Operations Manager, ASRO

DUE DATE: June 2021

B.5 – ASSET MANAGEMENT

EFFECTIVE

54. During the period under review, the ASR Offices procured fixed assets for their own use and that of IPs, at a cost of USD 1.1 million. The most significant fixed asset categories procured were motor vehicles and computer equipment.
55. Audit work in this area included the review of a sample of six assets for use either by the ASR Offices or IPs, at a cost of USD 0.5 million (43 per cent of the value of fixed assets procured), for appropriateness of business purpose and compliance with the asset management policies and procedures, including the procurement of vehicles.
56. No reportable matters were identified based on the work performed in this area.

ANNEX I - DEFINITION OF AUDIT TERMS

A. AUDIT RATINGS

Audit rating definitions, adopted for use in reports for audit engagements initiated as from 1 January 2016²¹, are explained below:

<ul style="list-style-type: none"> ▪ Effective 		<p>The assessed governance arrangements, risk management practices and controls were adequately designed and operating effectively to provide reasonable assurance that the objectives of the audited entity/area should be achieved.</p> <p>The issue(s) and improvement opportunities identified, if any, did not affect the achievement of the audited entity or area’s objectives.</p>
<ul style="list-style-type: none"> ▪ Some improvement needed 		<p>The assessed governance arrangements, risk management practices and controls were adequately designed and operating effectively but needed some improvement to provide reasonable assurance that the objectives of the audited entity/area should be achieved.</p> <p>The issue(s) and improvement opportunities identified did not significantly affect the achievement of the audited entity/area objectives. Management action is recommended to ensure that identified risks are adequately mitigated.</p>
<ul style="list-style-type: none"> ▪ Major improvement needed 		<p>The assessed governance arrangements, risk management practices and controls were generally established and functioning but need major improvement to provide reasonable assurance that the objectives of the audited entity/area should be achieved.</p> <p>The issues identified could significantly affect the achievement of the objectives of the audited entity/area. Prompt management action is required to ensure that identified risks are adequately mitigated.</p>
<ul style="list-style-type: none"> ▪ Not effective 		<p>The assessed governance arrangements, risk management practices and controls were not adequately established or functioning to provide reasonable assurance that the objectives of the audited entity/area should be achieved.</p> <p>The issues identified could seriously compromise the achievement of the audited entity or area’s objectives. Urgent management action is required to ensure that the identified risks are adequately mitigated.</p>

B. CATEGORIES OF ROOT CAUSES AND AUDIT ISSUES

Guidelines: absence of written procedures to guide staff in performing their functions

- Lack of or inadequate corporate policies or procedures
- Lack of or inadequate Regional and/or Country Office policies or procedures
- Inadequate planning
- Inadequate risk management processes
- Inadequate management structure

Guidance: inadequate or lack of supervision by supervisors

- Lack of or inadequate guidance or supervision at the Headquarters and/or Regional and Country Office level
- Inadequate oversight by Headquarters

Resources: insufficient resources (funds, skills, staff) to carry out an activity or function:

- Lack of or insufficient resources: financial, human, or technical resources
- Inadequate training

Human error : un-intentional mistakes committed by staff entrusted to perform assigned functions

Intentional: intentional overriding of internal controls.

Other: factors beyond the control of UNFPA.

²¹ Based on the proposal of the Working Group on harmonization of engagement-level audit ratings approved by the United Nations Representatives of Internal Audit Services (UN-RIAS) in September 2016

C. PRIORITIES OF AGREED MANAGEMENT ACTIONS

Agreed management actions are categorized according to their priority, as a further guide to Management in addressing the related issues in a timely manner. The following priority categories are used:

- **High** Prompt action is considered imperative to ensure that UNFPA is not exposed to high risks (that is, where failure to take action could result in critical or major consequences for the organization).
- **Medium** Action is considered necessary to avoid exposure to significant risks (that is, where failure to take action could result in significant consequences).
- **Low** Action is desirable and should result in enhanced control or better value for money. Low priority management actions, if any, are discussed by the audit team directly with the Management of the audited entity during the course of the audit or through a separate memorandum upon issued upon completion of fieldwork, and not included in the audit report.

