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OFFICE OF AUDIT AND INVESTIGATION SERVICES

AUDIT
OF THE UNFPA COUNTRY OFFICE
IN BELARUS

FINAL REPORT
Nº IA/2025-09

09 June 2025

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EXECUTIVE SUMMARY

1.   The Office of Audit and Investigation Services (OAIS) conducted an audit of the UNFPA Country Office in Belarus (the Office). The audit was conducted remotely from 17 February to 7 March 2025. 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, management of Implementing Partners and non-core funding; and
   c) Operations Management – Human resources management, procurement, financial management, general administration, and staff safety and security management.

2.   The audit covered activities conducted by the Office from 1 January to 31 December 2024, which corresponded to the fourth year of the third Country Programme cycle 2021–2025, approved by the Executive Board in its second regular session of 2020, with indicative resources of US$5.52 million.

3.   Expenses covered by the audit amounted to $1.56 million, executed by UNFPA ($1.35 million or 87 per cent) and two Implementing Partners ($0.21 million or 13 per cent), and were funded from core resources ($0.53 million or 34 per cent) and non-core resources ($1.03 million or 66 per cent).[1]

4.   The audit was conducted in conformance with the Global Internal Audit Standards of the Institute of Internal Auditors (The IIA).

Overall audit rating

5.   OAIS issued an overall audit rating for the Office of **"Satisfactory,"[2]** 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 audited entity/area should be achieved. The issues and improvement opportunities identified did not affect the achievement of the audited entity or area's objectives.

6.   The Office complied with applicable policies and procedures in the Operations Management despite having a limited number of staffs. It further developed standard operating procedures for segregation of duties and delegation of authority between the non-resident Country Director and the Head of Office, which clarified responsibilities for purposes of accountability. Finally, it maintained strong relationships with donors and Implementing Partners, which in turn increased the resources available for programme implementation and elevated the Organization's visibility and strategic positioning as a trusted development partner in the country.

7.   The audit provided recommendations to address the following issues: (a) inadequate risk management practices; and (b) lack of independent programme monitoring.

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[1] Source: QuantumPlus Power BI Account Activity Analysis report.

[2] See complete set of definitions in Annex 1.

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

Audit ratings by key audit area		
Office Governance		**Satisfactory**
Office management		*Satisfactory*
Organizational structure and staffing		*Satisfactory*
Risk management		*Satisfactory*
Programme Management		**Satisfactory**
Programme planning and implementation		*Satisfactory*
Implementing Partner management		*Satisfactory*
Programme supplies management		*Not assessed*
Management of non-core funding		*Satisfactory*
Operations Management		**Satisfactory**
Human resources management		*Satisfactory*
Procurement		*Satisfactory*
Financial management		*Satisfactory*
General administration		*Satisfactory*
Information and Communication Technology		*Not assessed*
Staff safety and security management		*Satisfactory*

Good practices identified

9.   The Office developed standard operating procedures for segregation of duties and delegation of authority between the non-resident Country Director and the Head of Office, which clarified responsibilities for purposes of accountability.

10.   In addition, the Office maintained strong relationships with donors and Implementing Partners and established good relations and cooperation with the United Nations Country Team, where it participated in joint programmes as One United Nations in Belarus. This increased the resources available for programme implementation and elevated the Organization's visibility and strategic positioning as a trusted development partner in the country.

11.   Finally, the Office demonstrated a high level of compliance with applicable policies and procedures in the Operations Management and ensured segregation of duties in executing all procedures despite having a limited number of staff.

Key recommendations Total **= 2,** high priority = **Nil**

12.   The audit did not result in any high priority recommendations (i.e. where failure to act could have resulted in critical or major consequences for the Organization).

Implementation status of previous OAIS recommendations
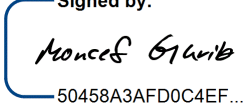
13.   The Office had not been recently audited by OAIS or the United Nations Board of Auditors.

Management comments and action plan

14.   Management has accepted all recommendations in the report and commenced their implementation.

Acknowledgement

15.   The OAIS team would like to thank the Management and personnel of the Office, the Eastern Europe and Central Asia Regional Office, and various Headquarter units for their cooperation and assistance throughout the audit.

