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OFFICE OF AUDIT AND INVESTIGATION SERVICES

AUDIT OF THE UNFPA COUNTRY OFFICE IN SOUTH AFRICA

FINAL REPORT
N° IA/2024-03

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EXECUTIVE SUMMARY

1. The Office of Audit and Investigation Services (OAIS) conducted an audit of the UNFPA Country Office in South Africa (the Office). An audit field mission took place from 23 October to 10 November 2023. 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, Implementing Partner management, programme supplies management, and management of non-core funding; and
- c) Operations Management – Human resources management, procurement, financial management, general administration, information and communication technology, and safety and security management.

2. The audit covered activities conducted by the Office from 1 January 2022 to 30 September 2023, which corresponded to the third and fourth years of the fifth Country Programme 2020-2025, approved by the Executive Board in its annual session in 2020, with indicative resources of US\$11.9 million.

3. Expenses covered by the audit amounted to \$5.9 million, executed by five Implementing Partners (\$1.0 million or 17 per cent) and by UNFPA (\$4.9 million or 83 per cent) and were funded from core resources (\$3.8 million or 64 per cent) and non-core resources (\$2.1 million or 36 per cent).¹

4. The audit was conducted in conformance with the International Standards for the Professional Practice of Internal Auditing of the Institute of Internal Auditor (The IIA).

Overall audit rating

5. OAIS issued an overall audit rating for the Office of **“Partially Satisfactory with Major Improvement Needed”**,² 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/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.

6. This rating is mainly due to: (a) limited succession planning and frequent Office leadership turnover; (b) inadequate programme planning, monitoring, and reporting; (c) gaps in Implementing Partner management; and (d) non-compliance with procurement procedures.

¹ Source: Cognos and QuantumPlus Power BI UNFPA General Ledger.

² See complete set of definitions in Annex 1.

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

Audit ratings by key audit area		
Office Governance		Some Improvement Needed
<i>Office management</i>		<i>Some improvement needed</i>
<i>Organizational structure and staffing</i>		<i>Some improvement needed</i>
<i>Risk management</i>		<i>Major improvement needed</i>
Programme Management		Major Improvement Needed
<i>Programme planning and implementation</i>		<i>Major improvement needed</i>
<i>Implementing Partner management</i>		<i>Major improvement needed</i>
<i>Programme supplies management</i>		<i>Some improvement needed</i>
<i>Management of non-core funding</i>		<i>Some improvement needed</i>
Operations Management		Some Improvement Needed
<i>Human resources management</i>		<i>Some improvement needed</i>
<i>Procurement</i>		<i>Some improvement needed</i>
<i>Financial management</i>		<i>Satisfactory</i>
<i>General administration</i>		<i>Some improvement needed</i>
<i>Information and communication technology</i>		<i>Not applicable</i>
<i>Staff safety and security</i>		<i>Satisfactory</i>

Key recommendations Total = **11**, high priority = **4**

8. For high priority recommendation, prompt action is necessary to ensure that UNFPA is not exposed to high risks (i.e., where failure to act could result in critical or major consequences for the organization). All high priority recommendations are presented below:

Strategic level

9. The Office, with support from the East and Southern Africa Regional Office and Division of Human Resources, needs to develop and implement an Office leadership succession management plan, including staff development, to mitigate the risks associated with frequent Office leadership turnover and workforce attrition.

Operational level

10. The Office, leveraging the launch of Quantum+³ and its 2024 programme planning cycle, should: (a) annualize the Country Programme Document output targets to break down the document’s high-level results into a more manageable results formulation; (b) align output indicator baselines and targets in the Country Programme Document, the Results and Resources Planning and Workplan, and Implementing Partner management modules of Quantum+, and review existing baseline values to incorporate results already achieved by the Office; (c) strengthen quality assurance in planning and results reporting through training relevant staff; and (d) develop detailed plans to effectively execute monitoring activities.

11. The Office should strengthen its Implementing Partner management process by complying with policy and guidance provisions with respect to the selection of non-governmental organization Partners, cash transfers, HACT⁴ assurance activities, use of the United Nations Partner Portal to register and manage Implementing Partner-related information, and Protection from Sexual Exploitation and Abuse.

Compliance

12. The Office should enhance compliance with procurement procedures by training relevant staff and providing oversight to ensure: (a) proper documentation of receipt and inspection of goods; (b) consistent use of standard bid receipts, bid opening reports, and including adequate specifications in requests for quotations; and (c) effective supervisory controls over procurement transactions.

³ UNFPA’s Results-Based Planning and Management System.

⁴ Harmonized Approach to Cash Transfers

Implementation status of previous OAIS recommendations

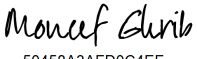
13. The Office was last audited by OAIS in 2005. All recommendations arising from the audit were fully implemented and closed. The Office has not been recently audited by the United Nations Board of Auditors.

Management comments and action plan

14. Management accepted all recommendations in the report and commenced their implementation, with guidance from relevant Headquarter units and the East and Southern Africa Regional Office. Comments and/or additional information provided were incorporated in the report, where appropriate.

Acknowledgement

15. The OAIS team would like to thank the Management and personnel of the Office, the East and Southern Africa Regional Office, and various Headquarter units for their cooperation and assistance throughout the audit.

DocuSigned by:

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Moncef Ghib
Director
Office of Audit and Investigation Services

I. AUDIT BACKGROUND

1. South Africa is the most populous country in the Southern Africa region with a population of about 62.0 million and an average growth rate of 4.1 per cent.⁵ South Africa's Human Development Index value for 2021 was 0.713 — which put the country in the medium human development category — positioning it at 109 out of 191 countries and territories.⁶ South Africa had made significant progress in reducing the maternal mortality ratio from 230 per 100,000 live births in 2007⁷ to 127 in 2020.⁸ The unmet need for family planning for women aged 15-49 in 2023 was 11 per cent, and the modern contraceptive prevalence rates stood at 51 per cent.⁸ The country had high intimate partner violence rate (13 per cent in 2018) and about 4 per cent of girls aged 15-19 were either pregnant or had given birth to a child in 2022.⁸ South Africa is classified as a Tier II⁹ programme country in the UNFPA Strategic Plan 2022-2025 and did not receive any programme supplies during the period under review, as it was not a priority country for the UNFPA Supplies Partnership programme.

