



2 April 2025

## **Annex 3**

### **Summary of common high and medium-risk issues noted in the 2024 audit reports**

### **Report of the Office of Audit and Investigation Services on UNFPA internal audit and investigation activities in 2024**

**(DP/FPA/2025/6)**

**Agenda item 3: UNFPA – Internal audit and investigation**

Executive Board of UNDP, UNFPA, and UNOPS

Annual session 2025

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New York

### Annex 3: Summary of common high and medium-risk issues noted in the 2024 audit reports

Issue	Root cause	Recommendation	# of Countries /BUs where issue was noted
<b>Governance:</b>			
Organizational structure and staffing arrangements may be misaligned or not be optimized for programme delivery and operations.	<ul style="list-style-type: none"> <li>Guidelines: inadequate planning.</li> <li>Guidance: inadequate supervision at the Headquarter, Regional and Country Office levels.</li> </ul>	<ul style="list-style-type: none"> <li>Country offices should conduct timely comprehensive reviews of their organizational structures and staffing arrangements, finalize and submit, for review and approval, the human resource realignment plan and restructuring proposals to align them to programme delivery and operational requirements in new programme cycles and expedite recruitment processes for vacant positions.</li> </ul>	15
Inadequate results planning and reporting.	<ul style="list-style-type: none"> <li>Guidance: inadequate supervision at the office level.</li> <li>Resources: inadequate human resources.</li> </ul>	<ul style="list-style-type: none"> <li>Train personnel involved in results planning, monitoring, and reporting on policy requirements, and strengthen existing quality assurance review processes to ensure the formulation of quality results plans and improve monitoring and reporting.</li> </ul>	14
Inadequate risk management processes.	<ul style="list-style-type: none"> <li>Guidance: inadequate supervision at the Headquarter, Regional and Country Office levels.</li> </ul>	<ul style="list-style-type: none"> <li>Country offices should undertake a risk assessment of their offices and improve the risk management practices by actively tracking and managing risks identified and the corresponding risk response measures using the corporate Enterprise Risk Management tool, as required by applicable policy.</li> </ul>	7
Inadequate training of office personnel.	<ul style="list-style-type: none"> <li>Guidance: inadequate supervision at the office level.</li> </ul>	<ul style="list-style-type: none"> <li>Strengthen office personnel capacity by identifying skills capacity gaps, providing training in pertinent areas, and ensuring timely completion of mandatory corporate trainings.</li> </ul>	5
<b>Programme Management:</b>			
Ineffective management and oversight of implementing partners	<ul style="list-style-type: none"> <li>Guidelines: inadequate supervision at the office level.</li> </ul>	<ul style="list-style-type: none"> <li>Strengthen the implementing partner management process by using competitive methods for the selection of non-governmental organization implementing partners, conducting timely HACT assurance activities, enhancing programmatic and financial monitoring controls.</li> <li>Ensure implementing partner compliance with corporate requirements by implementing Protection from Sexual Exploitation and Abuse (PSEA) measures, registering partners in the UN Partner Portal, and training staff on relevant policies and requirements.</li> <li>Improve workplan management by developing rigorous review processes, establishing appropriate cash transfer modalities based on partner risk ratings, and ensuring timely follow-up on</li> </ul>	19

