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OFFICE OF AUDIT AND INVESTIGATION SERVICES

WORLDWIDE REMOTE AUDIT AND MONITORING (RAM)

UNFPA OFFICES
IN THE
LATIN AMERICA AND THE CARIBBEAN REGION

DRAFT REPORT

Nº IA/2021/07

17 December 2021

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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 Latin America and the Caribbean (LAC) Region (LACR Offices). The audit covered selected programme and operations management activities, and transactions executed by the LACR Offices in the period from 01 January to 30 September 2020.

Background

2. In Latin America and the Caribbean, UNFPA has offices in 20 countries including: 18 Spanish-speaking countries, 1 French-speaking country, 1 Portuguese-speaking country, and a Sub-Regional Office in Kingston, Jamaica, that serves 22 countries and overseas territories in the English and Dutch-Speaking Caribbean. These offices are overseen by a Regional Office located in Panama City, Panama.

3. Expenses incurred in the period under review for the Offices in scope amounted to USD 42.2 million, corresponding to activities and transactions executed directly by LACR Offices (USD 37.4 million) and by 178 Implementing Partners (USD 4.8 million). Expenses were funded from core resources of USD 23.1 million and non-core resources of USD 19.1 million.[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 transactional 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 LACR countries were undertaken.

5. The scope of the audit included an assessment of the operating effectiveness of internal controls over tested transactions and activities in management of Implementing Partners; programme supplies; grants; human resources; procurement; finance; travel; and assets. These were selected using a risk-based approach. Staff payroll expenses, amounting to USD 20.5 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 ***"Partially Satisfactory with 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 entity/area should be achieved. The 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 2020 Atlas expense figures extracted on 2 November 2020

Audit ratings by key audit area		
Programme management		***Partially satisfactory with some improvement needed***
Implementing partner management		*Partially satisfactory with some improvement needed*
Programme supplies management		*Satisfactory*
Grants management		*Partially satisfactory with some improvement needed*
Operations management		***Partially satisfactory with some improvement needed***
Human resources management		*Partially satisfactory with some improvement needed*
Procurement		*Partially satisfactory with some improvement needed*
Financial management		*Partially satisfactory with some improvement needed*
Travel		*Partially satisfactory with some improvement needed*
Asset management		*Satisfactory*

Key findings and agreed Management actions

8. The audit identified areas where the LACR Offices' practices were fully compliant with established policies and procedures. However, there are several areas that require Management attention, particularly in UNFPA Country Office in Haiti, related to operational, compliance and reporting matters. Overall, the audit report includes 1 high priority and 6 medium priority agreed Management actions to help the Offices improve programme delivery and operations.

Operational level

9. 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, requires improvement to strengthen the controls over cash advances requested and expenses reported by Implementing Partners.

Compliance level

10. To minimize the issuance of *ex post-facto* requisitions and purchase orders, LACR Offices need to timely commit financial resources in Atlas as they award local procurements to suppliers.

11. Compliance with UNFPA policies and procedures is required in the areas of contract personnel management – e.g. disallowing the commencement of work by individual consultants without signed contracts and better documenting certifications of payments and consultant evaluations; and procurement – e.g. preparing comprehensive procurement plans.

12. Grantees' activities should be included in UNFPA-implemented workplans of concerned offices.

13. The use of petty cash should be restricted to minor miscellaneous expenses for which payments through checks or bank transfers are not practical. Petty cash should not be used for DSA and travel costs.

Reporting level

14. 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 of relevant staff, as well as implementing appropriate supervisory controls and guidance.

Agreed Management actions

15. LACRO Senior Management agrees with the Remote Audit findings for the region and is pleased to report that contact with concerned country offices has already started, in an effort to develop a plan with concrete actions aimed at promptly addressing the different findings. As reflected in the agreed management sections for each finding below, its anticipated that all audit findings will be resolved before the end of June 2022.

Acknowledgement

16. The OAIS audit team would like to thank the Management and staff of the Offices in the Latin America and the Caribbean Region for their cooperation and assistance throughout the audit.

Jessie Rose Mabutas

Interim Director

Office of Audit and Investigation Services

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 tested activities and transactions executed by the LACR Offices (see complete list in paragraph 6) in the period from 01 January to 30 September 2020, for the following processes:

- Programme management:
  a) IP management;
  b) Programme supplies management; and
  c) Grants 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 reviewed activities and transactions;
c) The level of compliance with the rules, regulations, policies and procedures applicable to reviewed activities and transactions; and
d) The accurate recording of reviewed activities and transactions.