2. As set forth in the 2023 OASIS Annual Workplan, an audit of the UNFPA Country Office in South Africa was conducted in conformance with the International Standards for the Professional Practice of Internal Auditing (promulgated by the IIA), 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 (IP), programme supplies, and non-core funds; and
- c) Operations Management – Human resources management, procurement, financial management, general administration, information and communication technology, and safety and security management.

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

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

4. The audit covered activities conducted by the Office from 1 January 2022 to 30 September 2023, which corresponded to the third and fourth years of the fifth Country Programme (CP5) 2020-2025, approved by the Executive Board in its annual session of 2020, with indicative resources of \$11.9 million. Expenses covered by the audit amounted to \$5.9 million, executed by five IPs (\$1.0 million or 17 per cent) and by UNFPA (\$4.9 million or 83 per cent) and were funded from core resources (\$3.8 million or 64 per cent) and non-core resources (\$2.1 million or 36 per cent).

5. Approximately 44 per cent of the expenses incurred in the period under review corresponded to the UNFPA Strategic Plan's Gender and Social Norm output. The Adolescent and Youth output accounted for 10 per cent, the Quality of Care and Services output for 10 per cent, the Population Change and Data output for 5 per cent, and the Policy and Accountability output for 5 per cent. Costs related to organizational effectiveness and efficiency, not allocated to any of the above Strategic Plan outputs, accounted for the remaining 26 per cent of expenditures.¹⁰

⁵ Source: Republic of South Africa Census 2022 Statistical release, statistics South Africa, 2023

⁶ Source: <https://hdr.undp.org/data-center/country-insights#/ranks>

⁷ Source: State of the world population 2007, 2007

⁸ Source: State of the world population 2023, 2023

⁹ Tier II comprises programme countries that have met only one of the UNFPA Strategic Plan's three transformative results.

¹⁰ Source: Cognos and Quantum+ Power BI budget utilization by Strategic Plan output report

II. AUDIT RESULTS

6. The audit results are presented below, by audit area.

A. OFFICE GOVERNANCE	SOME IMPROVEMENT NEEDED
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A.1 – OFFICE MANAGEMENT	SOME IMPROVEMENT NEEDED
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Issue 1 Limited succession planning and frequent Office leadership turnover

7. The UNFPA 2030 People Strategy outlines the strategic actions that will ensure the organization reach its goals. One of the strategic actions committed to is that UNFPA will use workforce planning more proactively to strategically forecast the organization’s talent needs and guide talent development, retention, and acquisition accordingly.

8. The Office experienced a high leadership turnover in an eight-year period spanning the fourth and fifth country programmes. For instance, during the fourth country programme, there were five changes in personnel as Heads of Office. Similarly, five changes in the same position occurred in the first three years of CP5. These resulted in an unstable Office leadership, which undermined programme delivery efforts, especially in relation to strategic engagement with the government at the national level. Such engagement is envisaged in the Office’s mode of engagement, as prescribed by the UNFPA Strategic Plan, which emphasizes “capacity development”, “partnerships and coordination, including South-South and triangular cooperation”, “knowledge management”, and “advocacy and policy dialogue and advice”. Utilization of mobilized resources was also affected (see paragraph 40 below), partly due to the unstable leadership.

9. In addition, except for two, all other staff members had been with the Office for less than three years at the time of the audit field mission. As a result, the Office did not retain institutional memory of its operations and adequate knowledge of UNFPA policies and procedures. This shortcoming was manifested in non-compliance with various policies and procedures, as cited in this report. It also led to a lack of staff awareness of the Office's commitments and obligations. For example, staff were not aware that IP agreements were signed and where they were repositied.

ROOT CAUSE *Guidance: Inadequate supervision at Headquarter and Regional levels (succession planning for country office leadership changes and workforce planning).*

IMPACT *Unstable office leadership may diminish the effectiveness and efficiency of the Office’s programme delivery and operations.*

CATEGORY *Strategic.*

Recommendation 1	Priority: High
Develop and implement an Office leadership succession management plan, including staff development initiatives to mitigate the risks associated with frequent leadership turnover and workforce attrition.	
<u>Manager Responsible for Implementation:</u> Representative, with support from the Directors, East and Southern Africa Regional Office (ESARO), and Division for Human Resources (DHR).	
<u>Status:</u> Agree	
Management action plan:	
The following actions have either been taken or are planned:	
<ul style="list-style-type: none"> a) ESARO and DHR onboarded a new Country Representative in January 2024; b) A new Office organogram will be implemented by December 2024 with clear roles and responsibilities; c) Learning strategy and individual development plans will be prepared and implemented by December 2024; and 	

d) A human resource review and development of plans will take place at the time of the new Country Programme Document (CPD) development slated for late 2024/early 2025.

Estimated completion date: January 2025

A.2 – ORGANIZATIONAL STRUCTURE AND STAFFING

SOME IMPROVEMENT NEEDED

Issue 2 Misalignment of staff Career and Performance Management goals with the Office’s results plan

10. According to the Career and Performance Management (CPM) guidebook, Quantum+ (and, formerly, the Strategic Information System (SIS)) is the basis for staff members to set their annual individual performance goals. Individual staff performance goals should be set in the CPM module in Quantum (previously in Performance Appraisal and Development system). This ensures that each staff member’s expected performance goals are aligned with their organizational unit’s outputs and with UNFPA’s organizational priorities. Further, it helps staff members to understand their contribution in a wider organizational context and makes them feel part of the Organization.

11. A review of the 2022 and 2023 individual CPM documents for a sample of three key staff members (i.e., team leaders) indicated instances of misalignment between two staff members’ CPM performance goals and their assigned annual output indicators in the 2022 and 2023 Office results plans in SIS. For example, 21 Office plan output indicators (i.e., 10 instances in 2022 and 11 in 2023) were not reflected in the corresponding team leaders’ CPM performance goals.

