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OFFICE OF AUDIT AND INVESTIGATION SERVICES

WORLDWIDE REMOTE AUDIT AND MONITORING (RAM)

UNFPA OFFICES IN THE WEST AND CENTRAL AFRICA REGION

Final REPORT

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EXECUTIVE SUMMARY

1. The Office of Audit and Investigation Services (O AIS) performed a remote audit (the audit) of the UNFPA Offices located in the West and Central Africa (WCA) Region (WCAR Offices). The audit covered selected programme and operations management activities and transactions executed by the WCAR Offices from 01 January to 30 September 2020.

Background

2. The UNFPA WCA Region comprises a Regional Office located in Dakar, Senegal, and 23 Country Offices (CO) – 14 Francophone (Benin, Burkina Faso, Cameroon, Central Africa Republic, Chad, Republic of Congo, Cote d'Ivoire, Gabon, Guinea, Mali, Mauritania, Niger, Senegal, and Togo); 5 Anglophone (The Gambia, Ghana, Liberia, Nigeria and Sierra Leone); 3 Lusophone (Cabo Verde, Guinea-Bissau and Sao Tome & Principe); and 1 Hispanophone (Equatorial Guinea).

3. Expenses incurred in the period under review amounted to USD 115.7 million, corresponding to activities and transactions executed directly by UNFPA WCAR Offices (USD 86.8 million) and 311 Implementing Partners (USD 28.9 million). Expenses were funded from core resources of USD 42.3 million and non-core resources of USD 73.4 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 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 WCAR 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 the management of Implementing Partners; programme supplies; human resources; procurement; finance; travel; and assets. These were selected using a risk-based approach. Staff payroll expenses, amounting to USD 39.1 million in the period under review, were excluded from the audit scope 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 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.

¹ Based on 2020 Atlas expense figures extracted on 26 October 2020

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

Audit ratings by key audit area		
Programme management		<i>Partially satisfactory with some improvement needed</i>
<i>Implementing partner management</i>		<i>Partially satisfactory with some improvement needed</i>
<i>Supply chain management</i>		<i>Partially satisfactory with major improvement needed</i>
<i>Grant Management</i>		<i>Satisfactory</i>
Operations management		<i>Partially satisfactory with some improvement needed</i>
<i>Human resources management</i>		<i>Satisfactory</i>
<i>Procurement</i>		<i>Partially satisfactory with some improvement needed</i>
<i>Financial management</i>		<i>Partially satisfactory with major improvement needed</i>
<i>Travel</i>		<i>Satisfactory</i>
<i>Asset management</i>		<i>Satisfactory</i>

Key findings and agreed Management actions

8. The audit identified areas where the WCAR Offices’ practices were fully compliant with established policies and procedures. However, several areas require Management attention related to operational, compliance and reporting matters. Overall, the audit report includes three high priority and one 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 expenses reported by Implementing Partners.

Compliance level

10. To minimize the issuance of *ex-post-facto* requisitions and purchase orders, WCAR Offices need to timely commit financial resources in Atlas when making local procurement awards. Some improvement in compliance with UNFPA policies and procedures is required in procurement. The WCAR Offices should also enhance controls to adhere to the Management of Programme Supplies policy, particularly for the receiving and inspection controls upon physical receipt of programme supplies, distributions of supplies, and controls over the management of documents.

Reporting level

11. To enhance financial reporting and the use of financial information for monitoring, relevant staff should be trained and appropriate supervisory controls implemented for accuracy and timeliness in financial accounting and recording of transactions.

Agreed Management actions

12. WCARO senior management takes this opportunity to thank the OAIS team for successfully conducting the remote audit and monitoring exercise resulting in important findings relevant to operational, compliance and reporting matters. WCARO management, the Representatives and Heads of Offices in the region are in principle in agreement with the key audit findings and the recommended management actions as indicated in the report. The information was shared promptly with the relevant Country Offices in the respective findings so that each office could easily specify the appropriate planned actions to be taken or propose remedial solutions to implement the related audit recommendations. The WCARO will lead the exercise by conducting regular follow-up meetings with country offices to ensure that the audit recommendations are implemented effectively and efficiently. Hereafter listed for ease of reference the main follow up actions agreed upon with the Country Offices:

- a) Representatives and Heads of Offices will play a key role and ensure that their respective offices take the appropriate actions and adequate measures to comply with the audit recommendations as per the shortcomings identified in the four identified priority areas.

