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OFFICE OF AUDIT AND INVESTIGATION SERVICES

AUDIT
OF THE UNFPA COUNTRY OFFICE
IN SYRIA

FINAL REPORT
Nº IA/2023-10

7 September 2023

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EXECUTIVE SUMMARY

1.   The UNFPA Office of Audit and Investigation Services (OAIS) conducted an audit of the UNFPA Country Office in Syria (henceforth the Office). Audit planning activities commenced on 6 February 2023 and a field mission took place from 7 to 18 May 2023. Preliminary findings and recommendations resulting from the audit were discussed with Office Management at an exit meeting held on 17 May 2023. Comments and clarifications provided by Management thereafter were reflected in a draft report submitted to Office Management on 7 July 2023. A final Management response was received on 27 July 2023 and is reflected in this report.

2.   The audit assessed the adequacy and effectiveness of governance, risk management and controls relating to the following areas:

   a)   Office governance – Office management, organizational structure and staffing and risk management;
   b)   Programme management – Programme planning and implementation, the management of Implementing Partners (IP), programme supplies and non-core funds; and
   c)   Operations management – Human resources (HR) management, procurement, financial management and general administration.

3.   The Office was last audited by OAIS in 2017.[1] All 12 audit recommendations from the prior OAIS audit were fully implemented and closed. The Office was audited remotely in 2020 by the United Nations Board of Auditors.

4.   The audit covered Office activities from 1 January to 31 December 2022, which included the sixth extension[2] of the eighth country programme 2016-2017, approved by the Executive Board in its first regular session of 2016 with indicative resources of US $11.3 million ($3.3 million of core resources and $8.0 million of non-core resources). ; and the first year of the ninth country programme 2022-2024 approved by the Executive Board in its annual session of 2022 with indicated resources of $15.2 million ($4.1 million of core resources and $11.1 million of non-core resources). Expenditures covered by the audit amounted to $40.2 million, executed by 24 Implementing Partners (IPs) ($29.6 million or 74 per cent), and by UNFPA ($10.6 million or 26 per cent), and were funded from core resources ($2.7 million or 7 per cent) and non-core resources ($37.5 million or 93 per cent).

Audit rating[3]

5.   The overall audit rating is ***"Partially Satisfactory with Major Improvement Needed,"*** *which* means that 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 would be achieved. The issues identified could significantly affect the achievement of the objectives of the audited entity. Prompt management action is required to ensure that identified risks are adequately mitigated.

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

Audit ratings by key audit area		
Office Governance	🟧	**Partially satisfactory with major improvement needed**
Office management	🟧	*Partially satisfactory with major improvement needed*
Organizational structure and staffing	🟧	*Partially satisfactory with major improvement needed*
Risk management	🟨	*Partially satisfactory with some improvement needed*
Programme Management	🟧	**Partially satisfactory with major improvement needed**
Programme planning and implementation	🟧	*Partially satisfactory with major improvement needed*
Implementing Partner Management	🟧	*Partially satisfactory with major improvement needed*
Programme Supplies Management	🟥	*Unsatisfactory*
Management of non-core funding	🟩	*Satisfactory*
Operations Management	🟩	**Satisfactory**
Human resources management	🟩	*Satisfactory*
Procurement	🟩	*Satisfactory*
Financial management	🟩	*Satisfactory*
General administration	🟩	*Satisfactory*

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[1] Report number IA/2017-03 issued on 24 February 2017 with a 'Major Improvement Needed' rating.
[2] The sixth extension of the eighth country programme covered the period from 1 January to 30 June 2022.
[3] See Annex I for the definitions of audit terms used in the report.

Good practices

7.   The audit identified the following good practices implemented by the Office:

a)   The Office piggybacked on Long Term Agreements (LTA) established by other United Nations (UN) agencies as a means of increasing the efficiency of the procurement process.

b)   The Office established rotating interview panels with the participation of members from other UNFPA Country Offices (COs) within the region for a more rigorous and objective assessments.

c)   The Office developed Standard Operating Procedures (SOPs) covering many of its operational areas such as telecommunication, learning, travel, HR and vehicles management.

Key findings and recommendations

8.   Areas that require management attention include Office management, organizational structure and staffing, risk management, programme planning and implementation, IP management, and programme supplies management. Overall, the audit report includes seven high priority and five medium priority recommendations, designed to help the Office improve its programme delivery and operations. Of these 12 recommendations, three are of a strategic nature and nine relate to operational matters.

   Strategic level

9.   The Office needs to: (a) train personnel and strengthen existing quality assurance processes to ensure the development of quality and complete Results Plans in the Strategic Information System (SIS) that are aligned to relevant results frameworks; (b) conduct a comprehensive review of the Office's organizational structure and staffing, including the continuing relevance and need for field offices, align the Office structure, staffing capacities and personnel contracting modalities to the requirements of the ninth Country Programme 2022-2024 and expedite the recruitment for vacant positions; and (c) with support from the Enterprise Risk Management (ERM) Coordinator and using the corporate UNFPA ERM application, manage high risks by developing, implementing, tracking and reporting on decisions and action plans in a timely way.

   Operational level

10.   The Office needs to:

(a) conduct staff and management meetings according to plans and consistently document them in minutes;

(b) raise awareness among staff members and their respective supervisors and implement monitoring controls to ensure the alignment of staff Performance Appraisal and Development (PAD) documents with the Office's Results Plan;

(c) improve the work planning process by:

   (i) systematically mapping workplan output indicators, baselines and targets to those in the Strategic Information System (SIS) Results Plan; and

   (ii) implementing a supervisory control to ensure the alignment of work plans with the Results Plan;

(d) improve the programme monitoring process by:

   (i) providing training to involved personnel on the need to develop and track the implementation of detailed programme monitoring plans; and

   (ii) implementing supervisory controls to ensure compliance with these monitoring plans;

(e) strengthen the review and financial monitoring of work plans by:

   (i) providing Office personnel with training on UNFPA eligible direct programme and support costs; and

   (ii) reviewing the work plans and corresponding Funding Authorization and Certificate of Expenditure (FACE) forms;

(f) strengthen the programme supplies process by:

    (i) providing Office personnel with training on UNFPA's management of programme supplies policy;

   (ii) enhancing supervisory oversight over the supplies process;

   (iii) reflecting programme supplies related outputs, indicators, and milestones in the results plan in SIS;

   (iv) ensuring that all distributed supplies are based on needs assessments; and

   (v) supplementing signed work plans with other appropriate programme documents in line with policy requirements;

(g) establish, and where possible, alleviate any restrictions to implementing programme supplies monitoring activities in line with the requirements of UNFPA programme supplies policy and procedures; and

(h) in collaboration with the relevant stakeholders, provide the necessary support to IPs to improve warehouse storage conditions and capacity.