12. The Office attributed the misalignment to a lack of staff’s familiarity with the relevant organizational policies and systems.

ROOT CAUSE *Resources: Inadequate training (staff not trained on how to develop quality CPMs and inadequate monitoring of controls to align CPMs and Office results plans).*

IMPACT *Misalignment of staff performance goals with the Office’s planned outputs may negatively impact accountability for expected results and the effectiveness of programme delivery and operations.*

CATEGORY *Operational.*

Recommendation 2	Priority: Medium
Train staff members and supervisors in the development of Career and Performance Management documents and implement monitoring controls to ensure alignment of their performance goals with the Office’s results plan.	
<u>Manager Responsible for Implementation:</u> Representative	
<u>Status:</u> Agree	
Management action plan:	
The Office plans to take the following actions:	
<ul style="list-style-type: none"> a) Conduct a theory of change discussion building on work done in 2022; b) Review and finalize the 2024 and 2025 annual milestones for the Results and Resources Framework; c) Carry-out a mid-term Results and Resource Planning update based on updated annual milestones; d) Organize group learning on the new performance management system; e) Organize management/supervisors learning on the performance management system; and f) Issue a framework/standard job performance areas and targets based on job functions to guide the development of the 2024 performance goals and development plans. 	
Estimated completion date: November 2024.	

A.3 – RISK MANAGEMENT

MAJOR IMPROVEMENT NEEDED

Issue 3 Inadequate risk management practices

13. All global, regional, and country programmes are subject to a risk assessment at the time they are developed, regardless of their amount. Further, applicable policy¹¹ requires risk assessments for all business units that request programme extensions or commence new country programmes based on the corporate Enterprise Risk Management (ERM) calendar.

14. The Office did not undertake a risk assessment at the commencement of or during CP5. The last risk assessment completed by the Office in "myRisks"¹² was in 2019. Based on the last risk assessment, the following three strategic risks were assessed as being "high" by the Office: (a) Risk of not being able to attract new or non-traditional donors (including private sector); (b) Risk of personnel turnover (all posts); and (c) Risk of staff and office security and safety being compromised. However, the Office did not document and update a risk response plan to manage these risks. Although some of the risks materialized such as frequent changes in the leadership of the Office and high staff attrition, no mechanisms were documented and/or implemented to address the risks.

15. In addition, a review of the last risk assessment prepared in 2019 by the Office in "myRisks" indicated that the assigned fraud risk levels were not realistic considering the environment in which programme delivery and operational activities took place. For example, despite the country having a Corruption Perception Index of 43, which ranked it at 72 out of 180 countries, the following risks were assessed as being inherently low: "Risk of fraudulent or unauthorized financial transactions involving IPs, suppliers and/or staff"; "Risk of unreported wrongdoings (including cases of Sexual Conducts and Abuse)"; and "Risk of occurrence of sexual exploitation or abuse perpetrated by Implementing Partner".

16. According to Office Management, they conducted internal discussions on emerging risks and, subsequently, engaged the entire team on the same during general staff level engagements, e.g. programme and staff retreat meetings. However, the audit team noted that the Office relied on notifications received from Headquarter units to undertake risk management activities and did not use the process as an integral management tool to understand its own risk profile and develop/implement appropriate mechanisms to manage any potential "high" or "critical" risks.

ROOT CAUSE *Guidance: Inadequate supervision at the Office level (inadequate oversight to ensure realistic assessments of risks and preparation and implementation of risk response plans).*

IMPACT *The Office's ability to timely identify risks and develop appropriate response measures to address risks is diminished.*

CATEGORY *Strategic.*

Recommendation 3	Priority: Medium
Undertake a risk assessment of the Office and strengthen risk management by actively tracking and managing the risks identified and the corresponding risk response measures using the corporate Enterprise Risk Management tool "myRisks" functionality in the Strategic Information System or other future corporate system, as required by applicable policy.	
Manager Responsible for Implementation: Representative	
Status: Agree	
Management action plan:	
The Office plans to conduct a comprehensive risk assessment, beginning with identification of key risks and holding of a joint session of key staff to carry out a risk assessment and risk response design, in line with new ERM policy. The results will be captured in the 'myRisks' application tool for review and validation	

¹¹ Enterprise Risk Management, April 2022.

¹² Enterprise Risk Management tool in the corporate Strategic Information System.

by the Regional Risk Committee. This will be followed by preparing a risk response action plan and its implementation.

Estimated completion date: September 2024.

B. PROGRAMME MANAGEMENT

MAJOR IMPROVEMENT NEEDED

B.1 – PROGRAMME PLANNING AND IMPLEMENTATION

MAJOR IMPROVEMENT NEEDED

Issue 4 Inadequate programme planning, monitoring, and reporting

17. Applicable policy¹³ requires that, after the Executive Board has approved the CPD, the results and resources framework should be further detailed through an operational multi-year programme plan. The multi-year programme plan breaks down the high-level results of the CPD into a lower-level, more manageable results formulation. Annual output indicator targets and baselines in the multi-year programme plan should then be entered into SIS for monitoring and reporting of program results. They are also cascaded down to milestones to be assigned to relevant IP- or UNFPA-implemented workplans to ensure that performance against them is monitored.

18. Further, policy¹⁴ requires that performance against defined workplan indicators be monitored and reported on by IPs on a quarterly basis through workplan progress reports in the Global Programming System (GPS). Annual results achieved by IPs in GPS and by UNFPA are consolidated and uploaded into SIS for purposes of strategic reporting. In addition, applicable guidelines¹⁵ dictate the need for quality assurance for the three distinct stages of UNFPA's results-based management i.e., planning, monitoring, and reporting.