- b) WCARO will liaise and work closely with the relevant countries to ensure that the existing control framework is strengthened in terms of reporting expenses through FACE forms for Implementing Partners and the management of Programme Supplies to comply with UNFPA Policies and Procedures.
- c) WCARO will provide support and coordinate with HQ focal points as appropriate so that Staff capacity is enhanced through adequate training through regional workshops, online webinars, hands-on training, missions, or coaching as required.
- d) WCARO will act as a resource platform for the 23 Country Offices, providing guidance and supervisory control and assistance in reporting of financial accounting, ATLAS transactions, procurement planning, asset management, and construction/renovation projects.

13. The audit team would like to thank the Management and staff of the Offices in the West and Central Africa 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 activities and transactions executed by the WCAR Offices (see complete list in paragraph 6) in the period from 01 January to 30 September 2020, for the following processes:

- Programme management:
 - a) Implementing Partner Management;
 - b) Supply Chain management;
 - 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 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 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 WCAR Offices.

4. Activities and transactions reviewed were selected using a risk-based approach. Staff payroll transactions were excluded from the audit scope 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 OAI 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 28 May 2021. Comments received and clarifications provided throughout the report preparation period were incorporated in a draft report submitted to the West and Central Africa Regional Office (WCARO) on 28 May 2021. Final management actions agreed with WCARO, received on 27 December 2021, are reflected in the report.

II. BACKGROUND

6. The UNFPA WCA Region comprises a Regional Office located in Dakar, Senegal, and 23 Country Offices (CO) – 14 Francophone (Benin, Burkina Faso, Cameroon, Central Africa Republic, Chad, Republic of Congo, Cote d’Ivoire, Gabon, Guinea, Mali, Mauritania, Niger, Senegal, and Togo); 5 Anglophone (The Gambia, Ghana, Liberia, Nigeria and Sierra Leone); 3 Lusophone (Cabo Verde, Guinea-Bissau and Sao Tome & Principe); and 1 Hispanophone (Equatorial Guinea).

7. Expenses incurred in the period under review for the Offices in scope amounted to USD 115.7 million, corresponding to activities and transactions executed directly by the 23 selected WCAR Offices and the Regional Office (USD 86.8 million; 75 per cent of total – ‘UNFPA execution’) and by 311 Implementing Partners (IP) (USD 28.9 million; 25 per cent of total). The main individual expense categories are presented in Table 1 below.

Table 1 - Key expense categories² for the offices and period in scope

<i>Activities implemented by</i>	<i>Value in USD million</i>	<i>Percentage of total</i>	<i>Percentage within each category</i>
WCAR Offices	86.8	75%	100%
Staff payroll	40.7	35%	47%
Procurement of other goods and services	25.6	22%	30%
Procurement of programme supplies	15.6	14%	18%
Contract personnel costs	4.7	4%	5%
All other expenses (aggregated)	0.2	<1%	<1%
IP expenses	28.9	25%	100%
Consultancies and salaries	8.5	7%	29%
Training and learning	8.1	7%	28%
Programme Supplies	3.6	3%	12%
Procurement	2.9	3%	10%
Travel	2.1	2%	8%
All other expenses (aggregated)	3.7	3%	13%
TOTAL	115.7	100%	--

8. Expenses were funded from core resources of USD 42.3 million and non-core resources of USD 73.4 million.² Approximately USD 102.1 million (88 per cent) corresponded to programme expenses, with 48 per cent allocated to the Reproductive Health component (USD 55.8 million); 16 per cent to the Gender component (USD 18.2 million); 15 per cent to the Population and Development component (USD 18.0 million); and 9 per cent to the Adolescents component (USD 10.1 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 12 per cent of expenses.²

² Based on 2020 Atlas expense figures.

III. DETAILED FINDINGS

9. Based on the work performed, the audit identified areas where the Office’s practices were fully compliant with established policies and procedures. However, there are several areas detailed below that require Management attention. Overall, the audit report includes three high priority and one medium priority agreed Management actions to help the Office improve its programme delivery and operations.

A. PROGRAMME MANAGEMENT

PARTIALLY SATISFACTORY WITH SOME IMPROVEMENT NEEDED

A.1 – IMPLEMENTING PARTNER MANAGEMENT

Partially satisfactory with some improvement needed

10. IPs engaged by the WCAR Offices to implement programme activities with expenses amounting to USD 28.9 million. Per the available general ledger information, expenses incurred by IPs corresponded primarily to consultancies and salaries, training and learning costs, programme supplies, procurement, and travel (see details in Table 1 above).