11.   In addition, it is recommended that UNFPA introduce a limit to the number of times Fast Track Procedures (FTP) can be activated and extended during a protracted crisis.

Management response

12.   The Office Management agrees with the audit observations and recommendations and will work jointly with its focal points in Headquarters, the Supply Chain Management Unit, and the Regional Office to implement the agreed action plan.

Acknowledgement

13.   The OAIS team would like to thank the Management and personnel of the Office, the Arab States Regional Office (ASRO) and the different Headquarter units for their cooperation and assistance throughout this audit.

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I.   AUDIT BACKGROUND

1.   Since 2011, the Syrian Arab Republic has been affected by a humanitarian crisis that has severely impacted the social and economic situation in the country. The country continues to experience high levels of internal displacement and refugees. There has been limited return movements in areas where hostilities have lessened and security and stability have improved. In 2021, an estimated 13.4 million people in Syria needed humanitarian assistance, with their needs exacerbated by the country's continued economic decline. Around 3.7 million people were estimated to be living with a disability.[4] The number of people suffering emotional and mental consequences stemming from the protracted crisis is thought to be significant.

2.   Syria has a population estimated at 23.2 million. The country ranked 150 out of 191 countries and territories on the Human Development Index (HDI) 2021.[5] In 2020 the maternal mortality ratio (MMR) was 30 deaths per 100,000 live births. In 2023, the contraceptive prevalence rate for women aged 15-49 was 34 per cent. The unmet need for family planning was seven per cent, and the prevalence rate of child marriage was 13 per cent.[6] Syria had a Gender Inequality Index (GII) value of 0.477, ranking it 119 out of 169 countries in the 2021 index.[7] Syria is classified as a Tier I programme country in the 2022-2025 Strategic Plan,[8] and a priority country for the UNFPA Supplies Partnership programme. UNFPA activated the Fast Track Procedures (FTP) for Syria for the first time in July 2012 for a one year period. These procedures were subsequently extended 17 times for a total cumulative period of approximately 9 years.

3.   As set out in the 2023 OAIS Annual Workplan, an audit of the UNFPA Country Office in Syria (the Office) 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 governance, risk management and internal control processes in place. The audit aimed to assess the adequacy and effectiveness of the governance, risk management and controls relating to the following areas:

   a)   Office governance – Office management, organizational structure and staffing, and risk management;
   b)   Programme management – Programme planning and implementation, and the management of Implementing Partners (IPs), programme supplies, and non-core funds; and
   c)   Operations management – Human resources management, procurement, financial management, and general administration.[9]

4.   The audit included tests, as considered appropriate, to obtain reasonable assurance with regard to:

   a)   Effectiveness and efficiency of Office operations;
   b)   Conformity of expenses with the purposes for which funds were appropriated;
   c)   Safeguarding of assets entrusted to the Office;
   d)   Level of compliance with applicable regulations, rules, policies, and procedures; and
   e)   Reliability of the Office's financial and operational reporting.

5.   The Office was last audited by OAIS in 2017.[10] All 12 audit recommendations from the prior OAIS audit were fully implemented and closed. The Office was audited remotely by the United Nations Board of Auditors in 2020. All recommendations from the BoA 2020 audit were implemented and closed.

6.   The audit covered Office activities from 1 January to 31 December 2022, which included the sixth extension[11] of the eighth country programme 2016-2017 approved by the Executive Board in its first regular session of 2016 with indicative resources of $11.3 million ($3.3 million of core resources and $8.0 million of non-core resources; and the first year of the ninth country programme 2022-2024 approved by the Executive Board in its annual session of 2022 with indicated resources of $15.2 million ($4.1 million of core resources and $11.1 million of

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[4] Country Programme Document 2022-2024

[5] Source: https://hdr.undp.org/system/files/documents/global-report-document/hdr2021-22pdf_1.pdf

[6] Source: https://www.unfpa.org/data/world-population/SY

[7] Source: https://hdr.undp.org/system/files/documents/global-report-document/hdr2021-22pdf_1.pdf

[8] Tier I comprises programme countries that have not met any of the three transformative results.

[9] General administration included management of travel, assets, security, and information and communication technology.

[10] Report Number IA/2017-03 issued on 24 February 2017 with a 'Major Improvement Needed' rating.

[11] The sixth extension of the eighth country programming covered the period from 1 January to 30 June 2022.

non-core resources). Expenditures covered by the audit amounted to $40.2 million, executed by 24 IPs ($29.6 million or 74 per cent), and by UNFPA ($10.6 million or 26 per cent), and these were funded from core resources ($2.7 million or 7 per cent) and non-core resources ($37.5 million or 93 per cent).

7.   Approximately 70 per cent of the expenditures incurred during the period under review corresponded to the Strategic Plan output 'humanitarian action', and 16 per cent to the output 'quality of care and services'. The remaining four Strategic Plan outputs accounted for 12 per cent of expenditures. Costs related to organizational effectiveness and efficiency, not allocated to any of the above Strategic Plan outputs, accounted for the remaining two per cent of expenditures.[12]

8.   The engagement was conducted by a team comprising of an OAIS Audit Specialist supported by audit specialist consultants under the supervision of the Unit Chief of the Internal Audit Branch responsible for the Arab States Region. The audit started on 6 February 2023. A field mission originally planned for March 2023 was postponed and only took place from 7 to 18 May 2023 to allow the Office to focus on its response to the earthquake that struck northern and western Syria in February 2023. Preliminary findings and recommendations resulting from the audit were discussed with Office Management at an exit meeting held on 17 May 2023. Comments and clarifications provided by Management thereafter were reflected in a draft report submitted to Office Management on 7 July 2023. A final Management response was received on 27 July 2023 and is reflected in this report.