19. Additionally, applicable policy¹⁶ requires the Office to document its monitoring and evaluation (M&E) strategy with details on its approach to programme management for results, focusing on results monitoring, data collection, analysis, reporting, and planned evaluation. In addition, policy¹⁷ emphasizes a need for continuous/regular monitoring of programme activities implemented both by IPs and UNFPA. UNFPA programme managers are responsible for following up on all findings of monitoring activities, including the recommendations and action points listed in workplan monitoring reports.

Absence of a framework to articulate the multi-year programme plan

20. Review of documentation related to the development of CP5 revealed the absence of a systematic breakdown of CPD outputs into annualized targets and quarterly milestones to track progress in the implementation of the targets. At the time of drafting the CPD, only the ultimate country programme cycle output targets were established, without a breakdown analysis, which could have informed their validity and achievability, as well as provide a basis for annual and quarterly planning and monitoring processes. An annualized break down of the approved CPD output targets was, therefore, necessary to ensure break down of the high-level results of the CPD into lower more manageable results to guide the development of the related workplans. A draft of the annualization of the CPD output targets was documented, although it was neither finalized nor used.

Inconsistencies in planning and reporting data in GPS and SIS

21. There were inconsistencies between SIS planning data and the corresponding data in GPS. For example, the output indicator “*Number of adolescent and youth in UNFPA-supported provinces reached with life skills that build their health, social and economic assets, with increased resilience to climate change*” was assigned to three IPs in 2023. The three IPs’ 2023 GPS workplans included an aggregate baseline

¹³ Policy and Procedure for Development and Approval of the Country Programme Document.

¹⁴ Policy and Procedures for workplan preparation, management, and monitoring.

¹⁵ Guidelines for Results Planning, Monitoring and Reporting in myResults.

¹⁶ Policy and Procedure for Development and Approval of the Country Programme Document.

¹⁷ Policy and Procedures for workplan preparation, management, and monitoring.

indicator of 65,000 and aggregate target of 100,000, while the corresponding values in the Office’s 2023 SIS annual plan were 1,893,678 and 200,000, respectively.

22. Further, there were differences between reported results in GPS and those in SIS annual reports. For example, the output indicator “*Number of adolescent and youth in UNFPA-supported provinces reached with life skills that build their health, social and economic assets, with increased resilience to climate change*”, was assigned to four IPs in 2022. The four IPs had aggregate reported results in GPS of 368,750, compared to reported results of 383,483 in the SIS annual report for the same year.

Misreporting of programme results in SIS

23. Review of the Office’s 2022 SIS annual report indicated that results for 2 of 15 output indicators sampled for testing had results reported in SIS that differed from actual figures validated by the audit. In the first instance, the Office assigned the output indicator “*Number of health facilities capacitated to collect and disseminate dis-aggregated data on incidence and prevalence of gender-based violence*” to two IPs and reported an aggregate achievement of “70” in SIS. However, documentation provided to the audit validated only “30”. In the second instance, the Office assigned the output indicator “*Proportion of young women and girls in UNFPA-supported provinces with knowledge on their rights and where to report sexual violence*” to one IP and reported an achievement of “63.5” in SIS, of which only “0.11” was validated through documentation provided to the audit.

24. Further, one IP assigned the output indicator “*Number of adolescent and youth in UNFPA-supported provinces reached with life skills that build their health, social and economic assets, with increased resilience to climate change*” reported to have achieved the results through social media engagement. However, its analytical reports did not indicate any age parameters.

Output indicators included in 2023 SIS annual plan without corresponding workplan in GPS

25. The Office included two output indicators in its 2023 SIS annual plan with no corresponding output indicators or associated milestones in any workplans in GPS for the year. These included the output indicators: “*Number of sex workers accessing high quality integrated SRH information and services including HIV and GBV services in UNFPA-supported health facilities in selected provinces*” with a baseline of 143 and target of 200 sex workers; and “*Proportion of young women and girls in UNFPA-supported provinces with knowledge on their rights and where to report sexual violence*” with a baseline of 53 and target of 15 per cent. According to Office Management, the former output indicator was assigned to an IP that was terminated due to lack of capacity to deliver the programme activities, with no reason provided for the latter.

Absence of a structured planning and execution of monitoring activities

26. The Office did not develop a detailed monitoring plan to include an assessment on how implementation of activities—programmatically and financially—progressed compared to what was planned and the intended workplan targets. Moreover, it did not have a calendar or timetable for its monitoring activities in the period audited and means to keep track of them thereof. The Office developed a monitoring calendar in the last quarter prior to the audit field mission and, therefore, not used during the period covered by the audit. Although mission reports for field visits were prepared, relevant findings and recommendations were not documented to inform and influence decision making. Owing to the lack of documentation and absence of a tracking mechanism, finding and recommendations, including action points, could not be systematically followed up.

ROOT CAUSE	<i>Guidance: Inadequate supervision at the Office level (insufficient understanding of corporate processes for planning, monitoring, and reporting; and inadequate quality assurance over programme data entry and review in SIS and GPS).</i>
IMPACT	<i>Inadequate programme planning, monitoring, and reporting diminishes the Office’s ability to achieve expected results and increases the risk of inaccuracies in the Organization’s reporting.</i>
CATEGORY	<i>Operational.</i>

Recommendation 4	Priority: High
<p>Leveraging the launch of Quantum+¹⁸ and the 2024 programme planning cycle: (a) annualize the Country Programme Document output targets to ensure break down of the high-level results of the Country Programme Document into manageable results; (b) align output indicator baselines and targets in the Country Programme Document, the Results and Resources Planning and Workplan, and Implementing Partner Management Module of Quantum+; (c) review existing baseline values to incorporate results already achieved by the Office; (d) strengthen quality assurance of planning and results reporting by training relevant staff; and (e) develop detailed monitoring plans to effectively execute monitoring activities.</p>	
<p><u>Manager Responsible for Implementation:</u> Representative</p>	
<p><u>Status:</u> Agree</p>	
<p>Management action plan:</p> <p>The Office plans to take the following actions:</p> <ul style="list-style-type: none"> a) Clarify Monitoring and Evaluation roles and responsibilities in the new organogram, including the additional support to be provided; b) Review and finalize the 2024 and 2025 annual milestones for the Results and Resources Framework; c) Update and enforce quarterly reviews of the programme implementation process; d) Prepare a field monitoring plan and consistently monitor its implementation; e) Conduct group learning on Results-Based Management; f) Align staff CPM goals to milestones and reporting in Quantum+ to ensure adequate supervision; and g) Commit to utilize solutions that are provided in Quantum+, including the Results and Resources Plan and its link to the CPD results framework, and IP Management Module. 	
<p>Estimated completion date: February 2025.</p>	

