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OFFICE OF AUDIT AND INVESTIGATION SERVICES

AUDIT OF THE UNFPA COUNTRY OFFICE IN INDIA

FINAL REPORT
N° IA/2023-11

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EXECUTIVE SUMMARY

Audit Scope

1. The UNFPA Office of Audit and Investigation Services (OAIS) conducted an audit of the UNFPA Country Office in India (referred to hereafter as the Office). Audit planning activities commenced on 31 October 2022, and a field mission took place from 14 November 2022 to 02 December 2022. Results of the audit were discussed with the Office Management at an exit meeting held on 2 December 2022. Comments received and clarifications provided by Management were incorporated in a draft report, which was submitted to the Office Management on 6 March 2023. The final Management response was received on 1 May 2023 and is reflected in this report. The audit aimed to assess the adequacy and effectiveness of the governance, risk management and controls (GRC) 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 staff safety and security.

2. The Office was last audited by OAIS in 2009.¹ It has not been recently audited by the United Nations Board of Auditors. All 2009 audit recommendations have been closed.

3. The audit covered the activities of the Office from 01 January 2021 to 30 September 2022, which corresponds to the fourth and fifth years of the ninth Country Programme 2018–2022, approved by the Executive Board in its second regular session in 2017, with indicative resources of USD 43 million. Expenses covered by the audit amounted to USD 17.2 million, executed by 31 Implementing Partners (USD 7.2 million or 42 per cent) and by UNFPA (USD 10.0 million or 58 per cent), and were funded from core resources (USD 11.3 million or 66 per cent) and non-core resources (USD 5.9 million or 34 per cent).

Audit rating²

4. The overall audit rating is **“Satisfactory”**, which means that the assessed governance arrangements, risk management practices and controls were adequately designed and operating effectively to provide reasonable assurance that the objectives of the Office would be achieved. The issues and improvement opportunities identified did not affect the achievement of the Office’s objectives.

¹ Then named the Division for Oversight Services – Report No: IND101 issued 08 April 2009 with a ‘Partially Satisfactory’ rating.

² See Annex I for the definitions of audit terms used in the report

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

Audit ratings by key audit area		
Office Governance		Partially satisfactory with some improvement needed
<i>Office management</i>		<i>Partially satisfactory with some improvement needed</i>
<i>Organizational structure and staffing</i>		<i>Partially satisfactory with some improvement needed</i>
<i>Risk management</i>		<i>Satisfactory</i>
Programme Management		Satisfactory
<i>Programme planning and implementation</i>		<i>Partially satisfactory with some improvement needed</i>
<i>Implementing Partner Management</i>		<i>Partially satisfactory with some improvement needed</i>
<i>Programme Supplies Management</i>		<i>Satisfactory</i>
<i>Management of non-core funding</i>		<i>Satisfactory</i>
Operations Management		Satisfactory
<i>Human resources management</i>		<i>Satisfactory</i>
<i>Procurement</i>		<i>Satisfactory</i>
<i>Financial management</i>		<i>Satisfactory</i>
<i>General administration</i>		<i>Satisfactory</i>
<i>Information and communication Technology</i>		<i>Satisfactory</i>
<i>Staff safety and security</i>		<i>Satisfactory</i>

Good practices identified

6. The audit identified the following good practices implemented by the Office:
- a) The Office proactively engaged with key stakeholders in-country, including other UN organizations, National and State governments, donors and implementing partners, thus helping to foster and sustain positive partnerships with those organizations;
 - b) Periodic programme and operations staff meetings were held and well documented. The sessions were used as forums to discuss programmatic and operational challenges, and all staff members participated actively;
 - c) The Office held an all staff retreat that resulted in the development of a Trust Contract³ signed by all staff members;
 - d) The Office proactively undertook resource mobilization efforts and effectively engaged with donors resulting in positive feedback on submitted proposals;
 - e) The Office established a social committee that engaged staff members through various forms of online activities such as wellness sessions, orientations of new colleagues, virtual farewells and welcoming of new staff members during the lockdown, which leads to staff cohesion and a sense of community;
 - f) A training matrix that provides a comprehensive overview of stakeholders engaged by mapping capacity building exercises undertaken across Gender-Based Violence, Gender Biased Sex Selection, and Child Marriage was developed and maintained by the Office Gender team;
 - g) The Office developed an internal tracking tool to collate data and inputs from Sub-offices for reporting under the Global Programme to End Child Marriage. The tool maps the projects that contribute to different outcomes and outputs to provide a holistic overview of the results achieved along with the means of verification;
 - h) The Office developed an online monitoring and evaluation portal – *India-MyMnE Portal*⁴ – which provides a one-stop platform for UNFPA staff to monitor the progress of the Country Programme and a good reference for timely decision making, when necessary;

³ Trust Contract entailed staff members committing to embracing change, communicating effectively, completing learning sessions, achieving results, and working in teams.

⁴ This is a secured micro website developed in-house by the India Country Office.

- i) The Office developed several tools to track various key management matrices for effective monitoring and taking timely corrective measures of management activities when needed such as: recruitment tracker, purchase order tracker, travel ticket booking tracker, donor reporting tracker, and funds utilization dashboard; and
- j) The Office developed a payment checklist that enables approvers to review payment request submissions through AODocs.⁵

Key recommendations

7. The audit identified areas that require Management attention. Overall, the audit report includes three high priority and seven medium priority recommendations designed to help the Office improve its programme delivery and operations. Of the ten recommendations, four are of strategic nature; five relate to operational matters and one to a compliance matter.

Strategic level

8. At the strategic level, establish Country Office leadership succession planning to minimize the risks associated with the prolonged absence of a representative in the Country Office, especially during planned and known critical programme delivery activities in the Country Office, by the Division for Human Resources with support from the relevant UNFPA Regional Office. Also, the Office develops and implements a consolidated management plan for all sub-offices and comprehensive terms of reference for these units; and promptly complete the implementation of approved current and future human resources realignments. Lastly, the Division of Communication and Strategic Partnerships streamline the processes and procedures for adapting the standard template for co-financing agreements and develop a standard template specifically for non-financial agreements (in-kind assistance) to reflect the realities of middle-income Country Programmes.