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[12] Source: Cognos budget utilization by SP output report.

II. AUDIT RESULTS

9. The audit results, including good practices identified and matters that require Management attention, are presented below by audit area.

A. OFFICE GOVERNANCE	PARTIALLY SATISFACTORY WITH MAJOR IMPROVEMENT NEEDED

A.1 – OFFICE MANAGEMENT	Partially Satisfactory with Major Improvement Needed

Fast Track Procedures activated for a prolonged period

10. UNFPA activated the Fast Track Policies and Procedures (FTPs)[13] for Syria for the first time in July 2012, for one year. These procedures were subsequently extended 17 times for a total cumulative period of approximately 9 years. Recent FTP extensions covered the period from 1 October 2021 to 31 March 2023[14] overlapping from the eighth to the nineth country programme in all three permissible areas (i.e., financial management, HR and procurement).

11. According to the requests submitted for FTP activation, while the Inter-Agency Standing Committee (IASC) system-wide scale-up protocol[15] has not been activated for Syria since 2018, the scale and complexity of the crisis warranted their activation. During the period under review, requests for FTP activation were endorsed by the Regional Director and approved by the Deputy Executive Director for Management.

12. While the current policy does not impose any limit as to the number of times activation of FTPs can be extended, the audit is of the opinion that FTPs are more effective and efficient when: (a) these procedures are used to kick-start and scale-up humanitarian responses; and (b) their extensions for protracted crises are restricted in time and scope. Conversely, FTPs should not be used to compensate for rigidity of regular policies and procedures or for inadequate planning and preparedness.

13. For instance, besides IASC protocol not being activated since 2018, neither of the two UN agencies met by the audit team during the field mission activated their respective emergency procedures in 2022. Furthermore, while the FTPs activation was approved for the Office, the audit noted that UNFPA's standard procedures were applied for all HR, financial management and procurement transactions tested during the audit.

ROOT CAUSE	*Guidelines: Lack of or inadequate corporate policies or procedures (absence of criteria as to the duration of appropriate use of use of FTP as a modality to facilitate humanitarian activities).*
IMPACT	*Country Offices in non-scale-up protracted crises may continuously apply to extend FTP activation for situations that do not meet the requirements, increasing UNFPA's exposure to risks related to higher delegations of authority and flexibility.*
CATEGORY	*Operational.*

RECOMMENDATION 1	*PRIORITY: HIGH*

Introduce a limit to the number of times that activation of FTPs can be extended during a protracted crisis.

MANAGER RESPONSIBLE FOR IMPLEMENTATION: *Director, Humanitarian Response Division*	STATUS:	*Agree*
MANAGEMENT ACTION PLAN:	DUE DATE:	*March 2024*

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[13] The UNFPA FTPs offer Country Offices in special situations greater delegations of authority and flexibility in specific operational areas for a time-bound period. They focus on critical operational areas that have the potential of enhancing the capacity of a CO to deliver support rapidly and with flexibility. The FTPs represent a modification to some policies and procedures in the Policies and Procedures Manual (PPM) in the areas of financial management, human resources and procurement. They facilitate a rapid response to country demands.

[14] The most recent extension of the FTPs covers the period from 27 April to 27 October 2023 in response to the earthquake in the northern and western Syria.

[15] Previously called "L3 Emergencies".

The Humanitarian Response Division, as the owner of the FTP policy, agrees with the spirit of the recommendation regarding the necessity to strengthen corporate policies and procedures for the FTP. The need for and feasibility of introducing a limit on the number of extensions will undergo further assessment during the fourth quarter of 2023 in the context of the upcoming revision of the FTP. Moreover, it will also be appropriately addressed in the new Emergency Procedures (currently under development) and expected to be issued by the first quarter of 2024.

Misalignment between SIS Results Plan, the Country Programme Document and the Humanitarian Response Plan

14.   The 2022 Results Plan in SIS is not aligned with the Country Programme Document (CPD) 2022-2024. The Office attributed this misalignment to the fact that the SIS Results Plan was finalized on 31 March 2022, before the approval of the CPD (June 2022). The Office also advised that the 2022 Results Plan was developed with reference to the previous CPD 2016-2017 that was extended until July 2022. However, the audit notes that only two of the nine output indicators in the CPD 2016-2017 are included as milestones in the 2022 Results Plan.

15.   Similarly, the Results Plan does not fully reflect the indicators of the 2022-2023 Humanitarian Response Plan (HRP), which was still in draft form at the time of the audit field mission in May 2023. Of the 23 HRP output indicators that are the responsibility of UNFPA, only 12 are included in the 2022 Results Plan.

16.   It is pertinent to note that the Office has had six programme extensions since 2017, the latest covering the period of January to July 2022. None of these extensions included a Results and Resources Framework (RRF) to guide the UNFPA programme planning activities and to be reflected in the Results Plan, as prescribed by policy.

ROOT CAUSE	*Resources: Inadequate training (lack of understanding of corporate processes for planning in SIS).*
	Guidance: Inadequate supervision at the Office level (ineffective review process for Results Plans in SIS)
IMPACT	*Misalignment of the SIS Results Plan to the CPD and the HRP may impair Office Management's ability to have a basis for a more informed decision-making process and effectively meet its programme targets.*
	The absence of a Results and Resources Framework over a prolonged period could diminish the focus of the country programme .
CATEGORY	*Strategic.*

RECOMMENDATION 2	PRIORITY: HIGH

Train Office personnel and strengthen existing quality assurance processes to ensure the development of quality and complete Results Plans in the SIS that are aligned to relevant results frameworks, including the CPD and the finalized HRP.