B.2 – IMPLEMENTING PARTNER MANAGEMENT	MAJOR IMPROVEMENT NEEDED
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Issue 5 Gaps in IP management

Non-competitive selection of IP

27. Policy¹⁹ states that the preferred and strongly recommended method for selecting IPs is competitive selection. Non-competitive selection is allowed but must be justified in exceptional circumstances such as an IP’s distinct strategic advantage in a particular area of expertise or outreach, unique position or capacity to reach targeted or hard to reach audiences or suitability to facilitate a rapid response in a humanitarian situation.²⁰ In the exceptional circumstances when UNFPA uses a non-competitive selection process, a non-competitive template should be filled and approved to justify the selection.

28. The Office engaged seven non-governmental organization IPs for CP5. However, none of the IPs were selected competitively. Instead, IPs from CP4 were rolled over to CP5. Three of the IPs were considered strategic. However, the related non-competitive selection documents were not completed and approved, as required by applicable policy. The impact of engaging IPs using non-competitive selection was reflected in the termination of an IP that did not have required programme delivery capacity, as detailed in paragraph 25 above.

¹⁸ UNFPA’s Results-Based Planning and Management system launched in January 2024.
¹⁹ Policy and Procedures for Selection, Registration and Assessment of Implementing Partner.
²⁰ These are Strategic IPs - Strategic IPs can be selected using non-competitive procedures with appropriate documentation.

Improperly documented funding requests and reports

29. Applicable policy²¹ requires that Funding Authorization and Certificate of Expenditure (FACE) forms be used by all IPs to request cash advances and report on their use, and to request the reimbursement of expenses incurred for programme implementation purposes. The policy further states that authorized officers named in IP agreements are responsible for certifying the FACE and direct payment request forms for validity and accuracy.

30. Review of funding requests and reporting by four IPs revealed that, in four instances, FACE forms required to report expenses or request advances were neither submitted in the required format, signed by the authorized IP officials, nor submitted with the required supporting documents. Nonetheless, the Office approved the reported expenditure reports and/or advances requested therein.

Late completion of IP assurance activities

31. IP Assurance Guidance²² requires that micro assessments for existing IPs be conducted as per the date of 'next micro assessment planned'. In addition, follow-up should be made on identified findings or recommendations in the subsequent spot-check or audit, and if none is due, follow up periodically, as needed. The guidance further notes that HACT²³ spot-checks should be finalized and submitted in UNFPA's Implementing Partner Assurance System by April of the subsequent year.

32. A micro assessment for one IP that received \$0.2 million in 2023 expired in May 2023 and was yet to be completed at the time of the audit field mission. Besides, a recommendation for the IP to conduct annual external audits from the previous micro assessment performed in 2018 was yet to be implemented.

Deficient IP registration in United Nations Partner Portal (UNPP)

33. Applicable policy²⁴ requires the registration of all UNFPA IPs in UNPP prior to the commencement of a partnership. The UNPP registration and verification processes are intended to capture relevant partner information, including legal status, eligibility, and required documentation. As part of the verification process, the UNFPA workplan manager must carefully review the partner profile and all supporting documentation.

34. Review of IPs' registration indicated that three were engaged by the Office without the creation of profiles in UNPP, as required. In addition, one other IP, which had its profile provisioned in UNPP by another UN organization in December 2020, did not have relevant supporting documents, including IP agreements with UNFPA, uploaded into the portal at the time of the audit field mission.

Inadequate follow-up on IP Protection from Sexual Exploitation and Abuse (PSEA) capacity assessments

35. Applicable guidance²⁵ stipulates that all IPs' PSEA capacities should be assessed before their engagement and that UNFPA workplan managers are responsible for regular monitoring, as part of continuous programmatic monitoring. The guidance further requires IPs to complete and submit self-assessments, with supporting documents, for UNFPA to review and determine their capacity.

36. Review of the Office's IP PSEA assessment and monitoring tool indicated that all IPs were trained on PSEA in November 2020 and PSEA self-assessments completed by the IPs in 2021. However, UNFPA was yet to review and determine the IPs' capacity at the time of the audit field mission.

ROOT CAUSE	<i>Guidance: Inadequate supervision at the Office level (inadequate management oversight of the application of relevant policies to IP management).</i>
IMPACT	<i>Inadequate management of IPs and cash transfers exposes UNFPA to reputational risk, financial loss, and nonachievement of expected results.</i>
CATEGORY	<i>Operational.</i>

²¹ Policy and Procedures for Management of Cash Transfers to Implementing Partners

²² Implementing Partner Assurance Guidance, June 2023

²³ Harmonized Approach to Cash Transfers

²⁴ Policy and Procedures for Selection, Registration and Assessment of Implementing Partners

²⁵ UNFPA Operationalization of the United Nations Protocol on Allegations of Sexual Exploitation and Abuse Involving Implementing Partners - Assessment Process and Technical Guidance.