3. Audit procedures applied as part of the audit included an analytical review of Atlas financial information; 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 LACR 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 26 October 2020. Findings resulting from the audit were discussed with Management at an exit meeting held on 14 April 2021. Comments received and clarifications provided throughout the report preparation period were incorporated in a draft report submitted to the Latin America and the Caribbean Regional Office (LACRO) on 01 December 2021. Final management actions agreed with LACRO, received on 16 December 2021, are reflected in the report.

II. BACKGROUND

6. In Latin America and the Caribbean, UNFPA has offices in 30 countries including: 18 Spanish-speaking countries (Argentina, Bolivia, Chile, Colombia, Costa Rica, Cuba, Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Panama, Paraguay, Peru, Uruguay and Venezuela); 1 French-speaking country (Haiti), 1 Portuguese-speaking country (Brazil); and a Sub-Regional Office in Kingston, Jamaica, that serves 22 countries and overseas territories in the English and Dutch-Speaking Caribbean including: Anguilla, Antigua & Barbuda, Aruba, Bahamas, Barbados, Belize, Bermuda, British Virgin Islands, Cayman islands, Curacao, Dominica, Grenada, Guyana, Jamaica, Montserrat, St Kitts & Nevis, St. Lucia, St. Maarten, St. Vincent & the Grenadines, Suriname, Trinidad & Tobago, and Turks & Caicos Islands. These offices are overseen by a Regional Office located in Panama City, Panama.

7. Expenses incurred in the period under review for the Offices in scope amounted to USD 42.2 million, corresponding to activities and transactions executed directly by the LACR Country Offices and the Regional Office (USD 37.4 million; 89 per cent of total – 'UNFPA execution') and by 178 Implementing Partners (IP) (USD 4.8 million; 11 per cent of total). The main individual expense categories are presented in Table 1 below.

Table 1 - **Key expense categories[2] for the offices and period in scope**

Activities implemented by	**Value in USD million**	**Percentage of total**	**Percentage within each category**
LACR Offices	***37.4***	***89%***	***100%***
Staff payroll	20.5	*49%*	*55%*
Contract personnel costs	3.9	*9%*	*10%*
Procurement of other goods and services	4.9	*12%*	*13%*
Procurement of programme supplies	7.3	*17%*	*20%*
Travel	0.6	*1%*	*2%*
All other expenses (aggregated)	0.2	*0%*	*1%*
IP expenses	***4.8***	***11%***	***100%***
Consultancies and salaries	3.3	*8%*	*69%*
Training	0.4	*1%*	*8%*
Procurement	1.1	*3%*	*23%*
All other expenses (aggregated)	0.0	*0%*	*0%*
TOTAL	**42.2**	***100%***	**--**

8. Expenses were funded from core resources of USD 23.1 million and non-core resources of USD 19.1 million.[3] Approximately USD 33.1 million (78 per cent) corresponded to programme expenses, with 47 per cent allocated to the Reproductive Health component (USD 19.6 million); 13 per cent to the Gender component (USD 5.4 million); 10 per cent to the Population and Development component (USD 4.1 million); and nine per cent to the Adolescents component (USD 4.0 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 22 per cent of expenses.[4]

[2] Based on 2020 Atlas expense figures.
[3] Based on 2020 Atlas expense figures
[4] Based on 2020 Atlas expense figures

III. DETAILED FINDINGS

A. PROGRAMME MANAGEMENT	PARTIALLY SATISFACTORY WITH SOME IMPROVEMENT NEEDED

A.1 – IMPLEMENTING PARTNER MANAGEMENT	Partially Satisfactory with Some Improvement Needed

9. IPs engaged by the LACR Offices for implementation of programme activities incurred expenses amounting to USD 4.8 million. Per the available general ledger information, expenses incurred by IPs corresponded primarily to consultancies and salaries, training costs, and procurement (see details in Table 1 above).

Ensure that advance requests over USD 250,000 are approved by authorized individuals

10. The audit noted that in two instances in one country office, individual cash advance requests amounting to USD 480,029 and USD 338,597 were not approved by the head of the unit as required by the Policy and Procedures for Management of Cash Transfers to Implementing Partners.