Operational level

9. From a governance perspective, the Office needs to: (a) initiate and complete the annual planning process in a timely manner; (b) provide training to personnel involved in results planning, monitoring, and reporting; (c) strengthen the existing quality assurance review process; (d) review the procurement processes and staff roles and responsibilities of the head office in New Delhi and Sub-offices at the state level, and align them, as appropriate, to achieve programme and operational effectiveness and efficiency; (e) require procurement personnel to promptly complete requisite basic procurement training as proposed in the applicable policy; and (f) strengthen the staff performance appraisal and development process by ensuring alignment of individual performance plans with the Office plan.

10. In the area of programme management, the Office to: (a) improve the programme monitoring process by training personnel involved in the implementation of supervisory controls; and (b) strengthen the Implementing Partner management process by improving the quality and effectiveness of spot-checks.

Compliance level

11. The Office raise the awareness of personnel and provide training to ensure that quality and well-documented workplans are prepared, reviewed, and approved as required by applicable policy.

⁵ AODocs is a document management application platform to facilitate the use of advanced forms and workflows for online review and approval of transaction documents, which is integrated with the UNFPA Google Workspace™

Management response

12. The Country Office Management would like to acknowledge and express its appreciation for the professional way the audit was undertaken. Management has reviewed all the recommendations and agrees with them. The office will take sincere efforts to ensure that the responses provided by the country office are implemented within the stipulated timelines to address the recommendation provided in the audit report. The Office is also pleased to note that it has already undertaken a number of steps to strengthen office governance, programme management and operations since the time of the audit mission. However, keeping in mind that two of the recommendations are beyond the control of the country office, the office management will count on the support of the Regional Office and Headquarters for their implementation. We are grateful to the audit team for the comprehensive audit report that we find will further help to strengthen India Country office management effectiveness in delivering and accelerating greater results and impact for those we serve, particularly women and girls.

Acknowledgement

13. The OAIS team would like to thank the Management and personnel of the Office, the Asia and Pacific Regional Office and the different Headquarters units for their cooperation and assistance throughout the audit engagement.


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BS

I. AUDIT BACKGROUND

1. India is a middle-income country with over 1.36 billion people.⁶ It is one of the world's fastest growing economies and it is projected that by 2027, it will become the most populous nation with the largest number of youths.⁷ India's Human Development Index (HDI) value for 2021 was 0.633— which put the country in the low human development category— positioning it at 132 out of 191 countries and territories.⁸ India has made significant progress in reducing the maternal mortality ratio from 570 per 100,000 live births in 1990 to 103 in 2019, and the unmet need for family planning for women aged 15-49 in 2021 stood at 9.4 per cent.⁹ The modern contraceptive prevalence rates vary widely among states from 44.4 per cent in Bihar to 71 per cent in Andhra Pradesh. The country has more than 369 million people aged 10-24 years, most of whom lack access to sexual and reproductive health information and services. Nearly 7 per cent of girls aged 15-19 were pregnant or had given birth to a child. India is in the orange quadrant, as per the UNFPA Strategic Plan 2018-2021, and not a priority country for the UNFPA Supplies programme.

2. Two major factors characterised the period under audit, most notably the spread of the COVID-19 virus and working mostly remotely as was the practice across the globe. In 2021, India was hit by a strong wave of a Delta strain of the COVID-19 virus and the country suffered an acute crisis that resulted in thousands of deaths. Secondly, the Country Office was undergoing a Human Resources realignment that began in September 2020 and led to most staff positions either being abolished, recreated or reprofiled. A few staff members were matched to their existing or reprofiled posts. Many new staff members started beginning from February 2021 throughout the rest of the period under audit.

3. As set out in the 2022 OASIS Annual Workplan, the audit of UNFPA's India Country 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) Governance – office management, organizational structure and staffing, and risk management.
- b) Programme activities – programme planning and implementation, and the management of implementing partners, programme supplies, and non-core funds.
- c) Operations – human resources management, procurement, financial management, general administration, information and communication technology, and staff safety and security.

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

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

5. The audit covered the activities of the Office from 01 January 2021 to 30 September 2022, which corresponds to the fourth and fifth years of the ninth Country Programme 2018–2022, approved by the Executive Board in its second regular session in 2017, with indicative resources of USD 43 million. Expenses covered by the audit amounted to USD 17.2 million, executed by 31 Implementing Partners (USD 7.2 million or 42 per cent) and by UNFPA (USD 10.0 million or 58 per cent), and were funded from core resources (USD 11.3 million or 66 per cent) and non-core resources (USD 5.9 million or 34 per cent).

⁶ Population projections of India and States, 2011 – 2036, National Commission on Population, Ministry of Health and Family Welfare, July 2020

⁷ Source: https://main.mohfw.gov.in/sites/default/files/Population%20Projection%20Report%202011-2036%20-%20upload_compressed_0.pdf

⁸ Source: <https://hdr.undp.org/data-center/country-insights#/ranks>

⁹ Source: DP/FPA/CPD/IND/10 – UNFPA Tenth Country Programme Document for India

6. Approximately 38 per cent of the expenses incurred in the period under review corresponded to the Adolescent and Youth component. The Sexual and Reproductive Health component accounted for 32 per cent of the expenses incurred, the Gender component accounted for 17 per cent, and the Population Dynamics component accounted for 5 per cent. Costs funded from the institutional budget and programme coordination and assistance costs not allocated to any of the above thematic areas, accounted for the remaining 8 per cent of expenses.¹⁰

7. The engagement was conducted by a team led by an OAI audit specialist supported by audit consultants under the supervision of the Unit Chief of the Internal Audit Branch responsible for the Asia and Pacific Region . The audit started on 31 October 2022. A field mission took place from 14 November 2022 to 02 December 2022. Results of the audit were discussed with the Office Management at an exit meeting held on 02 December 2022. Comments received and clarifications provided were incorporated in the draft report, which was submitted to the Office Management on 6 March 2023. The final Management response was received on 1 May 2023 and is reflected in this report.

