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**OFFICE OF AUDIT AND INVESTIGATION SERVICES**

**AUDIT  
OF THE UNFPA COUNTRY OFFICE IN  
ANGOLA**

**FINAL REPORT**  
No IA/2024-25

**30 December 2024**

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## EXECUTIVE SUMMARY

1. The Office of Audit and Investigation Services (OAIS) conducted an audit of the UNFPA Country Office in Angola (the Office). An audit field mission took place from 24 June to 12 July 2024. 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, programme supplies, and non-core funding; and
- c) Operations Management – Human resources management, procurement, financial management, general administration, information and communication technology, and staff safety and security management.

2. The audit covered activities conducted from 1 January 2023 to 31 March 2024, which corresponded to the fourth year of the eighth Country Programme<sup>1</sup>, approved by the Executive Board in its second regular session of 2019, with indicative resources of US\$8.7 million, and the first quarter of the ninth Country Programme, approved by the Executive Board in its second regular session of 2023, with indicative resources of \$25.6 million.

3. Expenses covered by the audit amounted to \$10.3 million, executed by 10 Implementing Partners (\$2.2 million or 21 per cent) and UNFPA (\$8.1 million or 79 per cent), and were funded from core resources (\$6.6 million or 64 per cent) and non-core resources (\$3.7 million or 36 per cent).<sup>2</sup> In addition, the audit covered the supply of reproductive health commodities totalling \$2.7 million<sup>3</sup>, procured primarily with funding provided by the UNFPA Supplies Partnership programme.<sup>4</sup>

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

### Overall audit rating

5. OAIS issued an overall audit rating for the Office of **“Partially Satisfactory with Some Improvement Needed”**,<sup>5</sup> which means that 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 issues and improvement opportunities identified did not significantly affect the achievement of the audited entity/area objectives. Management action is recommended to ensure that the identified risks are adequately mitigated.

6. The audit provided recommendations to address the following issues: (a) inadequate country programme results planning, monitoring and reporting; (b) misalignment between staff Career and Performance Management goals and the Office’s results plan; (c) inadequate risk management practices; (d) inadequate workplan management process; (e) gaps in the management of programme supplies; and (f) deficiencies in the management of non-core resources.

<sup>1</sup> Eighth Country Programme 2020-2022 was extended to December 2023 to harmonize it with the national development planning cycles.

<sup>2</sup> Source: QuantumPlus+ Power BI Account Activity Analysis report.

<sup>3</sup> Source: Cognos Inventory Issuance Report and Cognos Status Report.

<sup>4</sup> The Country was included in the UNFPA Supplies Partnership programme starting from 2023.

<sup>5</sup> See complete set of definitions in Annex 1.

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

Audit ratings by key audit area		
<b>Office Governance</b>		<b>Some improvement needed</b>
<i>Office management</i>		<i>Some improvement needed</i>
<i>Organizational structure and staffing</i>		<i>Some improvement needed</i>
<i>Risk management</i>		<i>Major improvement needed</i>
<b>Programme Management</b>		<b>Some improvement needed</b>
<i>Programme planning and implementation</i>		<i>Major improvement needed</i>
<i>Implementing Partner management</i>		<i>Satisfactory</i>
<i>Programme supplies management</i>		<i>Some improvement needed</i>
<i>Management of non-core funding</i>		<i>Some improvement needed</i>
<b>Operations Management</b>		<b>Satisfactory</b>
<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 management</i>		<i>Satisfactory</i>

**Good practices identified**

8. The Office engaged effectively with other United Nations organizations and played a key role in inter-agency coordination, thus fostering and sustaining positive partnerships with other organizations in Angola.

**Key recommendations Total = 6; high priority = 3**

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

*Strategic level*

10. The Office should undertake a risk assessment, assigning appropriate risk ratings in accordance with the materiality and complexity of the assessed areas, and strengthen its risk management by assigning responsibilities, and actively tracking and managing the risks identified along with the corresponding risk response measures using the corporate Enterprise Risk Management tool, as required by applicable policy.

*Operational level*

11. The Office should strengthen its workplan management process by: (a) aligning output indicator baselines and targets in the Results and Resources Plan with all the workplans; and (b) implementing supervisory controls to ensure compliance therewith.

12. The Office needs to enhance its programme supplies management by: (a) specifying in Implementing Partner workplans, the required detail on programme supplies, including their estimated values, intended use, and activities to be undertaken by the Implementing Partners to ensure that the items are used for the intended purposes; (b) conducting regular monitoring activities for programme supplies, including undertaking Last Mile Assurance activities; and (c) establishing rigorous management oversight thereof.

**Implementation status of previous OAIS recommendations**

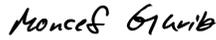
13. The Office was last audited by OAIS in 2010.<sup>6</sup> All recommendations arising from the audit were fully implemented and closed. The Office was also audited by the United Nations Board of Auditors in 2017, and all the Board's recommendations were fully implemented and closed.

**Management comments and action plan**

14. Management accepted all recommendations in the report and has commenced their implementation. Some of the recommendations and action plans will be addressed in close collaboration and coordination with the East and Southern Africa Regional Office and relevant units at Headquarters. Comments and/or additional information provided have been incorporated in the report, where appropriate. The Office expressed appreciation for the work of OAIS and the inclusiveness of the audit process.

**Acknowledgement**

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

Signed by:  
  
50458A3AFD0C4EF...  
Moncef Ghrib  
Director  
Office of Audit and Investigation Services

<sup>6</sup> Report Number No AGO101 issued on 11 August 2010 with an 'Unsatisfactory' rating.