ROOT CAUSE	*Resources: Inadequate training (Staff members are not acquainted with the policy on Direct Cash Transfers)*
IMPACT	*Funding requests might be authorized by staff without delegated authority thereby increasing exposure to financial risks.*
CATEGORY	*Operational*

AGREED REGIONAL MANAGEMENT ACTION NO. 1	***PRIORITY: HIGH***

The concerned Country Office has developed a standard operating procedure to ensure that cash advances are properly approved in a timely manner. LACRO has also sought confirmation that the transactions in questioned have been fully expensed and adequately assured (i.e., spot checked, audited). LACRO will be working closely with the new Representative and Operations Manager of the concerned Country Office to ensure that these risks are adequately mitigated.

MANAGERS RESPONSIBLE FOR IMPLEMENTATION: DUE DATE: *December 2021*

Heads of LACR Offices with support from the Regional Office.

A.2 – PROGRAMME SUPPLIES MANAGEMENT	Satisfactory

11. LACR Offices supplied programme supplies worth USD 7.3 million. The most significant categories are personal protective equipment (USD 2.2 million), medical products (USD 1.0 million), contraceptive implants (USD 0.8 million), and dignity and hygiene kits (USD 0.8 million). The supplies were procured by the UNFPA Procurement Services Branch, based in Copenhagen, Denmark (USD 2.1 million), and locally by the LACR Offices (USD 5.2 million).

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

A.3 – GRANTS MANAGEMENT	Partially Satisfactory with Some Improvement Needed

13. Twelve grants were awarded by LACR Offices amounting to USD 0.1 million.

Include the grantees' activities in UNFPA-implemented workplans

14. For one grantee in one Country Office (USD 15,000), the capacity building activities that were agreed to be undertaken by the grantee could not be traced to the UNFPA workplan, as required by the policies and procedures for using grants as a funding modality.

ROOT CAUSE	*Resources: Inadequate training (Staff members are not acquainted with the grant policy)*

IMPACT	*Inability to track and monitor the use of grant modality that could lead to erroneous decisions.*
CATEGORY	*Compliance*

AGREED REGIONAL MANAGEMENT ACTION NO.2 — ***PRIORITY: MEDIUM***

LACRO will work closely with the Management Team of the concerned Country Office to ensure that staff are fully familiar with the Grants policy and its application, thereby ensuring the proper tracking and monitoring of the use of this modality, as well as its correct application for the proper mitigation of risks.

MANAGERS RESPONSIBLE FOR IMPLEMENTATION: — DUE DATE: *March 2022*

Heads of LACR Offices with support from the Regional Office

B. OPERATIONS MANAGEMENT — PARTIALLY SATISFACTORY WITH SOME IMPROVEMENT NEEDED

B.1 – HUMAN RESOURCES MANAGEMENT — Partially Satisfactory with Some Improvement Needed

15. LACR Offices incurred staff payroll expenses amounting to USD 20.5 million (not in the scope of this audit). In addition, the Offices made use of contract personnel and engaged 184 individuals[5] under service contracts, at a cost of USD 2.9 million, and 664 individual consultants, at a cost of USD 3.3 million, for operational and programme delivery activities.

Improve compliance with the policy and procedures for managing contract personnel

16. The review of the 26 contract personnel transactions identified 8 exceptions where rules and procedures should have been applied more rigorously:

(a) In one instance, the individual consultant's contract did not indicate the date of signature;

(b) In three instances, consultants were not evaluated before final pay-outs following the completion of assignments; and

(c) In four instances, amounting to USD 51,245, payments of consultancy fees were delayed ranging from one to seven months. The audit acknowledge that the pandemic imposed challenges contributed to the noted delays.

ROOT CAUSE	*Guidance: inadequate supervision at Office level.*
IMPACT	*Non-compliance with policies and procedures may diminish the ability to attract competent consultants and increase the risk of rehiring consultants with unsatisfactory performance.*
CATEGORY	*Compliance.*

AGREED REGIONAL MANAGEMENT ACTION NO.3 — ***PRIORITY: MEDIUM***

With the arrival of the new Human Resources Strategic Partner at the Regional Office, and the strengthening of LACRO's human resources management capacity, one of the objectives will be to address any gaps in compliance, including the management of individual consultant contracts, and building the capacity of Country Offices in this area. This with the aim of ensuring the quality of service from consultants as well as adherence to established policies and procedures.