MANAGER RESPONSIBLE FOR IMPLEMENTATION: *Representative*   STATUS: *Agree*

MANAGEMENT ACTION PLAN: DUE DATE: *June 2024*

The Office Management with the assistance of the Regional Monitoring and Evaluation Advisor will undertake the following actions to address the audit recommendation:

   a) *Arrange training sessions for staff on the formulation, reporting, and quality review of output indicators, baselines and targets;*
   b) *Finalize the Office results framework which will directly link the 2024 SIS results to the CPD/HRP results and the SIS milestones with the key interventions included in the framework.*

Staff meetings not consistently conducted and documented

17.   Based on our review, it was noted that the Office aims to conduct the following meetings on a monthly basis:

a) Senior Management Team meetings: The main objective of the meeting is to review and discuss the overall programme and operational matters among the Senior Management of the Office. The audit noted that minutes were available for meetings held between August and December 2022, however, there were no minutes available for the period from January to July 2022.

b) Programme team meetings: The audit noted that meeting minutes were available for January, March, April and August 2022. The Office advised the audit that meetings also took place in February, May, November and December 2022 but that minutes were not taken for these meetings.

c) Operations team meetings: The audit noted that operations team meetings did not take place in March and November 2022. In addition, meeting minutes were only prepared for the May, June, August and October meetings.

18.   Office Management attributed the lack of consistency in holding meetings and taking meeting minutes to changes in management throughout the year.

ROOT CAUSE	*Guidance: Inadequate supervision at the CO level*
IMPACT	*Inconsistency in holding meetings according to plans and Insufficient documentation of meeting minutes may limit Management's ability to monitor the disposition of issues raised and results in the loss of an audit trail indicating the basis of decisions and actions taken.*
CATEGORY	*Operational.*

RECOMMENDATION 3	*PRIORITY: MEDIUM*

Conduct meetings according to plans. Consistently document those meetings in minutes, detailing the points discussed, the decisions made, the action items and the follow up activities that need tracking or require the intervention of Senior Management for resolution.

MANAGER RESPONSIBLE FOR IMPLEMENTATION: *Representative*   STATUS: *Agree*

MANAGEMENT ACTION PLAN: DUE DATE: *April 2024*

The Office has already started and will continue to ensure that staff meetings are consistently conducted as per Office established plan and meetings documented in minutes by detailing the points discussed, the decisions made, the action items and follow up activities for tracking or intervention of Senior Management for resolution.

A.2 – ORGANIZATIONAL STRUCTURE AND STAFFING	**Partially Satisfactory with Major Improvement Needed**

Office structure and staffing may not be aligned with the needs of the Country Programme

19.   The review by OAIS of the Office's organizational structure and staffing identified several issues that could pose significant risks to its capacity in delivering its expected results. The most notable of these issues relates to the absence of a review by the Office Management of its organizational structure and the high vacancy levels, including vacancies at key positions.

Absence of a review of the Office's organizational structure

20.   The Office's Country Programme 2022-2024 was approved in June 2022. However, no staffing re-alignment was conducted to ensure staffing capacity was in line with the new country programme needs, as is required by UNFPA policy.[16] The Office indicated that the Regional Office had advised to postpone any significant HR changes until a new Representative was in place,[17] as the incumbent Representative was about to depart.[18]

21.   In addition, besides the main office in Damascus, the Office has four field offices with 37 staff members located in Aleppo, Homs, Deir Ezzor, and Qamishli that were established in 2016, 2017, 2019 and 2022, respectively.

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[16] Policy and Procedures for Development and Approval of Country Programme Documents.

[17] A new he Representative was appointed in September 2023.

[18] The previous Representative left in February 2022.

The UNFPA policy[19] requires Representatives to obtain approval from the Deputy Executive Director (Programme) (DED-P) for offices in the field to initiate the process of organizational structuring in cases this process is not initiated directly by the Executive Director. However, only the Qamishli office was approved by the DED-P. All of the other three offices were established under the previous version of the Fast Track Procedures policy issued in 2015, which delegated the authority of opening field offices to the Representative. The 2015 version of the FTPs has since been revised in 2020 ending the delegated authority to Representatives to establish field offices. However, no formal review and approval process was undertaken to assess the continued relevance, number and locations of the field offices.

High vacancy rate and prolonged vacancies of key positions

22.   The Office experienced a high vacancy rate throughout 2022. At the time of the audit field mission in May 2023, 19 of the 109 approved posts were vacant, including 11 that had been frozen due to the lack of funding. The remaining eight posts had been vacant for periods ranging from seven to 16 months, with an average of 10 months.

23.   Vacancies included some of the Office's key positions, such as the Office Representative (vacant for 16 months), the International Programme Coordinator (vacant for nine months), the Gender Based Violence (GBV) Coordinator (vacant for 12 months), the Head of a sub-office (vacant for seven months) and the GBV Coordination Specialist (vacant for eight months).

24.   The high vacancy rate and the prolonged vacancies for key positions have negatively impacted the performance of the Office and were the root cause for some of the issues identified in this report.

ROOT CAUSE	*Guidance: Inadequate guidance at the CO, Regional Office and Headquarters levels.* *Guidelines: Inadequate planning (absence of HR re-alignment).*
IMPACT	*The organizational structure and staffing of the Office may not be aligned with its programme delivery and operational needs.* *The high vacancy rate and prolonged vacancies for key positions have adversely affected the performance of the Office.*
CATEGORY	*Strategic.*

RECOMMENDATION 4	PRIORITY: HIGH

Conduct a comprehensive review of the Office's organizational structure and staffing. This should include a determination regarding the continued relevance and need for field offices. It should also align the Office's structure (including field offices), staffing capacities and personnel contracting modalities with the requirements of the ninth Country Programme 2022-2024. Finally, the Office should expedite its recruitment for vacant positions.

MANAGER RESPONSIBLE FOR IMPLEMENTATION:

Representative with support from the Directors, ASRO and Division for Human Resources   STATUS: *Agree*

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[19] Human Resources: Policy and Procedures for Organizational Structuring.

MANAGEMENT ACTION PLAN: DUE DATE: *January 2025*

The Office, in consultation and support from ASRO and Division for Human Resources, will undertake a thorough review exercise of its organizational structure taking into consideration the needs of the current Country Programme and the continuous humanitarian scale up in the country. This will include reviewing the number of staff, capacities, skills-sets, contracting modalities as well as analyzing the relevance and need for the field offices.

The current vacancy rate for the Office is 11 per cent and most of the ongoing recruitments are finalized or at the final stages of the process. ASRO and the Division for Human Resources will expedite recruitment of the key vacant positions.