¹⁰ Source: Cognos budgets and expenditures by programme cycle output reports

II. AUDIT RESULTS

8. Audit results including good practices identified for each audit area are presented below as well as the corresponding responses from Management.

A. OFFICE GOVERNANCE

**PARTIALLY SATISFACTORY WITH
SOME IMPROVEMENT NEEDED**

Good practices identified

9. The audit identified the following good practices adopted in office governance :
- a) The Office proactively engaged with key stakeholders in-country, including other UN organizations, National and State governments, donors and implementing partners, thus helping to foster and sustain positive partnerships with those organizations;
 - b) Periodic programme and operations staff meetings were held and well documented. These meeting sessions are used as a management tool to share information, report on the status of implementation of activities and discuss the programmatic and operational challenges faced by the Office;
 - c) The Office held an all-staff retreat that resulted in development of the Trust Contract¹¹ signed by all staff members;
 - d) The Office developed a tool for tracking mandatory training courses completed by all personnel for ease of reference; and
 - e) The Office established a social committee that engaged staff members through various forms of online activities such as wellness sessions, orientation of new colleagues, virtual farewells and welcoming new staff members during the lockdown, which leads to staff cohesion and a sense of community.

A.1 – OFFICE MANAGEMENT

**Partially Satisfactory with
Some Improvement Needed**

Limited succession planning and frequent Country Office leadership changes

10. During the period under audit, a number of critical activities were undertaken at the Country Office, namely: (a) Human Resources (HR) realignment, (b) preparation of the tenth Country Programme Document (CPD), (c) preparation of the Government of India's (GoI's) United Nations Sustainable Development Cooperation Framework (UNSDCF), and (d) Country Programme Evaluation (CPE) of the ninth Country Programme.

11. The Country Office underwent several leadership changes in a seven-year period. From February 2016 to the time of the audit field mission, the Office has had seven different Representatives or equivalents i.e., four Representatives, one Representative *ad interim*, and two Officers in Charge. Some of the changes in leadership were due to unforeseen circumstances. Further, the Representative implementing the HR realignment transitioned to another role within the organization in August 2021 before the completion of the realignment which was also affected by repetitive waves of Covid-19. Nonetheless, in the opinion of OAI, the latest Representative transition could have been planned better factoring in all of the critical activities the Office was undertaking.

12. It took six months for the incoming substantive Representative to be accredited by the GoI and granted a visa to join the Office. During this time, the office was led by the Deputy Representative supported by the Operations Manager, both of whom had recently assumed their roles in 2021. While the CPD, UNSDCF, and CPE processes were successfully completed and the delivery on the programmes continued mostly as planned, these critical events had the effect of making the workload on the existing staff members and leadership more strenuous. . As at the drafting of this report, the HR realignment was still ongoing (see paragraph 20 below).

¹¹ Trust Contract entailed staff members committing to embracing change, communicating effectively, learning sessions, achieving results, and working in teams.

RECOMMENDATION 2

PRIORITY: MEDIUM

Leveraging on the implementation of the tenth Country Programme and the ongoing Human Resource realignment, develop and implement a consolidated management plan for all sub-offices and comprehensive terms of reference for these units that specifies, amongst other aspects, a governance framework and standardized management arrangements.

MANAGER RESPONSIBLE FOR IMPLEMENTATION: *Representative*

STATUS: *Agree*

MANAGEMENT ACTION PLAN:

DUE DATE: *April 2024*

The Office agrees with the recommendation. The Office will develop and implement terms of reference to cover (a) overview and purpose of the functional units and State Sub-offices; (b) main functions, roles, responsibilities, and reporting lines; (c) delegation of authority structure; and (d) oversight responsibilities.

In addition, the Office will also develop a sub-office management plan to enable efficient delivery and evaluation of results and performance.

Misalignment of baseline and target values in the Strategic Information System

16. The review of 2021 and 2022 results plans, and the 2021 results report in the Strategic Information System (SIS) revealed gaps in the effectiveness of the quality review process in place. The most notable exceptions included:

- a) Three instances where country programme planning baseline values in SIS were not updated with the results achieved in prior years;
- b) Five instances where target values in the annual country programme planning document and in SIS did not match;
- c) One instance of inadequate output indicator targets; and
- d) Annual SIS planning and approval were delayed in 2021 and 2022, whereas work plans were prepared well in advance (before the start of both years).

ROOT CAUSE	<i>Guidance: Inadequate supervision at the Office level. (Gaps in quality assurance and reviews) Resources: Inadequate training. (Due to HR realignment several new staff members were placed in roles without adequate training)</i>
IMPACT	<i>Misaligned, inaccurate, and delayed results planning may diminish Management’s ability to objectively measure and report on the achievements of results.</i>
CATEGORY	<i>Operational</i>

RECOMMENDATION 3

PRIORITY: MEDIUM

Provide training to personnel involved in results planning, monitoring and reporting, and strengthen the existing quality assurance review process to ensure the formulation of quality results plans. Further, initiate and complete the annual programme planning process in a timely manner.

MANAGER RESPONSIBLE FOR IMPLEMENTATION: *Representative*

STATUS: *Agree*

MANAGEMENT ACTION PLAN:

DUE DATE: *March 2024*

The Office shall undertake the recommended training in 2023 and strengthen the existing quality assurance review process to ensure the formulation of quality results plans. Further, standard operating procedures on the process and timelines for annual planning will be prepared and implemented.