Recommendation 5	Priority: High
Strengthen the Implementing Partner management process by complying with policy and guidance provisions with respect to the selection of non-governmental Implementing Partners, cash transfers, HACT assurance activities, use of the United Nations Partner Portal to register and manage Implementing Partner-related information, and Protection from Sexual Exploitation and Abuse guidelines.	
<u>Manager Responsible for Implementation:</u> Representative	
<u>Status:</u> Agree	
<p>Management action plan:</p> <p>The Office plans to take the following actions:</p> <ol style="list-style-type: none"> a) Establish IP Manager and Output Manager positions to ensure clear roles and responsibilities and accountability; b) Develop standard operating procedures (SOP) to improve justification for the selection of current IPs and ensure there is a transparent and competitive IP selection process; c) Train all relevant staff members on IP management; d) Complete and document PSEA assessments for existing IPs, including engaging their leadership and board members to confirm the anti-fraud measures implemented; e) Review and update all IP UNPP registration information; f) Develop overall quarterly programme review and an M&E process, including IPs monitoring; g) Revisit the Office’s IP engagement strategy as part of the partnership strategy in the CPD development process; and h) Continue conducting PSEA capacity strengthening for all IPs, including documentation of interventions, and recommend that IPs identify a PSEA focal person. 	
Estimated completion date: March 2025	

B.3 – PROGRAMME SUPPLIES MANAGEMENT

SOME IMPROVEMENT NEEDED

Issue 6 Absence and late recording of receiving and inspection reports

37. Applicable policy²⁶ requires the logistics focal points to upload copies of duly completed and signed Receiving and Inspection Reports (RIR) to the Shipment Tracker²⁷ within one week following completion of receiving and inspection procedures. Upon receipt, shipment tracker focal points must review the forms for accuracy and consistency with the related financial receipts, and mark the goods as physically received in the Shipment Tracker within the following two business days.

38. Review of a sample of eight purchase orders for commodity transactions disclosed the following: (a) the RIR for seven of the eight sampled commodity transactions amounting to \$47,046 were not prepared, making it difficult to verify if receiving and inspection procedures were conducted for the commodities; and (b) for the remaining sampled transaction, the recording of a receipt transaction in the Shipment Tracker was delayed by 229 days.

ROOT CAUSE	<i>Guidance: Inadequate guidance at the Office level (inadequate management oversight of the applicable supply chain management policies).</i>
IMPACT	<i>The ability to achieve programme objectives and discharge management oversight efficiently and effectively over programme supplies may be impaired.</i>
CATEGORY	<i>Compliance.</i>

²⁶ Policy and Procedures on Management of Programme Supplies

²⁷ a UNFPA customized module used for tracking, recording, and reporting field office inventory. The Shipment Tracker is intended to capture the flow of programme supplies from the point UNFPA gains control over the goods (i.e., financial receipt) until this control is passed to third parties, primarily through handover to IPs. The Shipment Tracker is also used as the main depository for supporting documents on receipt and inspection, handover, and disposal.

Recommendation 6	Priority: Medium
Implement supervisory controls, including conducting receiving and inspection procedures for all commodities received, preparing Receiving and Inspection Reports, and timely completing the requisite reports and transaction recording.	
<u>Manager Responsible for Implementation:</u> <i>Representative</i>	
<u>Status:</u> Agree	
Management action plan: The Office plans to take the following actions: a) Establish a focal point for supply chain management within the Office; b) Conduct a learning session on receiving and inspection procedures for all relevant staff members; and c) Conduct semi-annual inventory management reviews by the Office’s senior management team to ensure compliance with applicable policies.	
Estimated completion date: October 2024	

B.4 – MANAGEMENT OF NON-CORE FUNDING

SOME IMPROVEMENT NEEDED

Issue 7 Gaps in resource utilization and donor reporting

39. Compliance with reporting requirements, as set out in signed co-financing agreements, is crucial to UNFPA, both in terms of credibility with its donors and to ensure continued scope for fundraising. UNFPA’s wider credibility and image are directly impacted by timely and quality reporting and utilization of resources. Further, UNFPA’s accountability to its co-financing donors includes timely submission of quality substantive (narrative) progress and financial reports.²⁸

40. The Office reported low utilization of donor funds for three co-financing agreements – between 62 and 69 per cent – in 2022. Office Management attributed the situation to delays in implementing planned project activities and termination of an IP (noted in paragraph 25).

41. The audit tested the Office’s compliance with donor reporting requirements for the three co-financing agreements. Reports were submitted after their due dates, with delays ranging from 26 to 62 days. Office Management attributed the delays to challenges in verifying financial information. Finally, one other report was timely submitted to the relevant donor but uploaded in the corporate Donor Agreement and Report Tracking System 46 days past the due date.

ROOT CAUSE	<i>Guidance: Inadequate supervision at the Office level (limited oversight over timely implementation of planned activities and donor reporting).</i>
IMPACT	<i>Late implementation of programme activities and protracted donor reporting diminish UNFPA’s reputation with donors and limits its scope for fundraising.</i>
CATEGORY	<i>Operational.</i>

Recommendation 7	Priority: Medium
Enhance supervisory controls to ensure timely implementation of planned activities and submission of donor reports.	
<u>Manager Responsible for Implementation:</u> <i>Representative</i>	
<u>Status:</u> Agree	
Management action plan:	

²⁸ Policy and Procedures Manual: Co-Financing Procedures, 2010.

The Office plans the following actions:

- a) Establish focal points with overall accountability for reporting for donor projects;
- b) Include review of the Donor Agreement and Report Tracking System as a standard item in the quarterly programme management reviews;
- c) Conduct learning on programme management, donor requirements, results reporting, and best practices in donor reporting; and
- d) Establish SOPs and workflows for donor reporting, including integrating editorial support for quality assurance control of reports.

Estimated completion date: November 2024

C. OPERATIONS MANAGEMENT

SOME IMPROVEMENT NEEDED

C.1 – HUMAN RESOURCES MANAGEMENT

SOME IMPROVEMENT NEEDED

Issue 8 Weaknesses in recruitment and separation processes

Insufficient documentation for the recruitment and selection process.

42. According to corporate interview guidelines, an interview panel should include the manager of the unit, which has the vacancy and a DHR participant from outside the unit. The other two persons on the four-person panel should be from outside the hiring unit and be at a level higher than or equal to the vacant post for which candidates are being screened. The results of the interviews are to be documented in a scoring sheet signed by all panel members.

43. Review of three recruitment exercises indicated that scoring sheets for one of the exercises were completed but signed by only two interviewers. No evidence was provided to demonstrate approval of the other panel members.