Misalignment of staff Performance Appraisal and Development with the Office Results Plan

25.   A review of the 2022 individual Performance Appraisal and Development (PAD/CPM)[20] documents for seven key staff members indicated that PADs were not always directly aligned with the annual output indicators and planning milestones assigned in the 2022 Results Plan in SIS. For example, one staff member was assigned a team lead role for 11 output indicators in SIS, but only one of these 11 indicators was reflected in the PAD. Another staff member was the team lead for five SIS output indicators, of which only one was reflected in the PAD. In total, of the 23 output indicators in the Results Plan that were tested, 20 were not reflected in the PADs of the corresponding team leaders.

ROOT CAUSE	*Resources: Inadequate training (staff not trained on how to develop quality PADs).*
	Guidance: Inadequate supervision at the Office level (inadequate quality review of PADs to ensure alignment with Results Plans in SIS).
IMPACT	*Misalignment between the Office's Results Plan and staff PADs may diminish the Office's ability to ascertain proper accountability of relevant staff, particularly team leaders in delivering results and managing their performance.*
CATEGORY	*Operational.*

RECOMMENDATION 5	**PRIORITY: MEDIUM**

Raise awareness among staff members and their respective supervisors and implement monitoring controls to ensure the proper preparation and alignment of staff PAD/CPM documents with the Office's Results Plan.

MANAGER RESPONSIBLE FOR IMPLEMENTATION: *Representative*   STATUS: *Agree*

MANAGEMENT ACTION PLAN: DUE DATE: *May 2024*

To address the audit recommendation, the Office will perform the following:

   a)   *With support from ASRO and the Division for Human Resources, organize a CPM training for all staff members.*

   b)   *All staff members\supervisors will review their CPMs to reflect the indicators assigned to each of them in the SIS Results Plan.*

A.3 – RISK MANAGEMENT	**Partially Satisfactory with Some Improvement needed**

Lack of development and tracking of risk mitigation measures

26.   As part of the 2020 Enterprise Risk Management (ERM) cycle, the Office completed a risk assessment using the myRisks application in SIS. The 2020 ERM cycle was extended to 2021 for all business units that completed a risk assessment as part of the 2020 cycle unless there had been a substantive heightening of their risk profile. The Office deemed its risk profile unchanged, and therefore did not undertake a new risk assessment in 2021. According to the applicable ERM guidelines, the development of action plans is required to mitigate risks assessed as 'high'. The Office did not develop and track a risk response in 2020 or 2021 for any of the identified and assessed risks, including eight risks that were assessed as high risks.

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[20] The PAD system was replaced by the Career and Performance Management (CPM) system starting in 2023.

27.   The Office's management attributed the absence of a risk response in SIS to the management transition that took place between October and December 2020.

ROOT CAUSE	*Guidance: Inadequate supervision at the Office, Regional and Headquarters levels. (The absence of risk responses for the high risks identified by the Office was not questioned or brought to the attention at any level within UNFPA).*
IMPACT	*The ability to implement in a timely way appropriate mitigating measures that address identified high risks is limited and it is very likely that the Office suffers for lack of or inaction in addressing these risks should they materialize.*
CATEGORY	*Strategic.*

RECOMMENDATION 6	*PRIORITY: HIGH*

With support from the ERM Coordinator, and in a timely way, develop, implement, track and report on action plans that mitigate 'high' risks using the corporate UNFPA ERM application.

MANAGER RESPONSIBLE FOR IMPLEMENTATION: *Representative*   STATUS**:**   *Agree*

MANAGEMENT ACTION PLAN: DUE DATE: *April 2024*

With support from the ERM Coordinator, following new ERM policy and the headquarters guidance, the Office will ensure development of timely and quality risk assessment and response; and implement quarterly monitoring for processes to ensure that mitigation measures are timely and effectively implemented.

B. PROGRAMME MANAGEMENT	**PARTIALLY SATISFACTORY WITH MAJOR IMPROVEMENT NEEDED**

B.1 – PROGRAMME PLANNING AND IMPLEMENTATION	**Partially Satisfactory with Major Improvement Needed**

Workplans output indicators' baselines and targets are not fully aligned with the SIS Results Plan

28.   The 2022 Results Plan in SIS included 40 programme-related output indicators with baselines and targets to assess the change or achievements in the outputs. These indicators, baselines and targets should be captured in either the UNFPA or IP-implemented workplans developed in the Global Programming System (GPS), as a means of ensuring alignment of programmatic planning and implementation.

29.   The mapping of the output indicators between the SIS Results Plan and GPS workplans was not readily available for the audit to review. It was subsequently prepared by the Office upon a request by the audit. The OAIS review of indicators indicated inconsistencies between SIS and GPS baselines and targets for all 10 indicators tested, reflective of inadequate planning and an ineffective review process.

ROOT CAUSE	*Guidelines: Inadequate planning (Misalignment between the output indicators' baselines and targets in the SIS Results Plan and GPS work plans).*
	Guidance: Inadequate supervision at the Office level (Inconsistencies between the Results Plan in SIS and work plans in GPS not detected by the existing work plan quality review process).
IMPACT	*Misalignment between the Office's Results Plan in SIS and the work plans in GPS may diminish Office Management's ability to achieve planned results and to make informed decisions.*
CATEGORY	*Operational.*

RECOMMENDATION 7	*PRIORITY: HIGH*

Improve the work planning process by: (a) systematically mapping workplan output indicators, baselines and targets to those in the SIS Results Plan; and (b) implementing a periodic supervisory control as part of the operational review of workplans to ensure the alignment of GPS workplans with the Results Plan in SIS.