MANAGERS RESPONSIBLE FOR IMPLEMENTATION: — DUE DATE: *June 2022*

Heads of the concerned LACR Offices with support from the Human Resources Strategic Partner, LACRO.

[5] Based on Cognos figures

B.2 – PROCUREMENT	**Partially Satisfactory with Some Improvement Needed**

17. LACR Offices locally procured goods (other than programme supplies) and services, at a cost of approximately USD 4.3 million. The most significant categories of goods and services procured were office and communication supplies (USD 2.0 million) and facilities management (USD 0.9 million).

Improve compliance with procurement policy and procedures

18. The audit noted that three Country Offices had either not finalized their procurement plans or did not regularly update their procurement plans aligning them with programme requirements and priorities and available resources, resulting in procurement transactions not reflected in procurement plans for an aggregate amount of USD 0.3 million.

ROOT CAUSE	*Guidance: inadequate supervision at Office level.*
IMPACT	*The effectiveness and efficiency of the procurement process may be diminished.*
CATEGORY	*Compliance.*

AGREED REGIONAL MANAGEMENT ACTION NO. 4	***PRIORITY: MEDIUM***

LACRO will be working closely with the concerned three Country Offices, both at programmatic and operational level, to ensure that procurement plans are finalized on time and updated as necessary.

MANAGERS RESPONSIBLE FOR IMPLEMENTATION:	DUE DATE:	*March 2022*
Heads of the concerned LACR Offices with support from the Regional Office.		

B.3 – FINANCIAL MANAGEMENT	**Partially Satisfactory with Some Improvement Needed**

19. LACR Offices processed approximately 8,826 financial transactions, including around 8,365 Accounts Payable Vouchers – used for payments – and roughly 461 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 programme supplies capitalization, exchange gains and losses, etc.), which were not tested.

Commit funds in Atlas before completing transactions

20. Requisitions and purchase orders for six transactions amounting to USD 102,204 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.

21. Processing of requisitions and purchase orders on an "*ex post-facto*" basis 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	*Resources: Inadequate training (Lack of policy awareness).*
IMPACT	*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 making further commitments when there are no longer sufficient available resources to settle obligations.*
CATEGORY	*Compliance.*

AGREED REGIONAL MANAGEMENT ACTION NO.5	***PRIORITY: MEDIUM***

LACRO will work closely with the concerned Country Offices to ensure that identified risks are adequately mitigated. LACRO has already been in touch with the two Country Offices, and these have begun to put in place the necessary checks and balances to improve the effectiveness of budgetary management controls. LACRO will continue working closely with COs to ensure compliance with commitment control requirements.

MANAGERS RESPONSIBLE FOR IMPLEMENTATION: DUE DATE: *March 2022*

Heads of the concerned LACR Offices with support from the Regional Office.

Improve financial transaction coding and processing

22. Out of 203 recording of expenses tested, 13 (6 per cent of transactions tested) were inaccurate, in the aggregate amount of USD 0.2 million. They were charged to incorrect general ledger accounts, specifically in relation to fixed assets, inventory, procurement, travel, individual consultants, and staff entitlements accounts payable transactions.

23. The issues discussed above could be a consequence of a combination of factors, including: (a) lack of awareness and insufficient knowledge of UNFPA accounting policies; and (b) insufficient management supervision and oversight by approving managers for ensuring that transactions are coded in Atlas to the correct account.

ROOT CAUSE	*Guidance: Inadequate supervision at Country Office level.* *Resources: Inadequate training (insufficient knowledge of UNFPA accounting policies).*
IMPACT	*Accounting data inaccuracies limit Management's ability to use accurate information as basis for monitoring financial situations and could distort the presentation of UNFPA financial information.*
CATEGORY	*Reporting.*

AGREED REGIONAL MANAGEMENT ACTION NO.6	***PRIORITY: MEDIUM***

Training was conducted in 2021 to address the importance of using the correct expenditure account codes when recording of expenditures, as well as the familiarization, use and application of the UNFPA accounts dictionary. Continued emphasis on this will be placed in 2022 to ensure the proper recording of expenditures that will result in accurate financial reporting, necessary for effective decision making.

MANAGERS RESPONSIBLE FOR IMPLEMENTATION: DUE DATE: *June 2022*

Heads of the concerned LACR Offices with support from the Regional Office

B.4 – TRAVEL	**Partially Satisfactory with Some Improvement Needed**

24. Travel expenses incurred by LACR Offices during the period under review amounted to USD 0.6 million. A significant portion thereof corresponded to Daily Subsistence Allowance (DSA) payments for training workshops, meetings, and consultancies.