Signed by:

Moncef Ghrib

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Moncef Ghrib
Director
Office of Audit and Investigation Services

I. AUDIT BACKGROUND

1.   Belarus is an upper-middle-income country with a population of approximately 9.5 million.[3] The country's Human Development Index value for 2022 was 0.801 - placing it in the very high human development category, with a rank of 69 out of 193 countries and territories.[4] The maternal mortality ratio in Belarus was low at one death per 100,000 live births in 2020, and the unmet need for family planning for all women aged 15-49 at 11 per cent in 2024. The modern method contraceptive prevalence rate for women aged 15-49 was 47 per cent in 2024. At 5 per cent in 2023, the country's prevalence rate of child marriage (i.e., married by age 18) was well below the regional average of 10 per cent.[5] Belarus had a Gender Inequality Index value of 0.096 in 2022.[6] Belarus is classified as a Tier III programme country in the UNFPA Strategic Plan 2022-2025,[7] and did not receive programme supplies, as it was not classified as a priority country under the UNFPA Supplies Partnership programme.

2.   As set forth in the 2025 OAIS Annual Workplan, an audit of the UNFPA Country Office in Belarus was conducted in conformance with the Global Internal Audit Standards 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, management of Implementing Partners (IP) and non-core funds; and
   c) Operations Management – Human resources management, procurement, financial management, general administration, and staff safety and security management.

3.   The audit included such tests, as considered appropriate, to obtain reasonable assurance with regards 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 engagement was conducted remotely and, therefore, the audit procedures undertaken may have been impacted by the following:

   a) The audit team relied on scanned copies of documents provided by the Office;
   b) Meetings with Office staff and personnel were carried out virtually;
   c) Project visits (i.e., implementation site visits and in-person meetings with partners, and beneficiaries) were not conducted; and
   d) Physical verifications of assets were not performed.

5.   The audit covered activities conducted by the Office from 1 January to 31 December 2024, which corresponded to the fourth year of the third Country Programme cycle 2021–2025, approved by the Executive Board in its second regular session of 2020, with indicative resources of $5.52 million.

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[3] Source: https://www.unfpa.org/data/world-population/BY

[4] Source: https://hdr.undp.org/sites/default/files/2023-24_HDR/HDR23-24_Statistical_Annex_HDI_Table.xlsx

[5] Source: https://www.unfpa.org/data/world-population/BY

[6] Source: https://hdr.undp.org/sites/default/files/2023-24_HDR/HDR23-24_Statistical_Annex_GII_Table.xlsx

[7] Tier III comprises programme countries that have met at least two of the strategic plan's three transformative results.

6.   Expenses covered by the audit amounted to $1.56 million, executed by UNFPA ($1.35 million or 87 per cent) and two IPs ($0.21 million or 13 per cent), and were funded from core resources ($0.53 million or 34 per cent) and non-core resources ($1.03 million or 66 per cent).

7.   Approximately 42 per cent of the expenses incurred in the period under review related to the UNFPA Strategic Plan's "Gender and Social Norms" output. The "Population Change and Data" output accounted for 23 per cent while the "Quality of Care and Services" output accounted for 19 per cent. The remaining 16 per cent comprised costs funded from the institutional budget and programme coordination and assistance expenses not allocated to any of the mentioned thematic areas.[8]

8.   The UNFPA Office in Belarus is in the capital city of Minsk. During the period under review, the Office was managed by a non-resident Country Director, assisted by a Head of Office. The Office had 17 personnel – one international professional post, four national professional posts, four general service posts, and eight individual consultants.

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[8] Source: QuantumPlus Power BI Account Activity Analysis report.

II. AUDIT RESULTS

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

A. OFFICE GOVERNANCE	**SATISFACTORY**

10.   The Office developed a standard operating procedures for segregation of duties and delegation of authority between the non-resident Country Director and the Head of Office for efficient management of the Office, which clarified responsibilities for purposes of accountability.

A.1 – OFFICE MANAGEMENT	**SATISFACTORY**

11.   Audit work performed in this area included a review of the: (a) Office's results planning process in 2024; (b) relevance of the 2024 annual management plans, and the level of implementation of activities in the period covered; (c) alignment of the 2024 performance plans of key personnel with Office priorities; (d) effectiveness of Management oversight of programme delivery and operational activities; (e) accuracy of the 2024 Office annual report data; and (f) level of familiarization of Office personnel with UNFPA policies and procedures.