MANAGER RESPONSIBLE FOR IMPLEMENTATION: *Representative*　　　　STATUS**:**　*Agree*

MANAGEMENT ACTION PLAN:　　　　DUE DATE:　*July 2024*

The Office Management has already started the mapping of workplan output indicators as part of the results framework development and will further improve by the following actions to address the audit recommendation:

　　a)　*Train Office personnel and ensure systematically mapping workplan output indicators, baselines and targets to those in the SIS Results Plan.*

　　b)　*Implement supervisory control as part of the operational review of workplans to ensure the alignment of GPS workplans with the SIS Results Plan.*

Absence of a monitoring plan

30.　　The Office did not have a detailed annual monitoring calendar developed in consultation with the main Office stakeholders, such as the monitoring and evaluation (M&E) team, the thematic units and field offices. The annual monitoring calendar need to be based on an in-depth review of the monitoring needs indicated in the workplans. This calendar is to be agreed upon with the IPs and monitored accordingly. It has to indicate the planned and actual monitoring activities and specify, for example, those activities within the workplans that need monitoring, the locations and dates of planned monitoring visits, the objectives of those visits, the responsible personnel and the expected level of coverage to be achieved by the scheduled monitoring actions.

31.　　In addition, the audit noted that the Office had 138 monitoring missions planned in 2022 for the Damascus office, of which only 33, about 24 per cent, were completed. The Office attributed the lack of monitoring visits to the security situation in Syria and the inability of obtaining permits to travel between governorates.

ROOT CAUSE	*Resources: Inadequate training (staff members are not acquainted with the process for planning of monitoring activities).*
IMPACT	*The absence of a monitoring plan may diminish the effectiveness and efficiency of monitoring activities and prevents the Office ability to make more informed and timely decisions or remediation measures.*
CATEGORY	*Operational.*

RECOMMENDATION 8	*PRIORITY: MEDIUM*

Improve the programme monitoring process, through (a) the provision of training to involved personnel on the need to develop and track the implementation of detailed programme monitoring plans; and (b) the implementation of supervisory controls to ensure compliance with these requirements.

MANAGER RESPONSIBLE FOR IMPLEMENTATION: *Representative*　　　　STATUS**:**　*Agree*

MANAGEMENT ACTION PLAN:　　　　DUE DATE:　*October 2024*

The Office Management will undertake the following actions to improve the existing monitoring plan to address the audit recommendation:

　　a.　*Conduct learning sessions for involved personnel on the need to develop and track the implementation of detailed programme monitoring plans.*

　　b.　*Report to Management on a quarterly basis the implementation status and bottlenecks encountered in the implementation of field mission recommendations.*

B.2 – IMPLEMENTING PARTNER MANAGEMENT	**Partially Satisfactory with Major Improvement Needed**

Ineffective review and financial monitoring of workplans

32.　　The OAIS review of the 2022 workplans and FACE forms for three IPs showed that the Office had authorized the inclusion in the workplans and payment of $0.1 million corresponding to salaries of IP staff who were not directly involved in the implementation of the planned activities with UNFPA (i.e., accountant, internal auditor, reporting

officer, coordinator and other administrative staff). These employees are responsible for report preparation, budget coordination, centralized accounting and preparation of the FACE forms and other administrative activities that should have been covered by the allocated support costs, as per the UNFPA Guidance Note on IP-eligible direct programme costs and support costs.

33.   The issues identified above stem from a lack of training of relevant staff and could have been addressed had the Office availed itself of existing checklists to review the IPs' workplans and FACE forms.

ROOT CAUSE	*Resources: Inadequate training (lack of familiarity with UNFPA Guidance Note on IP-eligible direct programme and support costs).*
	Guidance: Inadequate supervision at the Office level (ineffective workplan and FACE form review processes).
IMPACT	*Funds are not always used for their intended purposes.*
CATEGORY	*Operational.*

RECOMMENDATION 9	PRIORITY: MEDIUM

Strengthen the review and financial monitoring of workplans by: (a) providing Office personnel with training on UNFPA-eligible direct programme and support costs; and (b) reviewing workplans and FACE forms of IPs, using the policy-recommended workplan and FACE form review checklists.

MANAGER RESPONSIBLE FOR IMPLEMENTATION: *Representative*   STATUS: *Agree*

MANAGEMENT ACTION PLAN: DUE DATE: *August 2024*

The Office Management will undertake the following actions to address the audit recommendation:

   a) *In coordination with the Quality Management Unit, train Office personnel on UNFPA-eligible direct programme and support costs.*
   b) *Strengthen the internal workflow process for workplan reviews and approvals in addition to FACE checklist.*

B.3 – PROGRAMME SUPPLIES MANAGEMENT	Unsatisfactory

Inadequate planning, assessments and management of programme supplies

   Programme supplies-related outputs, indicators, and milestones are not reflected in the 2022 Results Plan in SIS

34.   The Office delivered 178 types of supplies to 19 IPs in 2022, totalling $2.8 million. Supplies provided to the top 5 IPs accounted for $2.4 million, or 85 per cent of the total supplies distributed.

35.   UNFPA policy[21] requires that outputs, indicators and milestones related to supplies that are reflected in annual management plans must allow heads of office to track, at a minimum: (a) the level of implementation of their offices' procurement plans; (b) the timeliness and effectiveness of order fulfilment, customs clearance and inventory delivery activities; (c) the timeliness and accuracy of inventory accounting activities; (d) the adequacy of inventory safeguarding while the supplies are under the control of UNFPA; (e) progress in implementing LMA process activities; (f) the effectiveness of inventory management activities of the IPs to whom the commodities have been entrusted; and (g) the timelines and effectiveness of commodity distributions by IPs.

36.   Based on the review of the 2022 Results Plan in SIS, the audit noted that the Plan included one output indicator related to the implementation of the procurement plan. Yet this indicator did not meet the full policy requirement, as supplies-related requirements were not reflected in the Plan.

   Absence of rigorous needs assessments

37.   The determination of the programme supplies to be provided by UNFPA to address relevant country needs and contribute to the achievement of programme results was not informed by rigorous needs assessments and

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[21] Policy and Procedures on Management of Programme Supplies.

forecasts to cover reproductive health (RH) commodities and humanitarian supplies, as required in the Policy and Procedures on Management of Programme Supplies. Instead, programme supplies were generally procured by the Office and handed over to the IPs based on the products requested by the IPs.

38. The exceptions noted are attributed to the limited understanding of the policy requirement by the Office staff. In addition, for RH commodities, the lack of needs assessments is attributed to the absence of a national coordinating mechanism for RH commodities to ensure: the coordination of needs assessment, forecasting and supply-planning activities; coordination of procurement activities among stakeholders; monitoring of in-country stock levels; and monitoring of key logistical activities so that they are synchronized and aligned with country needs.