44. Applicable policy²⁹ stipulates that the results of various assessment techniques used in the evaluation of short-listed candidates should be summarized in a candidate assessment report prepared by the DHR participant and signed by all panellists for submission to the hiring manager for consideration.

45. For one of the three recruitments reviewed, the evaluation of each candidate was recorded on a separate scoring sheet. A consolidated interview report, scoring all the candidates for sign-off by the interviewers, was not prepared, as required.

Weaknesses in separations process

46. The Office's separation process included: (a) preparation and sign-off of handover and clearance documents before final departure of staff; and (b) preparation and sign-off of knowledge transfer handover notes by the staff member leaving the Office.

47. Review of four separation cases indicated that, in two instances, departing employees did not sign a recall of property document, required when an employee returns property owned by the Office before leaving.

ROOT CAUSE *Guidance: Inadequate supervision at the Office level (failure to enforce established supervisory controls).*

IMPACT *A perceived lack of transparency and fairness in the recruitment process may increase UNFPA's exposure to reputational risk due to a loss of trust in its recruitment processes.*

²⁹ Policy and Procedure on Recruitment and Selection for Local FTAs and International FTA Posts not covered by Candidate Pools

CATEGORY *Compliance.*

Recommendation 8	Priority: Medium
Strengthen supervisory controls over recruitment and separation by ensuring that: (a) recruitment and selection processes are documented according to applicable guidelines; and (b) separations are appropriately implemented in accordance with the established processes.	
<u>Manager Responsible for Implementation:</u> <i>Representative</i>	
<u>Status:</u> Agree	
<p>Management action plan:</p> <p>The Office plans the following actions:</p> <ul style="list-style-type: none"> a) Establish a human resource management focal point role; b) Conduct a learning and training session on human resource management; c) Apply the use of policy-mandated standard templates in future staff recruitments and separations; and d) To support coaching, engage senior management as panel members in all new recruitment in 2024. 	
Estimated completion date: August 2024	

C.2 – PROCUREMENT

SOME IMPROVEMENT NEEDED

Issue 9 Non-compliance with UNFPA procurement policy and procedures

48. Review of six procurement transactions amounting to \$84,957 processed by the Office indicated that the execution of five of the six transactions deviated from UNFPA procurement procedures.³⁰ The most notable exceptions included absence of RIR for commodities received by the Office, limited competition, and deficiencies in bid solicitation and evaluation processes.

Lack of receiving and inspection

49. According to the procurement policies and procedures, all programme and non-programme goods received must undergo comprehensive receiving and inspection procedures, with the standard RIR used for documentation purposes. In three out of six instances involving four non-programme goods procured, worth \$19,516, RIRs were not on file. Additionally, in one instance, amounting to \$25,505, a supplier delivery note was used as receiving documentation, which was not in compliance with established procedures.

Inadequate award process

50. Procurement procedures require at least three quotations for items priced \$5,000 or above and below \$100,000, with a valid justification required in cases where this is not feasible. Further, bids should be formally evaluated by an evaluation panel. The audit identified three out of six procurements totalling \$39,936, where there were neither bids submitted by the ultimate awardees, nor documentation to corroborate that comprehensive technical evaluations and supplier selection justifications were conducted prior to assigning scores. Moreover, in another instance involving the acquisition of three laptops worth \$5,086, a competitive bidding process was not followed, with no documented justification.

Inadequate specifications on request for quotations

51. Corporate procurement procedures stipulate that procurements between \$5,000 or above and below \$100,000 should be conducted based on a request for quotation (RFQ), using a provided standard template. The template offers guidance to potential suppliers covering various aspects, including specifications, terms of reference, objectives and scope, outputs/deliverables, and deadlines for submission. In one out of the six instances reviewed with a value of \$25,505, all but one RFQ sent out to 14 suppliers

³⁰ Some of the transactions had more than one exception.

did not include full product specifications. Only the eventual winner received full specifications, while the other 13 received only the name of the required product as a specification. The Office did not provide any reasons for the non-compliance with the procurement procedures.

ROOT CAUSE	<i>Guidance: Inadequate supervision at the Office level (ineffective oversight over compliance with procurement procedures).</i>
IMPACT	<i>A deficient procurement process diminishes the Office's ability to achieve best value for money and exposes it to financial loss and reputational risk.</i>
CATEGORY	<i>Compliance.</i>

Recommendation 9	Priority: High
Enhance compliance with procurement procedures by training relevant staff, providing oversight, and implementing supervisory controls to ensure: (a) proper documentation of receipt and inspection of goods; and (b) consistent use of standard bid receipts, bid opening reports, and full specifications in request for quotations to all participating bidders.	
<u>Manager Responsible for Implementation:</u> <i>Representative</i>	
<u>Status:</u> Agree	
<p>Management action plan:</p> <p>The Office plans the following actions:</p> <ul style="list-style-type: none"> a) Establish an Office procurement management focal point role; b) Review and update procurement management SOPs and workflows, including procurement planning, sourcing, and documentation of receipts and inspections of goods; c) Conduct learning and training sessions on procurement management for all relevant staff members; d) Apply the use of policy mandated standard templates in future procurements; e) Review and capacitate the Office's procurement committee; and f) Review agreements and workflows with the Regional Office Shared Service Centre in terms of roles and responsibilities. 	
Estimated completion date: October 2024	

C.3 – FINANCIAL MANAGEMENT	SATISFACTORY
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52. Audit work performed in this area included a review of: (a) the Office's financial management capacity; (b) authorization and processing of financial transactions; (c) coding of transactions to the correct project, activity, general ledger account, IP and fund codes; (d) operating effectiveness of controls over the accounts payable and payment processes; (e) the value-added tax control arrangements in place; (f) the budget management process; and (g) effectiveness of the financial management accountability process.

53. No reportable matters were identified based on the audit work performed in this area, other than those reported in other sections of this report.

C.4 – GENERAL ADMINISTRATION	SOME IMPROVEMENT NEEDED
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Issue 10 Non-compliance with UNFPA travel policy and procedures

54. Review of a sample of seven travel-related transactions amounting to \$42,322 revealed the following matters indicative of deviations from UNFPA travel policy and procedures.