12.   No reportable matters were identified based on the audit work performed.

A.2 – ORGANIZATIONAL STRUCTURE AND STAFFING	**SATISFACTORY**

13.   Audit work performed in this area included a review of the: (a) alignment of the organizational structure and personnel arrangements with Office programme delivery and operational activities; (b) use of proper personnel contractual modalities; (c) effectiveness of the performance planning and appraisal process; and (d) relevance and sufficiency of staff development activities conducted during the period under review.

14.   No reportable matters were identified based on the audit work performed.

A.3 – RISK MANAGEMENT	**SATISFACTORY**

Issue 1   Inadequate risk management practices

15.   All global, regional, and country programmes are subject to a risk assessment at the time they are developed, regardless of the resource amounts involved. Further, applicable policy[9] 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.

16.   The Office commenced its third Country Programme cycle (CP3) in January 2021 without conducting a risk assessment as mandated by applicable policy. The last risk assessment was completed in 2019, under the umbrella of the corporate ERM process, using the related functionality provided by the "myRisks" application in the Strategic Information System.

17.   Subsequently, in 2024, the Office documented assessed risks in an electronic spreadsheet, with strategic risks assessed such as the risk of being unable to attract new or non-traditional donors, significant or consistent delay or disruption of operational services, and high reliance on static or few implementing partners being assessed as 'high'. However, it did not prepare a risk response plan to mitigate the identified risks nor did it conduct a fraud risk assessment.

18.   Further, the Office's risk profile evolved due to a transition from the legacy enterprise resource planning system (Atlas) to the current QuantumPlus,[10] changes in the political environment, and a

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[9] Enterprise Risk Management, April 2022.

[10] QuantumPlus is the Integrated Results and Resources Management platform, linked to Quantum (the UNFPA ERP system) for bidirectional real-time data exchange.

requirement to conduct risk assessments when developing new country programmes. Office Management was expected to document risk response strategies to these changes, including those related to fraud, in the applicable corporate tool, but did not.

ROOT CAUSE	*Guidance: inadequate supervision at the Country Office level (inadequate supervisory controls to ensure implementation of the enterprise risk management policy, including providing the required updates to the Office's risk profile and documentation of risk response strategies).*
IMPACT	*The Office's ability to timely develop and implement appropriate risk response strategies to address residual risks is diminished and risk-informed decision-making is weakened.*
CATEGORY	*Strategic.*

Recommendation 1	Priority: Medium
Enhance the supervisory controls for effective implementation of the enterprise risk management policy and other applicable guidance. This should include conducting a fraud risk assessment, revising the Office's risk profile, and developing risk response strategies to address the identified risks using the corporate Enterprise Risk Management tool.	

Manager Responsible for Implementation: Country Director.

Status: *Agree.*

Management action plan:

Given the uncertainty of the country's context and the recent transition from the legacy system (Atlas) to Quantum and QuantumPlus, Office Management will, using the corporate Enterprise Management tool, make risk management a key priority. The Office will develop a risk response strategy that will:

- Document all the necessary supervisory controls;
- Incorporate, a regular basis, the risk response measures taken by the Office for implementing the enterprise risk management policy; and
- Incorporate fraud risk assessment and measures for responding to identified fraud risk.

Estimated completion date: *February 2026.*

B.	PROGRAMME MANAGEMENT	SATISFACTORY

19. The Office maintained strong relationships with donors and IPs and established good relations and cooperation with the United Nations Country Team, participating in several joint programmes as One United Nations in Belarus. These efforts contributed to increased resources for programme implementation and enhanced the visibility and strategic positioning of UNFPA as a trusted development partner in the country.

B.1 – PROGRAMME PLANNING AND IMPLEMENTATION	SATISFACTORY

Issue 2 Lack of independent programme monitoring

20. The UNFPA Internal Control Framework[11] outlines that the effective application of internal controls relies on three cascading levels of controls, as defined in the three lines model. The model defines the first line as "front line" personnel and operational managers responsible for managing risks and implementing controls, the second line as functions that provide "oversight" support, expertise and monitoring roles, and

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[11] UNFPA Internal Control Framework (ICF), revised 2016

the third line as internal audit, which provides independent assurance. To establish an effective control environment, the roles of front-line management and of the oversight function need to be clearly defined and separate.

21.   The Office's programme monitoring process played a key role in promoting objective programme monitoring, and reporting throughout CP3. Monitoring and evaluation (M&E) reports were available for activities included in the 2024 M&E plans. However, thematic programme heads and programme analysts/specialists not only carried out implementation of programmatic activities but were involved in or led their monitoring. Similarly, programme activities implemented through IPs were monitored by the same focal points responsible for managing the IPs.