Supplies are advanced to IPs that have not provided supplies-related programmatic documents to support agreed workplans

39. UNFPA policy[22] requires that programme supplies are not to be provided to IPs prior to signing workplans, supplemented by other appropriate programme documents (e.g., distribution plans), specifying: (i) the types and estimated volumes of programme supplies to be provided by UNFPA; (ii) their estimated value; (iii) any responsibilities of, and costs to be assumed by, the IPs for the customs clearance and transportation of the programme supplies from their point of destination to the IP facilities; (iv) a description of the intended use of the supplies provided, including, when appropriate and as feasible, the service delivery points (SDPs) and target populations to which they should be provided; (v) any foreseen collaboration with other development or humanitarian partners in distributing the programme supplies; and (vi) the activities to be undertaken by the IPs to ensure that the programme supplies are used for their intended purposes.

40. Programme supplies valued at $1.8 million were supplied to three IPs in 2022. However, none of the three workplans signed with the IPs included the level of details required by the policy.

ROOT CAUSE	*Resources: Inadequate training (lack of familiarity with the policies and procedures on the management of programme supplies).*
	Other: Factors beyond the control of UNFPA (For humanitarian supplies, the CO setting makes it harder to develop needs assessments, and for RH supplies, there was an absence of a coordinated national needs assessment).
IMPACT	*The absence of coordinated needs assessments could result in delayed distribution of programme supplies, stockouts and/or excess supplies that are not needed resulting in losses.*
	The absence of supplies-related programmatic documents to support agreed workplans may restrict the Office's ability to properly plan, ascertain the appropriate needs, and monitor the supply and distribution of programme supplies and can be the source of confusion and disagreement with Ips and financial risks.
CATEGORY	*Operational.*

RECOMMENDATION 10	PRIORITY: HIGH

Strengthen the programme supplies process by: (a) providing Office personnel with training on UNFPA's Policy and Procedures on Management of Programme Supplies; (b) enhancing supervisory oversight over the programme supplies process; (c) reflecting programme supplies-related outputs, indicators, and milestones in the Results Plan in SIS; (d) ensuring that all distributed supplies are based on needs assessments; and (e) supplementing signed workplans with other appropriate programme documents in line with policy requirements, and (f) close consultations with the relevant partners.

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[22] Policy and Procedures on Management of Programme Supplies.

MANAGER RESPONSIBLE FOR IMPLEMENTATION: *Representative*   STATUS**:**   *Agree*

MANAGEMENT ACTION PLAN: DUE DATE: *January 2025*

The Office Management recognizes the inadequate programme supplies management process and will establish a robust system of controls and will strengthen the capacity of the team.

Inadequate monitoring of programme supplies

41.   The UNFPA policy on managing programme supplies requires that sufficient visibility and assurances are obtained over their adequate safeguarding, management and use for intended purposes after their handover to partners or beneficiaries through the Last Mile Assurance (LMA) process and other monitoring activities. In addition, budget holders must regularly monitor the level of RH commodities available and stock-out levels at central and decentralized warehouses, as well as at SDPs. This should be achieved through the review of information provided by national coordination mechanisms, from information provided in the national Logistics Management Information Systems (LMIS), from surveys, from periodic on-site monitoring visits to the facilities and from other appropriate monitoring activities.

42.   The OAIS review of the Office's programme supplies management indicated several exceptions reflective of inadequate monitoring of IP supply-chain management performance.

43.   A government IP that received supplies totalling $0.9 million (32 per cent of the total supplies distributed by the Office) submitted the LMA quarterly Programme Supplies Reports (PSR). However, the PSRs submitted by the IP did not identify the SDPs that ultimately received the supplies, thereby significantly limiting their utility to provide visibility and to be used as the basis for other monitoring activities within the LMA framework, such as the IP supply chain management risk assessments, spot-checks and audits. For instance, in 2022 the Office did not conduct any on-site monitoring visits to this IP. The Office Management explained that the concerned IP restricts the disclosure of SDP information as well as access to its warehouses and documents. Therefore, the Office was not able to monitor the distribution of the donated supplies. These concerns should have been addressed by the Office with the IP prior to the provision of any programme supplies.

44.   An NGO IP that received supplies amounting to $0.3 million (10 per cent of the total supplies distributed by the Office) regularly submitted PSRs, including the list of SDPs. However, the PSR provided by the NGO did not include three inventory distributions made by UNFPA of 58,069 sanitary napkins amounting to $33,294 that were distributed by the Office directly to the three decentralized warehouses of the NGO. Consequently, the goods were not recorded in the IP's central warehouse and, therefore, were not included in the PSR submitted to the Office. The unrecorded goods went undetected by the Office's PSR review. Also, the audit noted that insufficient on-site monitoring visits to the NGO were undertaken by the Office. Only one visit was conducted in 2022, to inspect RH kits worth approximately $2,000 (seven per cent of supplies donated to this IP in 2022). The Office attributed the lack of sufficient monitoring of supplies to the country's security situation.

ROOT CAUSE	*Guidance: Inadequate supervision at the Office level.*
	Other: Factors beyond the control of UNFPA (security situation in the country).
IMPACT	*Lack of proper monitoring of programme supplies limits their visibility and calls into question their adequate safeguarding, management and use for intended purposes after their handover to partners.*
CATEGORY	*Operational.*

RECOMMENDATION 11	PRIORITY: HIGH

Establish, and where possible, alleviate any restrictions on implementing programme supplies monitoring activities in line with the requirements of the UNFPA Policy and Procedures on Management of Programme Supplies.

MANAGER RESPONSIBLE FOR IMPLEMENTATION: *Representative*   STATUS**:**   *Agree*

MANAGEMENT ACTION PLAN: DUE DATE: *January 2025*

Office Management notes the audit findings and will further enhance the LMA and monitoring process in coordination with the Supply Chain Management Unit.

The Office in collaboration with other UN Agencies will also assess and improve LMIS system with the Ministry of Health.