A.2 – ORGANIZATIONAL STRUCTURE AND STAFFING

**Partially Satisfactory with
Some Improvement Needed**

Human Resources realignment exercise not timely executed

17. The Office’s HR realignment process began in December 2017 under the eighth Country Programme (2013 - 2017) through a field mission carried out by an Internal Consulting Group (ICG). The ICG mission resulted in an HR realignment proposal, which the Office submitted, through the Asia and Pacific Regional Office (APRO), to the Division for Human Resources (DHR) at Headquarters for consideration in the same year. The realignment was the first in almost two decades. The main goal of the office structure realignment was to ensure that UNFPA India is fit for purpose for implementing the Country Programme and accelerating delivery towards the UNFPA three transformative results by 2030.¹²

18. However, the realignment exercise was put on hold due to various reasons, particularly due to the leadership changes as noted in paragraph 11 above.

19. The HR realignment was revisited in April 2020 through an inter-office memorandum from the Office Representative to Headquarter units for the necessary approvals. At the time of the audit field mission, just one month before the end of the ninth Country Programme cycle that the realignment exercise was meant to inform, implementation of the approved proposal was still underway, with 9 of the 72 approved staff posts (13%) vacant. The responsibilities of the vacant posts were being discharged by the existing staff complement, which led to a heavy workload and strained capacities in handling high volumes of work over long periods of time, as highlighted in paragraph 12 above. Based on discussion with the Office Management, some of the reasons for the delay in recruitment for these positions were related to prolonged vacancy over twelve months, and attrition in the position of Human Resources and Administrative Associate and a very competitive human resources environment in the country exacerbated by the UN contracting modalities.

20. According to the Office Management, the HR realignment proposal that was under implementation remained relevant, both in timing and content, to the proposed new tenth Country Programme (2023 - 2027), as it was designed to contribute to India’s achievement of the 2030 Agenda for Sustainable Development, International Conference on Population and Development (ICPD) Programme of Action and UNFPA’s programme for transformative results. As such, Office Management believed that another realignment exercise for the new Country Programme cycle was not necessary.

ROOT CAUSE *Guidance: Inadequate supervision at Headquarters level (prolonged periods of review and approval of realignment proposals by Headquarters units).*

Other: Factors beyond the control of the Office (competitive human resources environment in the country).

IMPACT *The existing organizational structure, staffing, and personnel contract modalities may not be aligned with the programme delivery and operational needs of the Office resulting in a reduced capacity to operate effectively and efficiently and deliver intended results.*

CATEGORY *Strategic*

RECOMMENDATION 4

PRIORITY: HIGH

Promptly complete the implementation of the approved Human Resources realignment that is currently underway to align the Office’s structure and staffing capacities to the requirements of the upcoming tenth Country Programme (2023 - 2027), and ensure that future Human Resource realignment exercises are timely executed.

¹² These are: (a) ending preventable maternal deaths; (b) ending the unmet need for family planning; and (c) ending gender- based violence and all harmful practices, including female genital mutilation and child, early and forced marriage.

MANAGER RESPONSIBLE FOR IMPLEMENTATION: *Representative and Director,
Division for Human Resources*

STATUS: *Agree*

MANAGEMENT ACTION PLAN:

DUE DATE: *Implemented*

The Office has completed the implementation of the approved Human Resources realignment in 2022 and communicated with the Division for Human Resource to facilitate timely future realignment exercises.

Inefficient delivery of procurement services, and ineffective arrangement of staff roles and responsibilities

21. The review of the Office procurement function's structure, operations and staffing revealed that all of the Office's¹³ procurement activities were centralized and carried out by procurement personnel based at the head office in New Delhi. Interviews with the Office's procurement personnel and analysis of procurement transactions yielded, on one hand, recurrent mentioning of the heavy workload placed on the head office procurement personnel, in light of them also performing mundane procurement related tasks that could be performed at the Sub-office level and, on the other hand, the limited workloads of procurement personnel at the Sub-offices that must wait for head office procurement services. Consequently, the Operations Unit's ability to provide efficient procurement services and effective oversight, including quality assurance over the Unit's various functions, was reduced.

22. Further, the Office personnel responsible for managing procurement activities were new to UNFPA, having joined the Organization in July and November 2021, respectively. The Office has yet to provide the requisite basic procurement training to build the capacity of these personnel to effectively discharge their assigned responsibilities.

23. The issues above have resulted in the inefficient delivery of procurement services. Moreover, the staff roles and responsibilities for procurement at the Office are not effective in supporting the achievement of programmatic and operational goals.

ROOT CAUSE	<i>Guidelines: Inadequate management process (centralized procurement process that also supports the state-level Sub-offices). Resources: inadequate training (procurement personnel having not completed requisite basic procurement training).</i>
IMPACT	<i>The efficiency and effectiveness of programme delivery and operations management may be diminished.</i>
CATEGORY	<i>Operational</i>

RECOMMENDATION 5

PRIORITY: MEDIUM

Review the procurement processes and arrangement of staffing roles and responsibilities between the head office in New Delhi and Sub-offices at the state level, and align them, as appropriate, to the procurement needs of the Office to ensure programme and operational effectiveness and efficiency; and require procurement personnel to promptly complete requisite basic procurement training as proposed in the applicable policy.

¹³ The Office's operations covered the head office in New Delhi and four Sub-offices in Bihar, Madhya Pradesh, Odisha and Rajasthan States.

MANAGER RESPONSIBLE FOR IMPLEMENTATION: *Representative*

STATUS: *Agree*

MANAGEMENT ACTION PLAN:

DUE DATE: *November 2023*

The centralised structure of the procurement function was initiated as part of the Office HR realignment exercise. Given the findings that are emanating from the audit, the Office has reviewed the arrangement again and shall complete the following actions: (a) enhance the procurement function by development of standard operating procedures, and will train staff in the procurement area to increase capacity levels and ensuring completion of required procurement certificates (where applicable); and (b) learning sessions will be organized on procurement processes, with clear definition of roles and responsibilities between the New Delhi and Sub-offices at state level.