D. CATEGORIES OF ACHIEVEMENT OF OBJECTIVES

These categories are based on the COSO framework and derived from the INTOSAI GOV-9100 Guide for Internal Control Framework in the Public Sector and INTOSAI GOV-9130 ERM in the Public Sector.

- **Strategic** High level goals, aligned with and supporting the entity’s mission
- **Operational** Executing orderly, ethical, economical, efficient and effective operations and safeguarding resources against loss, misuse and damage
- **Reporting** Reliability of reporting, including fulfilling accountability obligation

ANNEX II – AUDIT COVERAGE AND FINDINGS
By transaction type

Type of Transaction	Population		Sample Tested		Issues Noted	
	# of Vouchers	000 USD	# of Vouchers	000 USD	# of Vouchers	000 USD
Personnel	1,254	18,521	180	1,551	19	180
Implementing Partners	1,215	107,442	73	51,838	32	28,140
Inventory	494	11,030	79	6,719	18	3,266
Procurement	2,578	5,943	84	2,139	2	8
Travel	3,004	4,868	480	1,488	20	117
Fixed assets	154	1,140	9	630	-	-
Other	1	30	1	30	-	-
Total	8,700	148,974	906	64,395	91	31,711
<i>Percentage of sample</i>	--	--	100%	100%	10%	49%

By business unit

Business Unit	Population		Sample tested		Issues noted	
	# of Vouchers	000 USD	# of Vouchers	000 USD	# of Vouchers	000 USD
Algeria	151	497	6	195	1	1
Arab States Regional Office	1,259	6,687	109	612	2	6
Djibouti	308	887	16	107	4	3
Iraq	846	22,246	83	8,475	13	4,914
Jordan	446	15,253	40	8,915	10	6,905
Lebanon	275	4,131	17	382	1	12
Libya	332	2,998	57	1,541	5	237
Morocco	270	1,233	50	207	9	25
Occupied Palestine Territories	336	6,752	29	1,269	4	378
Oman	221	660	16	143	1	1
Yemen	795	42,374	164	33,800	22	16,609
Somalia	1,548	19,484	233	2,966	9	517
Syria	1,090	24,888	79	5,775	7	2,101
Tunisia	292	884	7	8	3	2
Total	8,169²²	148,974	906	64,395	91	31,711

²² The total number of vouchers do not add up in the above tables (by transaction type and by business unit) because some vouchers may impact multiple countries and/or areas.

Exceptions in GPS workplans

Type of Transaction	Volume		Value	
	<i># of Workplans</i>	<i>Per cent (rounded)</i>	<i>000 USD</i>	<i>Per cent (rounded)</i>
Population Total	210		148,544	
Sample tested²³	168	100%	146,742	100%
Issues noted in test	116	69%	104,107	71%
<i>of which workplans with</i>				
Budgets at the aggregate account level	85	51%	96,215	66%
Budgeted amounts different in GPS from those in the Atlas Commitment Control module	25	15%	12,686	9%
Multiple unsupported revisions	51	30%	56,247	38%
Budget support cost above agreed level	--	--	--	--
Not approved as at 31 March 2018	19	11%	8,820	6%

²³ Some vouchers were tested for or had more than one type of issue.

GLOSSARY

Acronym	Description
AS	Arab States
ASR	Arab States Region
ASRO	Arab States Regional Office
Atlas	UNFPA’s Enterprise Resource Planning system
DSA	Daily Subsistence Allowance
FACE	Funding Authorization and Certificate of Expenditure
GPS	Global Programming System
ICPD	International Conference on Population and Development
IP	Implementing Partner
MDG	Millennium Development Goal
OAIS	Office of Audit and Investigation Services
OFA	Operating Fund Account
UN	United Nations
UNCT	United Nations Country Team
UNFPA	United Nations Population Fund
UN-RIAS	United Nations Representatives of Internal Audit Services
USD	United States Dollars