



9 April 2024

Annex 8

Recommendations unresolved for 18 months or more as of 31 December 2023

Report of the Office of Audit and Investigation Services on UNFPA internal audit and investigation activities in 2023

(DP/FPA/2024/6)

Agenda item 3: UNFPA – Internal audit and investigation

Executive Board of UNDP, UNFPA, and UNOPS

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Annex 8: Recommendations unresolved for 18 months or more as of 31 December 2023

Governance	
<u>Office management</u>	
1	Leveraging on the implementation of the new Enterprise Resource Planning solution, enable timely submission of results plans by addressing the current system limitations and setting an earlier deadline for finalization and approval of the results plans. (<i>country office, high, 2022</i>). ^b
<u>Risk management</u>	
2	With support from the Chief Risk Officer and the ERM Coordinator, timely perform a more rigorous risk assessment, starting with the assignment of risk ratings commensurate with the risk profile of the assessed areas, and develop, implement, and report on action plans to mitigate ‘critical’ and ‘high’ risks through the corporate UNFPA ERM application. (<i>country office, high, 2022</i>).
3	Leveraging on the impending issuance of a comprehensive Enterprise Risk Management policy and the new Enterprise Resource Planning system, implement a change management process, backed by an effective communication strategy, to create a culture where risk management is proactively considered to be an important and integral part of day-to-day business activities and processes. (<i>Assessment of the UNFPA Enterprise Risk Management Process, high, 2021</i>).
Programme management	
<u>Programme supplies management</u>	
4	Working in collaboration with the appropriate in-country partners and programme stakeholders, develop a more rigorous needs assessment and forecasts as the basis for determining the quantities and types of programme supplies to be provided by UNFPA to ensure they address country needs and contribute to the achievement of programme results. (<i>country office, medium, 2022</i>). ^b
5	Working in collaboration with the Government counterpart, improve the storage and facilities conditions in warehouses used to store UNFPA-donated supplies and help them to build their capacity in inventory accounting and controls. (<i>country office, high, 2022</i>). ^b
6	Follow up with the country offices’ focal points to ensure complete and timely submission of the needs assessment, sourcing, custom clearance, receiving and inspection reports. In addition, WCARO will support the Last Mile Assurance team to ensure all concerned countries provide remedial actions on the 2020 Risk Matrix for UNFPA Supplies Partnership to mitigate high and significant risks. (<i>three country offices in the West and Central Africa region audited under the remote audit and monitoring modality, high, 2021</i>). ^b
<u>Process management</u>	
7	The Commodity Security Branch should finalize the programme policy to clarify the roles and responsibilities of different stakeholders (Country Office, Regional Office, Headquarter Units) involved in the social marketing process and define clear ownership and lines of accountability. (<i>Social Marketing Programme, high, 2022</i>). ^b
8	The Commodity Security Branch with support from the Supply Chain Management Unit should strengthen the programme’s financial oversight and monitoring by: (a) establishing reporting mechanisms to allow traceability of programme products; and (b) raising awareness of the need to use IP agreement template for IPs undertaking social marketing activities, and to develop sufficiently detailed workplan and ensure compliance thereof. (<i>Social Marketing Programme, high, 2022</i>). ^b
<u>Programme design and implementation</u>	
9	Leveraging on the next corporate Enterprise Risk Management process cycle in the Strategic Information System, raise Programme personnel awareness on the need to perform and document more rigorous and comprehensive risk identification and assessments, assigning, inter alia, ratings to the assessed risks for their prioritization; and assign responsibilities and accountabilities for the management of the identified risk areas. (<i>Individual Giving Programme, high, 2022</i>). ^b
10	Strengthen third-party contract management by developing appropriate guidance or standard operating procedures to manage or address UNFPA’s contractual obligations, including those related to security breaches and compromise of data under the Individual Giving Programme. (<i>Individual Giving Programme, high, 2022</i>). ^b

Workplan reporting

- 11 Improve programmatic reporting by implementing partners. The new enterprise resource planning system will address the inconsistencies between work plans and the programme output results. The Policy and Strategy Division will hold sessions with Regional Offices to implement the quality assurance of the planning process, which is generally the main cause of the audit observation. (*Workplan Management Process, medium, 2021*).^b

Operations management

Procurement

- 12 Strengthen supervisory controls over all procurement processes to improve compliance with procurement policies and procedures as a means of ensuring fairness, integrity, transparency, and achieving best value for money. (*country office, high, 2022*).^b
- 13 Enhance the efficiency of the Regional Operations Shared Service Centre's procurement activities by consolidating the supported Country Offices' procurement plans and raising the awareness of relevant staff on the need to share data and information on suppliers and explore opportunities for using Long-Term Agreements used by other UN organizations in the Region. (*Regional Operations Shared Service Centre, medium, 2021*).^b

General administration

- 14 Raise staff awareness to promote compliance with the fixed asset management policy, including the systematic (a) tagging of assets according to tagging convention, (b) updating of asset location in the 'Asset Management Module', and (c) reconciliation of physical count results with the 'Asset Management' module records; and monitor compliance thereto. (*country office, high, 2022*).^b

Next steps

Sustainability and scalability

- 15 Assess the Regional Operations Shared Service Centre funding requirements and staffing arrangements and align them, as appropriate, to the needs of scaling up the project's services and geographical coverage in the next phases of its implementation. (*Regional Operations Shared Service Centre, high, 2021*).^b

[a] *The information provided in brackets for each recommendation indicates the location for which it was issued, its priority and year of issuance (this annotation is valid for the entire annex).*

[b] *Recommendation subsequently closed in the first quarter of 2024.*

¹ Based on the results of a client satisfaction survey of the 24 audit engagements concluded in 2023, with an 88 per cent overall response rate.

² Based on the results of the most recent EQA conducted in December 2021. The next EQA is due after five years.

³ This KPI represents the number of cases concluded in 2023, based on available resources. During 2023, the Investigations Branch had an overall case load of 474 cases (404 in 2022).