Misalignment of staff Performance Appraisal and Development with the Office results plan

24. The review of the Office’s 2022 results plan in SIS and staff Performance Appraisal and Development (PAD) documents for a sample of key staff members indicated instances of misalignment of staff PADs with the Office’s results plan. For example, in eighteen instances, Office results plan output indicators and/or quarterly milestones were not reflected in the respective team leader’s or responsible staff member’s PAD. In two other instances, inconsistencies were noted between the results plan (especially office defined/management outputs) and the PADs of the team leaders.

25. These issues, mainly caused by a lack of training and supervision, are recurrent and have been raised by OAIS in other country office audit reports.

ROOT CAUSE	<i>Resources: Inadequate training (Due to HR realignment several new staff members in roles). Guidance: Inadequate supervision at the Office level (Gaps in quality assurance and reviews).</i>
IMPACT	<i>Misalignment of Office plans and staff PADs may diminish the Office’s ability to achieve its planned results and objectives.</i>
CATEGORY	<i>Operational</i>

RECOMMENDATION 6

PRIORITY: MEDIUM

Provide training to raise the awareness of staff members and implement monitoring controls to ensure the alignment of staff Performance Appraisal and Development documents with the Office’s results plan.

MANAGER RESPONSIBLE FOR IMPLEMENTATION: *Representative*

STATUS: *Agree*

MANAGEMENT ACTION PLAN:

DUE DATE: *February 2024*

The Office shall continue to provide training to raise the awareness of staff members. Moving forward, the Office will ensure that there is greater alignment between the Office’s results plan in Strategic Information System and Performance Appraisal and Development documents and will ensure that the alignment is clear to all staff.

Explicit office efficiency and effectiveness objectives and indicators are included in 2023 annual SIS plans to ensure coherence across staff performance plans and contributions toward country programme outcomes.

A.3 – RISK MANAGEMENT

Satisfactory

Need to enhance risk management activities

26. The Office completed strategic and fraud risk assessments, for the period 2020/2021, under the corporate Enterprise Risk Management (ERM) process, using the ‘myRisks’¹⁴ functionality in the SIS application of UNFPA. The audit’s review of the 2020/2021 risk assessment process revealed that it had been prepared in a participative manner, as the identification, assessment, and documentation of risks were allocated to various focal points. The

¹⁴ Part of the UNFPA Corporate Strategic Information System (SIS)

nature of risks identified and justifications provided were indicative of a robust risk assessment process. However, the following areas require enhancement:

- Identification and documentation of risk mitigation plans for the risk areas – risk area focal points were not at the same level of understanding of the risk management process and documentation, especially regarding the identification of risk mitigation plans, which were not consistently identified and documented in the annual risk assessment; and
- The 2022 Country Management Team (CMT) meeting minutes did not reveal instances where the risk management process was discussed, and risks were actively considered and managed. Further discussion with the Office CMT and other personnel, however, indicated awareness of the risks facing the CO.

27. At the time of the audit field mission, Office Management initiated discussions and documentation of risk management activities. In view of the corporate launch of the UNFPA ERM calendar for 2022 -2023 and other risk management initiatives by the Chief Risk Officer, no recommendation is provided as regards this matter due to the effort already demonstrated by the Office in resolving the issue.

B. PROGRAMME MANAGEMENT

SATISFACTORY

Good practices identified

28. The audit identified the following good practices in the area of programme management:

- a) A training matrix that provides a comprehensive overview of stakeholders engaged by mapping capacity building exercises undertaken across Gender-Based Violence, Gender Biased Sex Selection and Child Marriage was developed and maintained by the Office Gender team;
- b) The Office developed an internal tracking tool to collate data and inputs from Sub-offices for reporting under the Global Programme to End Child Marriage. The tool maps the projects that contribute to different outcomes and outputs to provide a holistic overview of the results achieved along with the means of verification;
- c) The Office developed an online monitoring and evaluation portal – *India-MyMnE Portal*¹⁵ – which provides a one-stop platform for UNFPA staff to monitor the progress of the Country Programme and a good reference for timely decision making, when necessary;
- d) Workplans were signed with implementing partners in a timely manner, which led to adequate time to implement programme activities; and
- e) The Office proactively undertook resource mobilization efforts and effectively engaged with donors resulting in positive feedback on submitted proposals.

B.1 – PROGRAMME PLANNING AND IMPLEMENTATION

**Partially Satisfactory with
Some Improvement Needed**

Inadequate workplan management process

29. Annual work plans of implementing partners are prepared by programme staff members in consultation with responsible officials of implementing partners, and operational reviews of those work plans are performed by independent operational staff members irrespective of the total amount of the work plan. The involvement of operational staff members in work plan preparation is limited to reviewing the alignment of work plan amounts with commitment controls.

¹⁵ This is a secured micro website developed in-house by the UNFPA Country Office in India.

30. The Office did not have an established process to ensure that workplans and Funding Authorization and Certificate of Expenditure (FACE) forms with total budget amounts in excess of the policy-specified threshold of USD 250,000 were reviewed by the most senior Operations staff member and approved by the Head of the Office, as required by applicable policy.

ROOT CAUSE *Guidance: Inadequate supervision at the Office level (Gaps in quality assurance and reviews).*

IMPACT *There is increased risk that the Country Office may contract for excessive, unauthorized, or ineligible expenses, further leading to the risk of not achieving the Office’s expected results.*

CATEGORY *Compliance*

RECOMMENDATION 7

PRIORITY: MEDIUM

Raise the awareness of Office personnel and provide training to ensure that quality and well-documented workplans are prepared, reviewed, and approved by authorized personnel as required by applicable policy.

MANAGER RESPONSIBLE FOR IMPLEMENTATION: *Representative*

STATUS: *Agree*

MANAGEMENT ACTION PLAN:

DUE DATE: *March 2024*

The Office agrees with the recommendation and shall develop a standard operating procedure and train all relevant staff on the work plan preparation, review and approval process keeping the segregation of duties intact.