Ensure petty cash is not used to pay for travel costs

25. The audit noted two instances in one Country Office, amounting to USD 3,808, in which petty cash was used to pay for the transportation and allowance of survey participants. This is not in compliance with the policy on petty cash management, which states that petty cash must not be used for travel costs.

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

IMPACT Increased exposure to the risk of misuse of cash.

CATEGORY *Compliance.*

AGREED REGIONAL MANAGEMENT ACTION NO.7	***PRIORITY: MEDIUM***

LACRO will work closely with the concerned Country Office to put in place the necessary checks and balances for the strictly adhered to the policy which will ensure that the risk of misuse of petty cash is mitigated.

MANAGERS RESPONSIBLE FOR IMPLEMENTATION: DUE DATE: *March 2022*

Head of the concerned LACR Office with support from the Regional Office.

B.5 – ASSET MANAGEMENT	**SATISFACTORY**

26. LACR Offices procured fixed assets for office use and that of IPs, at a cost of USD 0.7 million. The most significant fixed asset categories procured were computer hardware (USD 0.3 million) and transportation equipment (USD 0.2 million).

27. No reportable matters were identified based on the audit 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 2016[6], are explained below:

Satisfactory	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. The issue(s) and improvement opportunities identified, if any, did not affect the achievement of the audited entity or area's objectives.
Partially Satisfactory with Some improvement needed	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. 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.
Partially Satisfactory with Major improvement needed	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. 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.
Unsatisfactory	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. 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.

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.

[6] 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
- **Compliance** Compliance with prescribed UNFPA regulations, rules and procedures, including acting in accordance with Government Body decisions, as well as agreement specific provisions

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	2,457	24,320	42	520	11	77
IP Management	461	4,786	17	1,936	2	820
Programme Supplies	911	7,267	32	2,028	7	173
Procurement	5,854	4303	80	1,434	14	386
Travel	912	566	24	74	6	10
Fixed assets	166	691	13	333	2	139
Grants	12	233	5	172	1	15
Total	**10,773**	**42,166**	**213**	**6,497**	**43**	**1,620**
Percentage	**--**	**--**	***2%***	***15%***	***20%***	***25%***

By business unit

Business Unit	Population		Sample tested		Issues noted	
	# of Vouchers	*000 USD*	*# of Vouchers*	*000 USD*	*# of Vouchers*	*000 USD*
Argentina	227	382	9	74	1	1
Bolivia	343	2,583	12	251	1	3
Brazil	640	1,626	17	508	1	3
Chile	29	101	2	1	0	0
Colombia	519	2,346	9	332	3	16
Costa Rica	198	423	7	24	1	2
Cuba	189	539	9	80	0	0
Dominican Republic	242	822	7	54	5	18
Ecuador	289	1,228	8	99	2	37
El Salvador	424	2,396	12	761	0	0
Guatemala	433	1,571	9	150	1	4
Haiti	1,113	6,822	16	1,489	9	1,108
Honduras	401	3,598	8	416	3	299
Mexico	770	2,700	14	545	3	18
Nicaragua	205	940	6	186	1	5
Panama	101	414	7	19	5	20
Paraguay	301	756	6	106	2	12
Peru	447	1,637	7	119	2	10
Regional Office	649	5,228	10	138	1	37
Sub-Regional Office	474	2,046	16	157	0	0
Uruguay	204	979	6	199	0	0
Venezuela	764	3,029	16	789	2	27
Total	**8,962**[7]	**42,166**	**213**	**6,497**	**43**	**1620**

[7] The total number of vouchers do not match from the above tables (by transaction type and by business united) because some vouchers may impact multiple countries and/or areas.

GLOSSARY

Acronym	Description
Atlas	UNFPA's Enterprise Resource Planning system
Cognos	UNFPA's Management Reporting System
DSA	Daily Subsistence Allowance
FACE	Funding Authorization and Certificate of Expenditure
LAC	Latin America and the Caribbean
LACR	Latin America and the Caribbean Region
LACRO	Latin America and the Caribbean Regional Office
IP	Implementing Partner
OAIS	Office of Audit and Investigation Services
UNFPA	United Nations Population Fund
UN-RIAS	United Nations Representatives of Internal Audit Services
USD	United States Dollars