Security clearance not on file

55. The security clearance policy mandates that personnel must obtain security clearance for all official travel, regardless of location. In three out of the seven trips reviewed, security clearances for travel were not obtained.

Expense claim forms either not submitted or not submitted in a timely manner

56. The duty post travel policy requires travel expense claims to be submitted within a two-week timeframe following completion of travel. There were two instances, out of seven, amounting to \$8,390 where expense claim forms were not submitted following completion of travel. In addition, there were three instances, amounting to \$3,038, where the expense claim forms were submitted between 19 and 53 days after their due dates.

ROOT CAUSE	<i>Guidance: Inadequate supervision at the Office level (ineffective compliance review of travel authorization and advance liquidation).</i>
IMPACT	<i>Non-compliance with travel policy and procedures exposes UNFPA to financial loss, legal risks, and safety and security concerns for staff and their eligible family members.</i>
CATEGORY	<i>Compliance.</i>

Recommendation 10	Priority: Medium
Raise staff awareness and implement supervisory controls over compliance with UNFPA travel policy requirements, including those related to security clearance, submission of travel requests and claims in a timely manner, and refunding of advances where planned trips do not take place or appropriate expense claim forms are not submitted.	
<u>Manager Responsible for Implementation:</u> <i>Representative</i>	
<u>Status:</u> Agree	
Management action plan: The Office plans the following actions: a) To review and update travel SOPs; b) To enforce existing SOPs on security clearance; c) To conduct group learning on the travel policy and procedures to all relevant staff members; d) To introduce travel plans and monitoring; and e) To include travel monitoring as a standard item in quarterly management reviews.	
Estimated completion date: November 2024	

Issue 11 Ineffective asset disposal controls

Inadequate completion, review, and approval of assets disposal forms.

57. Applicable policy³¹ provides that for assets that are lost or stolen with a value equal to or below \$2,500 at the time when the loss is discovered, review of the Chief, Facilities and Administrative Services Branch, is required before write-off.

58. A review of asset write-off requests raised in the "Request for Asset Disposal or Theft Investigation" (RADT) forms for the disposal of two assets that were stolen and lost valued at \$1,686 and \$1,769, respectively, revealed that the RADT form for one item was not reviewed and approved while the RADT form for the other item was reviewed and signed by the Representative, contrary to policy requirements. In addition, the police report for the stolen asset correctly indicated that it was 'stolen' but the RADT form recorded "Loss" instead of "Theft".

³¹ Policy and Procedures on Fixed Asset Management

Retirement action not effected for disposed assets

59. Policy³² provides that, for assets disposed of through the discarding method, retirement action in Atlas (now Quantum) should be effected upon receipt of an approved RADT form. There were two assets that were lost or stolen, with complete and approved RADT forms. However, these were not retired in Atlas/Quantum, as required.

ROOT CAUSE *Guidance: Inadequate supervision at the Office level (ineffective compliance review of assets disposal).*
 IMPACT *Inadequate controls over assets may result in financial loss for UNFPA.*
 CATEGORY *Compliance.*

Recommendation 11	Priority: Medium
Improve supervisory controls over the monitoring of compliance with the fixed asset management policy requirements, including those related to asset disposals.	
<u>Manager Responsible for Implementation:</u> <i>Representative</i>	
<u>Status:</u> Agree	
<p>Management action plan:</p> <p>The Office plans the following actions:</p> <ul style="list-style-type: none"> a) Review and update the role and responsibilities of the assets management focal point; b) Implement all recommendations in the asset verification report; and c) Conduct training and learning on assets management for all relevant staff members. 	
Estimated completion date: October 2024	

C.5 – INFORMATION AND COMMUNICATION TECHNOLOGY

NOT APPLICABLE

60. This area was assessed as presenting a low audit risk during the audit planning phase, and nothing came to the auditors’ attention, throughout the execution of the audit, which would warrant a reassessment of risks in this area. Therefore, the Information and Communication Technology area was not rated.

C.6 – SAFETY AND SECURITY MANAGEMENT

SATISFACTORY

61. Work performed in this area included a review of: (a) implementation of the most recent United Nations Minimum Operating Security Standards and United Nations Minimum Operating Residential Security Standards assessments; (b) the Office’s compliance with mandatory security training requirements; (c) the Office’s security, contingency, building and medical evacuation plans; (d) the timeliness of security incident reporting to UNDSS; and (e) the existence of a dedicated security focal person.

62. In addition, work included inquiries to the local United Nations Department of Safety and Security (UNDSS) office about its relations with UNFPA, including the active engagement of Office Management in the country Security Management Team.

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

³² Ibid.

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 2016,³³ 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.

³³ 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 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
ATLAS	Enterprise Resources Planning System previously used by UNFPA
CP	Country Programme
CP4/CP5	Fourth/fifth Country Programme
CPD	Country Programme Document
CPM	Career and Performance Management
DHR	Division of Human Resources
DSA	Daily Subsistence Allowance
ERM	Enterprise Risk Management
ESARO	East and Southern Africa Regional Office
FACE	Funding Authorization and Certificate of Expenditure
FTA	Fixed Term Appointment
GBV	Gender Based Violence
GPS	Global Programming System
IIA	Institute of Internal Auditors
IP	Implementing Partner
LTA	Long Term Agreement
M&E	Monitoring and Evaluation
OAIS	Office of Audit and Investigation Services
PSEA	Prevention of Sexual Exploitation and Abuse
Quantum	UNFPA's Enterprise Resource Planning system
Quantum+	UNFPA's Results-Based Planning and Management System
RADT	Request for Asset Disposal or Theft Investigation
RIR	Receiving and Inspection Report
SIS	Strategic Information System
SOP	Standard Operating Procedure
SRH	Sexual Reproductive Health
UNDSS	United Nations Department of Safety and Security
UNDP	United Nations Development Programme
UNFPA	United Nations Population Fund
UNPP	United Nations Partnership Portal
US\$	United States Dollars