Issue	Root cause	Recommendation	# of Countries /BUs where issue was noted
		recommendations from spot-checks and audits.	
Inadequate programme planning, monitoring, and reporting.	<ul style="list-style-type: none"> <li>Guidance: inadequate supervision at the office level.</li> <li>Resources: inadequate human resources.</li> </ul>	<ul style="list-style-type: none"> <li>Strengthen programme planning, monitoring and reporting processes by training relevant staff on policy requirements and corporate guidance, creating annual results plans with clear output indicators, milestones and targets, developing detailed annual monitoring plans with defined responsibilities, aligning baselines and targets across systems, and implementing quality assurance controls to ensure compliance with these requirements.</li> </ul>	13
Weaknesses in the planning, assessment, management, distribution, and monitoring of programme supplies.	<ul style="list-style-type: none"> <li>Guidance: inadequate supervision at the office level.</li> <li>Resources: inadequate training.</li> <li>Resources: inadequate human resources.</li> </ul>	<ul style="list-style-type: none"> <li>Strengthen programme supplies management by conducting rigorous needs assessments and forecasting with stakeholders, training personnel on applicable policy and procedures, maintaining proper inventory records and tracking, implementing monitoring controls throughout the supply chain, and improving commodity storage conditions.</li> </ul>	12
Weaknesses in work planning, cost recovery, and financial management processes.	<ul style="list-style-type: none"> <li>Guidance: inadequate supervision at the office level.</li> <li>Resources: inadequate human and financial resources.</li> </ul>	<ul style="list-style-type: none"> <li>Strengthen work planning and financial management by establishing clear timelines and responsibilities for workplan preparation and approval, implementing operational review controls using policy recommended checklists, ensuring full cost recovery from non-core resources, and aligning output indicators between results and resources plans and workplans.</li> </ul>	11
Inadequate donor reporting.	<ul style="list-style-type: none"> <li>Guidance: inadequate supervision at the office level.</li> </ul>	<ul style="list-style-type: none"> <li>Strengthen supervisory controls to ensure timely implementation of planned activities, submission of donor reports, and effective coordination and communication with donors.</li> </ul>	6
<b>Operations Management:</b>			
Noncompliance with procurement procedures.	<ul style="list-style-type: none"> <li>Guidelines: inadequate supervision at the office level.</li> <li>Guidelines: inadequate training.</li> </ul>	<ul style="list-style-type: none"> <li>Enhance compliance with procurement procedures, particularly those related to the development of comprehensive procurement plans, proper documentation of receipt and inspection of goods using the correct policy-mandated reports and establishing long-term agreements for goods and services that are purchased on a regular basis to achieve best value for money.</li> </ul>	15
Inadequate controls over financial transactions and excessive use of cash payments.	<ul style="list-style-type: none"> <li>Guidelines: inadequate supervision at the office level.</li> <li>Guidelines: inadequate risk management process.</li> </ul>	<ul style="list-style-type: none"> <li>Strengthen financial controls through adherence to prescribed procedures for the execution and recording of advance payments, recording recoverable value added tax (VAT) amounts, identification and engagement of appropriate payment service providers for cash disbursements with enhanced monitoring mechanisms.</li> <li>Discontinue the use of manual purchase orders and ensure the utilization of purchase</li> </ul>	8

Issue	Root cause	Recommendation	# of Countries /BUs where issue was noted
		orders generated within the enterprise resource planning system.	
Inadequate human resources management.	<ul style="list-style-type: none"> <li>Guidance: inadequate supervision at the office level.</li> </ul>	<ul style="list-style-type: none"> <li>Enhance human resources management by ensuring timely contract signing, strengthening supervisory controls over recruitment and separation, documenting processes, training staff on policies, and obtaining necessary approvals.</li> </ul>	8
Inadequate asset management processes.	<ul style="list-style-type: none"> <li>Guidance: inadequate supervision at the office level.</li> </ul>	<ul style="list-style-type: none"> <li>Enhance asset management by improving supervisory controls, ensuring timely and comprehensive recording of asset movements, reconciling physical counts with Asset Management module records, taking prompt corrective actions, and training staff on policy compliance.</li> </ul>	5
Noncompliance with travel policy and procedures.	<ul style="list-style-type: none"> <li>Guidance: inadequate supervision at the office level.</li> </ul>	<ul style="list-style-type: none"> <li>Enhance compliance with UNFPA travel policy by raising staff awareness, strengthening supervisory controls, ensuring timely submission and approval of travel claims and reports, securing prior approvals for deviations, and refunding advances for uncompleted trips.</li> </ul>	4
Limited use of corporate Integrated Document Management Solution.	<ul style="list-style-type: none"> <li>Guidance: inadequate supervision at the office level.</li> </ul>	<ul style="list-style-type: none"> <li>Country offices should improve their document management process by training personnel on the use of the corporate Integrated Document Management Solution and establish supervisory controls to monitor compliance with corporate requirements for document management.</li> </ul>	3