Inadequate programme monitoring process

31. The programme monitoring activities of the Office included a review of quarterly work plan progress reports and FACE forms received from IPs, quarterly meetings and discussions with IPs, internal meetings and discussions, periodic programme sites and IP visits, and quarterly reporting of results through SIS. The audit review of the Office’s programme monitoring activities identified areas for improvement, mainly related to the planning, reporting, and follow-up of monitoring activities.

Absence of a structured monitoring plan

32. The Office did not develop and maintain a detailed monitoring plan and calendar to keep track of planned monitoring activities specifying the name of the IP, workplan activities to be monitored, the objectives, scope and type of monitoring activities to be undertaken (e.g., visit to project site or the office of the IP, etc.), locations and dates of planned monitoring visits, and the monitoring team and other stakeholders involved in the monitoring visit (e.g., implementing partner, donor, Government counterpart). The absence of a detailed monitoring plan hampers the Office’s visibility of programme implementation, and timely remediation of issues that may arise from monitoring activities.

Monitoring visit objectives and activities not clearly identified

33. The review of a sample of seven narrative reports of programme monitoring visits undertaken by the Office indicated that the objectives and the description of the monitoring activities were not clearly specified. Further, the reports are not standardized, and action points are not specific or time-bound and do not include staff personnel responsible for implementation. The absence of a detailed monitoring visit objective and detailed action points in the monitoring activities reports diminishes the effectiveness of the monitoring activities. The audit noted that the Office started to use the UNFPA suggested workplan monitoring report template to document its monitoring activities during the audit field mission.

Absence of a structured communication and follow-up process for monitoring visit recommendations

34. The Office’s programme personnel held meetings with IPs following the monitoring visits, where the findings and actions points were discussed. The Office, however, did not develop a centralized repository of all programmatic monitoring findings, challenges, and recommendations raised. In addition, the monitoring visit reports were not communicated officially in writing to the concerned IPs. In the absence of a follow-up process for recommendations and action plans, the Office will not be able to address capacity gaps or issues identified during the monitoring activities.

ROOT CAUSE	<i>Resources: Inadequate training (Due to HR realignment several new staff members in monitoring roles).</i>
IMPACT	<i>Ineffective programme monitoring process leading to issues not being timely identified and remediated could adversely affect the achievement of programme results.</i>
CATEGORY	<i>Operational.</i>

RECOMMENDATION 8

PRIORITY: MEDIUM

Improve the programme monitoring process, through provision of training to relevant personnel and implementation of supervisory controls aimed at: (a) preparing, implementing and tracking of detailed programme monitoring plans; (b) detailing monitoring objectives and activities to be performed during monitoring visits; (c) enhancing the monitoring repository system by including action plans to be performed by the Office or its implementing partners to address monitoring findings and recommendations; and (d) enhancing the recommendation follow-up process so that all findings, recommendations, and corresponding action plans are tracked and implemented in a timely manner.

MANAGER RESPONSIBLE FOR IMPLEMENTATION: *Representative*

STATUS: *Agree*

MANAGEMENT ACTION PLAN:

DUE DATE: *November 2023*

The Office will develop and maintain a detailed monitoring plan and calendar to keep track of planned monitoring activities specifying the name of the implementing partners (IPs), work plan activities to be monitored, the objectives, scope and type of monitoring activities to be undertaken (e.g., visit to project site or the office of the IPs, etc.), locations and dates of planned monitoring visits, and the monitoring team and other stakeholders involved in the monitoring visit (e.g., implementing partner, donor, Government counterpart). The Office will provide training to relevant staff on the process including use of the monitoring plan, work plan monitoring template, communicating written results to partners, and tracking follow up actions.

B.2 – IMPLEMENTING PARTNER MANAGEMENT

**Partially Satisfactory with
Some Improvement Needed**

Lack of rigour in performing financial monitoring of implementing partners

37. The review of 32 expense transactions reported by four IPs to the Office, in the total amount of USD 298,293, revealed issues indicative of lapses in the financial monitoring of IPs by the Office. The most notable exceptions included:

- a) 20 procurement transactions in which the IPs were not in compliance with their own policies and procedures for the procurement of goods and services, which require adherence to the principles of competition, transparency, and value-for-money;
- b) 22 transactions were either inadequately supported or unsupported by the required minimum documentation to ensure transparency with proper due diligence;
- c) In the case of one IP, ineffective review and approval of financial transactions was noted. Examples included vendor invoices not matching the quantities shown in the receipts and participants’ attendance sheets, even though the payment process was reviewed and approved by various IP managers; and

- d) During a visit to an IP that incurred USD 47,997 of expenses during the period under review, it was noted that the IP was using unlicensed accounting software, and the supporting documents for financial transactions were not properly referenced with unique identifiers to the corresponding transaction vouchers – thus making it difficult to follow an audit trail.

35. According to UNFPA Implementing Partner Assurance System (IPAS) records, three of the four reviewed IPs underwent HACT¹⁶ assurance activities – spot-checks carried out by external audit firms hired by the Office. The nature of the issues arising above, which were discussed and agreed with the IPs, were not identified in the spot-check reports, indicating a lack of rigour in performing financial monitoring activities of IPs.

ROOT CAUSE	<i>Guidelines: Inadequate supervision at the Office level (inadequate monitoring of IPs and lack of rigour in performing HACT assurance activities).</i>
IMPACT	<i>Lack of rigor in the review of FACE forms, progress reports, and supporting documents increases the risk of UNFPA incurring unauthorized or ineligible expenses. Funds provided to IPs may not be used for the intended purpose, adversely impacting the achievement of planned programme results.</i>
CATEGORY	<i>Operational</i>

RECOMMENDATION 9

PRIORITY: HIGH

Strengthen the Implementing Partner management process by: (a) raising the awareness of relevant Officers and IP personnel regarding the need to follow policy provisions with respect to the procurement of goods and services; (b) leveraging on issued annual spot-check guidance, perform better quality spot-checks that can identify issues such as those identified by this audit; and (c) build the capacity of Implementing Partners to put in place appropriate internal controls to mitigate inherent risks in the systems used to maintain accounting records.