Inadequate IP warehouse storage conditions, and inventory accounting and controls

45. The audit visited one of three central warehouses for one government agency and a central warehouse for an NGO. At both these facilities, the audit noted numerous weaknesses in security measures, storage capacity and internal controls. In particular, gaps were identified regarding: (a) security measures such as the absence of functional physical security measures including cameras and alarms as well as the absence of fire detection and extinguishing mechanisms; (b) storage and facility conditions such as the absence of logs to monitor maintenance and temperature and humidity as well as inadequate insect and pest control mechanisms and improper storage; and (c) inventory accounting and controls. For instance, UNFPA products were not clearly segregated from similar products from other sources. Bin cards were not placed on each storage item with product name, batch number, and expiration date. There was also a lack of detailed inspections to confirm the receipt of goods.

ROOT CAUSE	*Guidance: Inadequate supervision at the Office level (inadequate monitoring of warehouse storage conditions and inventory controls).*
IMPACT	*There is an increased risk of inventory losses and mismanagement due to inadequate storage conditions and inventory controls.*
CATEGORY	*Operational.*

RECOMMENDATION 12	PRIORITY: MEDIUM

In collaboration with the relevant stakeholders, provide the needed support to IPs to improve warehouse storage conditions and capacity, including enhancement of physical security arrangements and inventory controls.

MANAGER RESPONSIBLE FOR IMPLEMENTATION: *Representative*	STATUS**:** *Agree*
MANAGEMENT ACTION PLAN:	DUE DATE: *January 2025*

The Office will assess the main IP warehouses and will put in place a plan to address gaps in warehouse storage conditions and capacity, including security arrangements and inventory controls, as well as conduct regular monitoring to ensure that all aspects of inventory management are tracked.

B.4 – MANAGEMENT OF NON-CORE FUNDING	**Satisfactory**

46. Audit work performed in this area included tests of compliance with co-financing agreement requirements, including expense eligibility and reporting. The audit also included a review of compliance with the cost recovery policy.

47. Based on the work performed in this area, the audit did not identify any reportable matters.

C. OPERATIONS MANAGEMENT	**SATISFACTORY**

Good practice identified

48. The following good practices in operations were identified, in line with established policies and procedures:

   a) The Office piggybacked on LTAs established by other United Nations agencies as a means of increasing efficiency of the procurement process of goods and services;

   b) The Office established rotating interview panels with the participation of members from other UNFPA Country Offices within the region for a more rigorous and objective assessments;

   c) The Office developed SOPs covering many of the operational areas such as telecommunication, learning, travel, HR and vehicle management.

C.1 − HUMAN RESOURCES MANAGEMENT	Satisfactory

49.   Work performed in this area included: (a) an analytical review of payroll and contract personnel costs; and (b) testing the operating effectiveness of controls in the areas of: (i) recruitment; (ii) contract award; and (iii) contract management for a sample of individual consultancies awarded by the Office for linkage to the corresponding workplans and compliance with the applicable policies and procedures. Audit procedures applied also included testing on a sample basis of (a) the recruitment process used for staff members and service contract holders hired during the audit period; and (b) local payments of staff benefits and entitlements.

50.   Based on the work performed in this area, the audit did not identify any reportable matters.

C.2 − PROCUREMENT	Satisfactory

51.   Audit work performed in this area included the review of a sample of local purchases for: linkage to the corresponding workplans; compliance with UNFPA procurement principles,[23] policies and procedures; and the operating effectiveness of controls in the areas of: (a) requisitioning; (b) solicitation and bidding; (c) bid assessment; (d) vendor selection; (e) contract award; (f) purchase order issuance; and (g) receiving, as well as the review of the procurement planning process.

52.   Based on the work performed in this area, the audit did not identify any reportable matters.

C.3 − FINANCIAL MANAGEMENT	Satisfactory

53.   Work performed in this area included the review of: (a) the financial management capacity of the Office; (b) the authorization and proper processing of financial transactions; (c) the coding of transactions to the correct project, activity, general ledger account, IP and fund code; (d) the operating effectiveness of controls over the accounts payable and payments processes; (e) the value-added tax control arrangements in place; (f) the budget management processes; and (g) the effectiveness of financial management accountability processes

54.   Based on the work performed in this area, the audit did not identify any reportable matters.

C.4 − GENERAL ADMINISTRATION	Satisfactory

55.   The audit focused on the travel and asset management processes.

56.   Audit work performed in travel management included a walk-through of the travel process and testing of a sample of travel-related transactions. Tested were the appropriateness of business purpose, compliance with policies and procedures and the operating effectiveness of controls over: (a) the procurement of travel services; and (b) the authorization, calculation and payment of Daily Subsistence Allowance (DSA).

57.   Audit work in asset management included testing a sample of asset-related transactions for compliance with UNFPA asset management policies and procedures.

58.   Based on the work performed in these areas, the audit did not identify any reportable matters.

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[23] Best value-for-money; fairness, integrity and transparency; open and effective competition; and protection of the interests of UNFPA.

ANNEX 1 - DEFINITION OF AUDIT TERMS

A. AUDIT RATINGS

Audit rating definitions, adopted for use in reports for audit engagements initiated as from 1 January 2016, [24] 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.

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[24] 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 obligations

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

GLOSSARY

Acronym	Description
ASRO	Arab States Regional Office
CO	Country Office
CPD	Country Programme Document
ERM	Enterprise Risk Management
FACE	Funding Authorization and Certificate of Expenditure
FTP	Fast Track Procedures
GBV	Gender-Based Violence
GII	Gender Inequality Index
HDI	Human Development Index
HR	Human Resources
HRP	Humanitarian Response Plan
IASC	Inter-Agency Steering Committee
IP	Implementing Partner
LMA	Last Mile Assurance
LMIS	Logistics Management Information System
LTA	Long-Term Agreement
M&E	Monitoring and Evaluation
NGO	Non-Governmental Organization
OAIS	Office of Audit and Investigation Services
PAD	Performance Appraisal and Development
PPM	Policies and Procedures Manual
PSR	Programme Supplies Report
RH	Reproductive Health
RRF	Results and Resources Framework
SDP	Service Delivery Point
SIS	Strategic Information System
SOP	Standard Operating Procedure
UN	United Nations
UNFPA	United Nations Population Fund
US	United States