Strengthen controls over reporting by Implementing Partners

11. Two IPs operating in two WCA offices did not provide progress reports for the expenses reported in the sample. Further review in GPS revealed that these reports were systematically not uploaded unto the Global Programming System (GPS) throughout 2020 quarterly when processing the quarterly FACE forms as required under the policy for management of workplans. The progress report enables the IP to provide an accurate update on the progress of implementation of the workplan activities. It provides a means for the offices to assess and track the completion rate of these activities vis-à-vis the expenses incurred. In addition, it aids programme managers in reviewing and approving FACE forms for the applicable quarter. In the absence of the progress report, the offices may lack objective benchmarks for monitoring the progress of programme implementation and approving expenses or authorizing new advance thresholds.

ROOT CAUSE	<i>Guidance: Inadequate supervision at Office level (adequate review of requests before approval)</i>
	<i>Resources: Insufficient human resources (Staff vacancies at relevant roles in affected offices)</i>
IMPACT	<i>Absence of key documents hampers the Office’s ability to ensure that funds advanced to IPs are used as intended.</i>
CATEGORY	<i>Reporting.</i>

AGREED REGIONAL MANAGEMENT ACTION No. 1

PRIORITY: HIGH

WCARO takes note of this recommendation and will provide the necessary support to the Country Offices to ensure that the progress reports are available and timely uploaded in GPS.

An orientation session on the GPS reporting system was organized for the country offices concerned. This consisted of (i) a reminder of the procedures that apply in this area, (ii) a proposal that countries develop a checklist to ensure that the progress report is submitted before any new cash transfer advance. The GPS now requires that a progress report be uploaded each time the IPs request an advance, facilitating the implementation of this recommendation.

Further, a periodic reminder will be sent to the concerned Country Office to ensure proper compliance and follow-up with GPS requirements. In addition, one of the country offices affected by the findings mentioned in this report would nominate a focal point responsible for conducting a quarterly review of all GPS transactions and related uploaded documents at the Country Office Level to ensure compliance with GPS policy and procedures.

MANAGERS RESPONSIBLE FOR IMPLEMENTATION:

DUE DATE:

30 June 2022

Regional Director and Heads of the concerned WCAR Offices

A.2 – SUPPLY-CHAIN MANAGEMENT

Partially satisfactory with major improvement needed

12. WCAR Offices supplied programme supplies worth USD 15.6 million, consisting primarily of injectable contraceptives, medical products, and other materials and goods. The supplies were procured by the UNFPA Procurement Services Branch, based in Copenhagen, Denmark (USD 15.1 million), and locally by the WCAR Offices (USD 0.5 million).

Enhance Programme Supplies management

13. In three out of the 28 samples selected for testing in three offices, documents related to needs assessment, sourcing, custom clearance, receiving and inspection reports and/or Programme Supplies distribution in the aggregate amount of USD 0.2 million were not made available for the review of the audit.

14. The absence or completeness of documents hampers the ability to control and ensure the adequate safeguard of Programme Supplies in these Offices.

15. The above issues have been repeatedly captured in the ‘Inventory Management Performance Report’ of December 2019 and the Last Mile Assessments of 2020, prepared by DMS as part of the second line of defence monitoring mechanism. Follow-up and remedial actions were requested from the concerned Offices. However, at the time of writing this report, implementation was not complete.

ROOT CAUSE	<i>Guidance: inadequate supervision at the Office level (Inadequate controls to manage file and document creation and retention).</i>
IMPACT	<i>Increase the risk of programme supplies loss due to lack or incomplete recordkeeping.</i>
CATEGORY	<i>Compliance.</i>

AGREED REGIONAL MANAGEMENT ACTION NO. 2

PRIORITY: HIGH

WCARO takes note of the audit observation and has requested the respective country offices, as part of their follow-up, to implement the action plan, and provide technical sheets and Last Mile Assurance Reports to substantiate and implement the controls as required by the Programme Supplies Management policy and procedures.

WCARO will also follow up with the country offices focal points to ensure complete and timely submission of the needs assessment, sourcing, custom clearance, receiving and inspection reports. In addition, WCARO will support the LMA team to ensure all concerned countries provide remedial actions on the 2020 Risk Matrix for UNFPA Supplies Partnership to mitigate high and significant risks.