MANAGER RESPONSIBLE FOR IMPLEMENTATION: *Representative*

STATUS: *Agree*

MANAGEMENT ACTION PLAN:

DUE DATE: *November 2023*

The Office will schedule Implementing Partners (IPs) orientation meeting to raise awareness of relevant Officers and IPs personnel regarding the need to follow policy provisions with respect to the procurement of goods and services. In addition, the Office will train its staff members to ensure quality spot-checks using standardized terms of reference and identify long-term agreement (LTA) firms for any future use. An in-person IPs orientation session will be organized to build implementing partner capacity.

B.3 – PROGRAMME SUPPLIES MANAGEMENT

Satisfactory

13. Audit work performed included a review of the needs assessment and forecasting arrangements in place, as well as testing of a sample of inventory items supplied during the period covered in audit of the processes and controls in place in the areas of: (a) requisitioning; (b) customs clearance, receiving and inspection; (c) inventory controls; (d) handover of inventory to IPs; (e) distribution to intended beneficiaries; and (f) monitoring. Based on the work performed in this area, the audit did not identify any reportable matters.

¹⁶ Harmonized Approach to Cash Transfers

B.4 – MANAGEMENT OF NON-CORE FUNDING

Satisfactory

Inadequate co-financing agreement preparation procedures

36. The Office has achieved notable success in partnering with the host Government at the national and state levels during the ninth Country Programme, with the Government funding some of the programmes. The Office has opportunities to enhance partnership with the Government both at the national and state levels, private and public sectors donors, by leveraging its strategic technical expertise and long-term presence in the country, to raise other resources to support the tenth Country Programme.

37. While in-country donors usually require agreements and financial reporting in local currency and compliance with local laws, including requests to sign the co-finance agreement in notarized papers, the current resource mobilisation policy and co-financing procedures requires that any deviation from standard terms of the co-financing agreement (CFA) be pre-cleared by the Resource Mobilization Branch (RMB). The experience from the ninth Country Programme has indicated some bottlenecks in engaging with the host Government and local private sector donors for adherence to the standard co-financing agreement and non-financial agreements (in-kind assistance). The audit reviewed two co-financing agreements with the Governments at the state level, and email correspondence amongst the Office Management, Regional Office (RO), and Headquarters (HQ) units and noted deviations in terms and conditions from the standard CFA templates in both cases, mainly relating to exchange fluctuations and other contingencies for which clearance from RMB was in place. However, the approval process was protracted – over six months on each case, and required several email exchanges amongst HQ units, the RO, the Office, and the donors, thereby leading to significant time and resources being spent on finalizing terms of the co-financing agreement. The audit also noted that the Office was in the process of negotiating an in-kind contribution agreement with a private sector donor. Similarly, the contracting process has been protracted over several months and was not finalized at the time of drafting this report.

38. Two donors interviewed during the audit expressed a need for the Office to be more agile in finalizing the co-financing agreement with them, and for the Organization to have more streamlined processes and procedures around resource mobilization from within the host country. Given the tenth Country Programme proposed indicative UNFPA assistance target of USD 60 million, half of which (USD 30 million) is through co-financing modalities or other resources, there is a need for close engagement and common understanding amongst the Office Management, RO, and HQ units to ensure that the other resources mobilization target within the host country is achieved in order to contribute towards the realization of overall Country Programme outcomes.

ROOT CAUSE	<i>Guidelines: Inadequate corporate procedures (Inadequate procedures for preparation of co-financing agreements).</i>
IMPACT	<i>The Office's ability to mobilize/receive additional resources may be diminished, and adversely impact on programme delivery.</i>
CATEGORY	<i>Strategic</i>

RECOMMENDATION 10

PRIORITY: MEDIUM

Streamline the processes and procedures for adapting the Standard templates for co-financing agreements and in-kind contribution agreements to reflect the realities of middle-income Country Programmes such as India and enable agility in the preparation of co-financing and in-kind contribution agreements to expedite the process to increase domestic resource mobilization.

MANAGER RESPONSIBLE FOR IMPLEMENTATION: *Director, Division of Communication and Strategic Partnerships.*

STATUS: *Agree*

MANAGEMENT ACTION PLAN:

DUE DATE: *January 2024*

Division of Communication and Strategic Partnerships (DCS) would like to stress that the existing process of review and clearance of co-financing agreements deviating from corporate templates is instituted first and foremost to protect the interests of UNFPA and prevent entry into agreements that are incompatible with UNFPA status, rules, regulations, policies and procedures. The duration of each agreement review is impacted by many factors, such as extent of changes requested by a donor; ability to find and offer alternative terms acceptable to UNFPA; diversity

of changes requested, and number of HQ business owners involved; and contract template used (UNFPA template with deviations vs. non-UNFPA template). Finalization of each agreement is heavily impacted by factors outside of UNFPA control such as donor response time and openness to negotiation and compromise. DCS coordinates the review and clearance of all co-financing and in-kind contribution agreements deviating from UNFPA templates and follows up with relevant business owners in case of delayed responses. DCS further leverages its experience in negotiating non-standard agreements, and frequently expedites the review by suggesting alternative clauses previously cleared by relevant business owners for other agreements. Therefore, DCS believes that the existing process is as streamlined as it can be considering the complexity of the subject matter and significant risks involved if the due process is not followed.

As part of its ongoing webinar series, DCS will organize dedicated webinar(s) on co-financing and in-kind contribution agreements reviews clarifying, inter alia, different agreement templates available, the clearance process followed in case if those templates are not used or used with deviations and stressing the importance of advocating for use of UNFPA templates with donors. As part of co-financing agreement policy review, DCS will further detail the clearance process to increase awareness and manage expectations as regards to the responsible units and time frame involved.