22.   As a result, thematic programme heads and IP focal points were essentially responsible for reviewing their own work, which compromised the objectivity and independence of programme oversight due to inherent role conflicts. The Office attributed the situation to a lean staffing structure. However, in OAIS' view, the role conflicts could have been mitigated even within the existing Office organizational structure through, for instance, clear role definitions, segregation of duties, and enhanced accountability.

ROOT CAUSE	*Guidance: inadequate supervision at the Country Office level (inadequate segregation of duties in the Office's monitoring activities to ensure the independence of programme oversight activities).*
IMPACT	*The Office's ability to objectively and reliably measure results and assess the achievement of expected results is diminished.*
CATEGORY	*Operational.*

Recommendation 2	**Priority: Medium**
Resolve the existing role conflicts for personnel involved in programme implementation and the Office's monitoring functions through measures such as segregation of duties, clear role definitions and enhanced accountability.	

Manager Responsible for Implementation: Country Director.

Status: *Agree.*

Management action plan:

The Office is committed to enhancing the objectivity of its programme monitoring and strengthening the independence of oversight by taking the following actions:

  (a) Engaging programme and operational staff members other than those responsible for the monitored thematic portfolio in conducting monitoring visits and updating the Office's annual monitoring and evaluation plan and calendar; and
  (b) Updating the monitoring and evaluation calendar to include regular meetings with Implementing Partners and stakeholders to share the results of the independent monitoring activities.

Estimated completion date: *March 2026.*

B.2 – IMPLEMENTING PARTNER MANAGEMENT	**SATISFACTORY**

23.   Audit work performed in this area included a review of: (a) IP selection and capacity assessment processes; (b) existence of appropriate IP agreements; (c) controls implemented for the review, authorization, and processing of requests for funds and expense reports submitted by IPs through Funding Authorization and Certificate of Expenditure (FACE) forms; (d) controls implemented over the Operating Fund Account, used to record and control funds advanced to IPs; and (e) the process followed to monitor the activities of IPs engaged by the Office in the period under review.

24.   The audit team also held meetings with selected IPs to develop an understanding of: (a) their overall control environment pertaining to UNFPA-funded programme activities; (b) controls over financial transactions for significant expense categories; (c) processes followed for the preparation and authorization of FACE forms and workplan progress reports submitted to UNFPA; and (d) safeguarding and use, for intended purposes, of assets provided by the Office. The audit procedures undertaken included inquiries about IPs' work experience with UNFPA, in terms of support received, monitoring undertaken, quality and frequency of communications, and barriers or factors that could impact the effectiveness of programme implementation.

25.   Based on the work performed in this area, the audit identified some low-risk issues that were reported to Management in a separate memorandum.

B.3 – PROGRAMME SUPPLIES MANAGEMENT	**NOT ASSESSED**

26.   The Office did not procure, receive, or distribute programme supplies during the period under review. Therefore, the area was not included in the audit scope.

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

27.   Audit work performed in this area included tests of compliance with donor financing agreement requirements, interviews with donors, and review of donor reports for timeliness and compliance.

28.   Based on the work performed in this area, the audit identified some low-risk issues that were reported to Management in a separate memorandum.

C. OPERATIONS MANAGEMENT	**SATISFACTORY**

29.   The Office demonstrated a high level of compliance with applicable policies and procedures in the Operations Management and ensured segregation of duties in executing all procedures despite having a limited number of staff.

C.1 – HUMAN RESOURCES MANAGEMENT	**SATISFACTORY**

30.   Work performed in this area included testing of hiring processes for a sample of six Office staff for linkage to the corresponding workplans; compliance with applicable policies and procedures; and operating effectiveness of controls in the areas of: (a) recruitment; (b) contract award; (c) contract management; and (d) the Office's leave management.

31.   No reportable matters were identified based on the audit work performed.

C.2 – PROCUREMENT	**SATISFACTORY**

32.   Work performed in this area included testing of a sample of 12 procurement transactions executed by the Office for linkage to procurement plans and corresponding workplans, compliance with applicable policies and procedures, and operating effectiveness of controls in the areas of: (a) appropriate approvals and segregation of duties; (b) vendor selection; (c) contract award; (d) contract management; and (e) accurate recording of transaction amounts.