Punctual spot-checks, technical assistance in need assessment (quantification), supervision and Year-end Stock Count will be conducted in selected countries requiring support in managing RH donated commodities. One of the COs directly affected by the finding will assign focal point staff to implement the recommended management action. Additional refresher training will be conducted for the staff involved in the process, and the Assistant Representative will oversee this process.

MANAGERS RESPONSIBLE FOR IMPLEMENTATION:

DUE DATE: 31 March 2022

Regional RHCS Technical Advisor, and Heads of the concerned WCA Offices

A.3 – GRANTS MANAGEMENT

Satisfactory

16. Eight grants were awarded by WCAR Offices to community-based not-for-profit and civil society organizations for a total of USD 0.2 million.

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

B. OPERATIONS MANAGEMENT

PARTIALLY SATISFACTORY WITH SOME IMPROVEMENT NEEDED

B.1 – HUMAN RESOURCES MANAGEMENT

Satisfactory

18. WCAR Offices incurred staff payroll expenses amounting to USD 35.9 million (not in the scope of this audit). In addition, the Offices made use of contract personnel and engaged 154 individuals³ under service contracts, at the cost of USD 3.3 million, and 464 individual consultants, at the cost of USD 4.7 million, for operational and programme delivery activities.

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

B.2 – PROCUREMENT

Partially satisfactory with some improvement needed

20. WCAR Offices locally procured goods (other than programme supplies) and services at the cost of approximately USD 18.6 million. The most significant categories of goods and services procured were office and communication supplies (USD 10.8 million) and facilities management (USD 3.1 million).

21. Based on the work performed in this area, the following matter needs Management attention.

Improve the application of the policy on regular procurement

22. Three offices had either not finalized their procurement plans or did not regularly update the plans, resulting in two office and communication transactions, and two facility management transactions, at an aggregate amount of USD 0.2 million, being excluded from the plans.

23. Further, one WCAR office did not provide any document to support any of the four procurement-related transactions sampled for that office.

ROOT CAUSE	<i>Resources: Inadequate training (Inadequate staff understanding of policy requirements)</i>
IMPACT	<i>The effectiveness and efficiency of the procurement process and its transparency and fairness may be diminished.</i>
CATEGORY	<i>Compliance.</i>

AGREED REGIONAL MANAGEMENT ACTION No. 3

PRIORITY: HIGH

The audit observation is well noted. As part of the remedial actions taken, WCARO organized and conducted a webinar in April 2021 to sensitize with country offices on the importance of having comprehensive and detailed procurement plans.

The procurement checklist system has already been put in place as a critical tool to ensure effective and efficient implementation, monitoring and follow-up of the whole procurement process. Procurement training plans will continue to be integrated into the office learning plan to strengthen staff capacity and skills in procurement. WCARO will act as a resource, liaison, and advocacy platform in close collaboration with HQ to support the country offices as appropriate. HQ may also provide additional support by making the procurement plan tool user-friendly for better planning of goods/services outside the catalogue items to help the field offices develop better procurement planning capacity.

MANAGERS RESPONSIBLE FOR IMPLEMENTATION:

DUE DATE:

30 June 2022

Heads of the concerned WCAR Offices

³ Based on Cognos figures

B.3 – FINANCIAL MANAGEMENT

Partially satisfactory with some improvement needed

24. WCAR Offices processed approximately 17,360 financial transactions, including around 14,259 Accounts Payable Vouchers – used for payments – and roughly 1,452 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, as these were assessed to present a low risk.

Improve financial transaction coding and processing

25. Out of 288 expenses tested in all the categories, two (one per cent of transactions tested), in the aggregate amount of USD 0.8 million, were inaccurate. They were charged to incorrect general ledger accounts, specifically concerning programme supplies and procurement voucher transactions. Further, as part of the 2019 and 2020 financial statements preparation process, the Finance Branch of the Division for Management Services processed reclassification adjustments of transactions incorrectly recorded by WCAR Offices for USD 0.5 million and USD 7.1 million, respectively, corresponding primarily to the recording of donations received in three WCAR Offices.

26. 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, some of which may be related to language barriers; (b) lack of understanding of risks and controls related to financial and budget management; and (c) insufficient management supervision and oversight by approving managers for ensuring that transactions are coded in Atlas to the correct account.

27. Making policies and procedures and key guidance documents available in the UNFPA working languages, including French, has been raised in other OAI reports and will not be repeated here.