C. OPERATIONS MANAGEMENT

SATISFACTORY

Good practices identified

39. The audit identified the following good practices in the area of operations management:
- a) As a means to increase the efficiency of the procurement process, the Office has established long-term agreements (LTA) and has also relied on the LTAs of other United Nations system Organizations;
 - b) The Office developed a recruitment tracker for all contractual modalities to enable monitoring of the staff realignment, which included a dashboard to provide information to the Office management;
 - c) The Office developed a purchase order (PO) tracker to enable the approvers of POs to review the relevant supporting documents prior to approval in the ERP system. The tracker also provides the details of requisitions and purchase orders yet to be approved, and the closure status at any given time;
 - d) The Office developed a payment checklist that enable approvers to review payment requests through AODocs.¹⁷ The payment checklist enables the submitter to upload the relevant documents required for the reviewer to have sufficient evidence that due process was carried out prior to the submission of the payment request;
 - e) The Office developed a travel ticket booking tracker that enables the Office to track the bookings, provide the status of travel requests and take timely corrective measures when needed;
 - f) The Office has a donor reporting tracker that enables the Office to plan the submission of reports to donors and upload the same in the Donor Agreement and Reporting Tracking System (DARTS);¹⁸ and
 - g) A dashboard on the utilization of funds was developed by the Office to monitor the utilization of core and non-core resources and take timely corrective measures when needed.

¹⁷ AODocs is a document management application platform to facilitate the use of advanced forms and workflows for online review and approval of transaction documents, which is integrated with the UNFPA Google Workspace™

¹⁸ DARTS is a UNFPA global repository for the donor agreements and reports.

C.1 – HUMAN RESOURCES MANAGEMENT

Satisfactory

40. Work performed in this area included an analytical review of payroll and contract personnel costs, a walk-through of the payroll reconciliation controls with UNDP; testing of a sample of five individual consultancies awarded by the Office for linkage to the corresponding workplans; and compliance with applicable policies and procedures, and operating effectiveness of controls in the areas of: (a) recruitment; (b) contract award; and (c) contract management. Testing of the recruitment process for vacant posts during the period covered in audit and review of the Office’s leave management process and benefits were also conducted. Based on the work performed in this area, the audit did not identify any reportable matters.

C.2 – PROCUREMENT

Satisfactory

41. Audit work performed in this area included the review of a sample of local purchases for linkages to the corresponding workplans, compliance with the UNFPA procurement principles,¹⁹ policies and procedures, as well as 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.

42. Audit work also included the review of: (a) the procurement planning process; and (b) the management of charges related to services (premises and connectivity) shared with other UN organizations. Based on the work performed in this area, the audit identified reportable matter covered under organizational structure and staffing section of this report, related to inefficient delivery of procurement services, and ineffective staff roles and responsibilities (see paragraphs 22-24 above).

C.3 – FINANCIAL MANAGEMENT

Satisfactory

43. Work performed in this area included a 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 codes; (d) the operating effectiveness of controls over the accounts payable and payments process; (e) the value-added tax control arrangements in place; (f) the budget management process; and (g) the effectiveness of the financial management accountability process. Based on the work performed in this area, the audit did not identify any reportable matters.

C.4 – GENERAL ADMINISTRATION

Satisfactory

44. Work performed in this area focused on the travel and asset management processes. Audit work performed on travel management included a walk-through of the travel process and testing of a sample of 13 travel-related transactions for appropriateness of business purpose, compliance with policies and procedures, and operating effectiveness of controls over: (a) the procurement of travel services; and (b) the authorization, calculation, and payment of DSA.

45. Audit work in asset management area included the review of a sample of assets procured for use by the Office for appropriateness of business purpose and compliance with the asset management policies and procedures.

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

¹⁹ Best value-for-money; fairness, integrity and transparency; open and effective competition; and protection of the interest of UNFPA

C.5 – INFORMATION AND COMMUNICATION TECHNOLOGY

Satisfactory

47. This area was assessed as presenting a low audit risk. Work performed was, therefore, limited to testing for compliance with Atlas access rights and a walk-through of the Office backup policy, disaster recovery plan and business continuity plan. Based on the work performed in this area, the audit did not identify any reportable matters.

C.6 – STAFF SAFETY AND SECURITY

Satisfactory

48. Work performed in this area included review of (a) implementation of the most recent United Nations Minimum Operating Security Standards (MOSS) and United Nations Minimum Operating Residential Security Standards (MORSS) assessments; (b) compliance with mandatory security training requirements; (c) inquiries of the local United Nations Department of Safety and Security (UNDSS) about its relations with UNFPA, including the active engagement of Office Management in the Security Management Team; (d) the management and staff familiarity with their respective responsibilities and applicable guidelines; (e) the timeliness of security advisories to all staff and contract personnel; (f) the Office security, contingency, and building and medical evacuation plans; (g) the timeliness of security incident reporting to UNDSS; and (h) the existence of a dedicated security focal person. Based on the work performed in this area, the audit did not identify any reportable matters.

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 2016,²⁰ 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

²⁰ 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

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.

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
APRO	Asia and Pacific Regional Office
CFA	Co-Financing Agreement
CMT	Country Management Team
CPD	Country Programme Document
CPE	Country Programme Evaluation
DARTS	Donor Agreement and Report Tracking System
DHR	Division for Human Resources
ERM	Enterprise Risk Management
FACE	Funding Authorization and Certificate of Expenditure
GoI	Government of India
GRC	Governance, Risk management and Control
HACT	Harmonized Approach to Cash Transfers
HDI	Human Development Index
HQ	Headquarters
HR	Human Resources
ICG	Internal Consulting Group
ICPD	International Conference on Population and Development
IP	Implementing Partner
IPAS	Implementing Partner Assurance System
LTA	Long Term Agreement
OAIS	Office of Audit and Investigation Services
PAD	Performance Appraisal and Development
PO	Purchase Order
RMB	Resource Mobilization Branch
RO	Regional Office
SIS	Strategic Information System
UN	United Nations
UNDP	United Nations Development Programme
UNFPA	United Nations Population Fund
UNSDCF	United Nations Sustainable Development Cooperation Framework
USD	United States Dollars