33.   No reportable matters were identified based on the audit work performed.

C.3 – FINANCIAL MANAGEMENT	**SATISFACTORY**

34.   Work performed in this area included a review of the: (a) financial management capacity of the Office; (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 receivable, accounts payable and payments processes (e) value-added tax control arrangements in place; (f) budget management process; and (g) effectiveness of the financial management accountability arrangements.

35.   No reportable matters were identified based on the audit work performed.

C.4 – **GENERAL ADMINISTRATION**	**SATISFACTORY**

36.   Work performed in this area focused on the asset management and travel management processes. The audit included a walk-through of these processes and testing of a sample comprising of five asset-related and eight travel-related transactions to assess the appropriateness of business purpose, compliance with policies and procedures, and operating effectiveness of controls.

37.   No reportable matters were identified based on the audit work performed.

C.5 – **INFORMATION AND COMMUNICATION TECHNOLOGY**	**NOT ASSESSED**

38.   The area was assessed as low risk during the audit and was therefore not tested.

C.6 – **SAFETY AND SECURITY MANAGEMENT**	**SATISFACTORY**

39.   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) familiarity of Office Management and staff with their respective safety and security responsibilities and applicable guidelines; (d) the timeliness of security advisories to Office staff and contract personnel; (e) the Office's security, contingency, building and medical evacuation plans; (f) the timeliness of security incident reporting to the United Nations Department of Safety and Security (UNDSS); and (g) the existence of a dedicated security focal person.

40.   In addition, the audit team made inquiries to the local UNDSS office about its relations with UNFPA, including the level of active engagement by Office Management in the Security Management Team.

41.   No reportable matters were identified based on the audit work performed.

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,[12] are explained below:

▪ **Satisfactory**	🟩	The assessed governance arrangements, risk management practices and controls were adequately designed and operating effectively to provide reasonable assurance that the objectives of the audited entity/area should be achieved. The issue(s) and improvement opportunities identified, if any, did not affect the achievement of the audited entity or area's objectives.
▪ **Partially satisfactory with some improvement needed**	🟨	The assessed governance arrangements, risk management practices and controls were adequately designed and operating effectively but needed some improvement to provide reasonable assurance that the objectives of the audited entity/area should be achieved. The issue(s) and improvement opportunities identified did not significantly affect the achievement of the audited entity/area objectives. Management action is recommended to ensure that identified risks are adequately mitigated.
▪ **Partially satisfactory with major improvement needed**	🟧	The assessed governance arrangements, risk management practices and controls were generally established and functioning but need major improvement to provide reasonable assurance that the objectives of the audited entity/area should be achieved. The issues identified could significantly affect the achievement of the objectives of the audited entity/area. Prompt management action is required to ensure that identified risks are adequately mitigated.
▪ **Unsatisfactory**	🟥	The assessed governance arrangements, risk management practices and controls were not adequately established or functioning to provide reasonable assurance that the objectives of the audited entity/area should be achieved. The issues identified could seriously compromise the achievement of the audited entity or area's objectives. Urgent management action is required to ensure that the identified risks are adequately mitigated.

B. CATEGORIES OF ROOT CAUSES AND AUDIT ISSUES

Guidelines: Absence of written procedures to guide staff in performing their functions

- ▪ Lack of or inadequate corporate policies or procedures
- ▪ Lack of or inadequate Regional and/or Country Office policies or procedures
- ▪ Inadequate planning
- ▪ Inadequate risk management processes
- ▪ Inadequate management structure

Guidance: Inadequate or lack of supervision by supervisors

- ▪ Lack of or inadequate guidance or supervision at the Headquarters and/or Regional and Country Office level
- ▪ Inadequate oversight by Headquarters

Resources: Insufficient resources (funds, skills, staff) to carry out an activity or function:

- ▪ Lack of or insufficient resources: financial, human, or technical resources
- ▪ Inadequate training

Human error: Un-intentional mistakes committed by staff entrusted to perform assigned functions

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[12] 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

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
CP3	The third Country Programme cycle 2021-2025
ERM	Enterprise Risk Management
FACE	Funding Authorization and Certificate of Expenditure
ICF	Internal Control Framework
IIA	The Institute of Internal Auditors
IP	Implementing Partner
M&E	Monitoring & Evaluation
OAIS	Office of Audit and Investigation Services
QuantumPlus	UNFPA Enterprise Resource Planning system
UNDSS	United Nations Department of Safety and Security
UNFPA	United Nations Population Fund
US$	US dollars