ROOT CAUSE	<i>Guidance: inadequate supervision at the Office level (Inadequate review of documents before approval).</i>
	<i>Resources: Insufficient human resources (Vacancies in key staff roles).</i>
	<i>Resources: Inadequate training (Inadequate understanding of policy requirements).</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 REGIONAL MANAGEMENT ACTION No.4

PRIORITY: MEDIUM

WCARO takes note of the audit recommendation. Training for the concerned staff has recently been conducted in close collaboration with WCARO and HQ through online webinars to ensure the compliance of coding and processing of financial transactions.

Heads of country offices will ensure appropriate supervision, guidance, and oversight are provided to the relevant staff to increase awareness and enhance knowledge on UNFPA accounting policies and general ledger accounts. COs will also organize learning afternoons to strengthen the capacities of local staff on proper coding and processing of financial transactions in ATLAS.

MANAGERS RESPONSIBLE FOR IMPLEMENTATION:

DUE DATE:

30 September 2022

Heads of the concerned WCAR Offices

B.4 – TRAVEL

Satisfactory

28. Travel expenses incurred by WCAR Offices during the period under review amounted to USD 3.3 million. A significant portion thereof corresponded to Daily Subsistence Allowance (DSA) payments for training workshops, meetings, and consultancies.

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

B.5 – ASSET MANAGEMENT

Satisfactory

30. WCAR Offices procured fixed assets for their use and that of IPs, at the cost of USD 3.7 million. The most significant fixed asset categories procured were motor vehicles and communication equipment.

31. Based on the work performed in this area, no reportable matters were identified.

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 2016⁴, are explained below:

<ul style="list-style-type: none"> ▪ Satisfactory 		<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"> ▪ Partially satisfactory with 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"> ▪ Partially satisfactory with 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"> ▪ Unsatisfactory 		<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.

⁴ 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	3,435	45,435	33	610	-	-
IP Management	1,601	28,905	95	19508	2	85
Programme Supplies	1,286	15,576	28	3949	5	209
Procurement	11,762	18,603	81	7742	5	75
Travel	3,192	3,288	26	187	-	-
Fixed assets	278	3,662	22	1794	-	-
Other	8	160	3	87	-	-
Total	21,562	115,629	288	33,877	12	369
<i>Percentage of sample</i>	--	--	1%	9%	4%	1%

By business unit

Business Unit	Population		Sample tested		Issues noted	
	# of Vouchers	000 USD	# of Vouchers	000 USD	# of Vouchers	000 USD
Benin	543	2,770	10	508	-	-
Burkina Faso	663	10,627	15	2428	1	63
Cameroon	1453	7,092	14	1559	-	-
Central African Republic	878	3,189	10	245	-	-
Chad	712	3,701	16	864	-	-
Congo	970	2,383	11	150	1	6
Cote d'Ivoire	877	10,428	11	6939	-	-
Equatorial Guinea	324	1,372	11	141	1	46
Gabon	315	1,083	11	167	-	-
Gambia	295	1,173	10	520	1	6
Ghana	849	5,840	15	1136	-	-
Guinea	588	3,195	12	446	-	-
Guinea-Bissau	402	1,240	10	162	-	-
Liberia	416	5,620	13	1646	1	76
Mali	861	8,909	15	2541	-	-
Mauritania	328	1,895	13	955	1	20
Niger	813	8,000	16	5478	3	67
Nigeria	1195	15,642	16	3472	-	-
Regional Office / WCA Region	789	6,911	10	438	-	-
Sao Tome & Principe	118	577	10	58	-	-
Senegal	475	5,662	13	1410	-	-
Sierra Leone	924	5,692	14	2338	-	-
Togo	502	2,628	12	276	3	85
Total	15,290⁵	115,629	288	33,877	12	369

⁵ The total number of vouchers do not add up in 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
CO	Country Office
COVID-19	The Nouvelle Corona Virus – 2019 variant
DMS	Division for Management Services
DSA	Daily Subsistence Allowance
FACE	Funding Authorization and Certificate of Expenditure
FASB	Facilities and Administrative Services Branch
GPS	Global Programming System
IP	Implementing Partner
OAIS	Office of Audit and Investigation Services
UNFPA	United Nations Population Fund
USD	United States Dollars
WCA	West and Central Africa
WCAR	West and Central Africa Region
WCARO	West and Central Africa Regional Office