## I. AUDIT BACKGROUND

1. Angola is an extensive country located in the southwest of Africa with an area of 1,247 million square km, subdivided into 18 provinces, 164 municipalities and 559 communes. It is bordered by Namibia, Botswana, Zambia and the Democratic Republic of Congo and by the Atlantic Ocean to the west. Angola has an estimated population of 37.8 million in 2024, of which 51 per cent are female and 64 per cent live in urban areas.<sup>7</sup> The country ranked 150 out of 191 countries and territories on the Human Development Index for 2022, and 133 on the Gender Inequality Index in the same year.<sup>8</sup> In 2020, the maternal mortality ratio was at 222 deaths per 100,000 live births. In 2024, the contraceptive prevalence rate for all women (any method) aged 15-49 was 17 per cent, and the unmet need for family planning was 26 per cent.<sup>9</sup> Angola is classified as a Tier I programme country in the UNFPA Strategic Plan 2022-2025<sup>10</sup>, and is a priority country for the UNFPA Supplies Partnership Programme.

2. As set out in the 2024 OAI Annual Work Plan, an audit of the UNFPA Country Office in Angola was conducted in conformance with the International Standards for the Professional Practice of Internal Auditing (promulgated by the IIA), which requires that internal auditors plan and perform the audit to obtain reasonable assurance on the adequacy and effectiveness of the governance, risk management and internal control processes in place. The audit aimed to assess the adequacy and effectiveness of the governance, risk management and controls relating to the following areas:

- a) Office Governance – Office management, organizational structure and staffing, and risk management;
- b) Programme Management – Programme planning and implementation, and the management of Implementing Partners (IP), programme supplies, and non-core funds; and
- c) Operations Management – Human resources management, procurement, financial management, general administration, information and communication technology, and staff safety and security management.

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

- a) Effectiveness and efficiency of 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 and policies and procedures; and
- e) Reliability of the Office's financial and operational reporting.

4. The audit covered activities conducted from 1 January 2023 to 31 March 2024, which corresponded to the fourth year of the eighth Country Programme<sup>11</sup>, approved by the Executive Board in its second regular session of 2019, with indicative resources of \$8.7 million, and the first quarter of the ninth Country Programme, approved by the Executive Board in its second regular session of 2023, with indicative resources of \$25.6 million.

5. Expenses covered by the audit amounted to US\$10.3 million, executed by 10 IPs (\$2.2 million or 21 per cent), and by UNFPA (US\$8.1 million or 79 per cent), and were funded from core resources (\$6.6 million or 64 per cent) and non-core resources (\$3.7 million or 36 per cent). In addition, the audit covered the supply of reproductive health commodities totalling \$2.7 million<sup>12</sup>, procured primarily with funding provided by the UNFPA Supplies Partnership programme.<sup>13</sup>

<sup>7</sup> Source <https://www.unfpa.org/data/world-population/AO>.

<sup>8</sup> Source <https://hdr.undp.org/system/files/documents/global-report-document/hdr2023-24reporten.pdf>.

<sup>9</sup> Source <https://www.unfpa.org/data/world-population/AO>.

<sup>10</sup> Tier I comprises programme countries that have not achieved any of the strategic plan's three transformative results.

<sup>11</sup> Eighth Country Programme 2020-2022 was extended to December 2023 to harmonize it with the national development planning cycles.

<sup>12</sup> Source Cognos Inventory Issuance Report and Cognos Status Report

<sup>13</sup> The Country was included in the UNFPA Supplies Partnership programme starting from 2023.

6. Approximately 32 per cent of the expenses incurred in the period under review corresponded to the UNFPA Strategic Plan output 'Quality of Care and Services'. The 'Policy and Accountability' output accounted for 24 per cent, the 'Adolescence and Youth' output for 22 per cent, the 'Humanitarian Action' output for eight per cent, the 'Gender and Social Norms' output for seven per cent, and the 'Population Change and Data' output for the remaining seven per cent.

7. The UNFPA Office in Angola is in the capital city of Luanda. During the period under review, the Office was managed by a Resident Representative assisted by an Assistant Representative and an International Operations Manager. The Office's human resources consisted of 31 positions, including one permanent appointment, 16 fixed-term appointments, three Service Contract holders, five Individual Consultants, and six United Nations Volunteers.

## II. AUDIT RESULTS

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

### A. OFFICE GOVERNANCE

**SOME IMPROVEMENT NEEDED**

9. The Office engaged effectively with other United Nations organizations and played a key role in inter-agency coordination, thus fostering and sustaining positive partnerships with other organizations in Angola.

### A.1 – OFFICE MANAGEMENT

**SOME IMPROVEMENT NEEDED**

#### **Issue 1** Inadequate country programme results planning, monitoring, and reporting

*Absence of a framework to facilitate multi-year programme planning*

10. Applicable policy<sup>14</sup> requires that the Results and Resources Framework (RRF) of the Country Programme Document (CPD) be further detailed through an operational multi-year programme plan that breaks down the high-level results of the CPD into a lower-level, more manageable results formulation, including annual output indicator targets. The annual output indicator targets should then be entered into the Results and Resources Plan (RRP) in QuantumPlus+<sup>15</sup> to monitor and report programme results, as well as setting out the deliverables expected from workplans.

11. The Office did not prepare an operational multi-year programme plan of the RRF. Consequently, there was an absence of a framework to break down the CPD output indicators into annualized targets and quarterly milestones to support programme planning, monitoring, and reporting.

12. OASIS' review of the output indicators included in the Office's annual reports and those of the eighth CPD (CP8), revealed inconsistencies between the two documents. The achievement of the CP8 output indicators could not be tracked progressively through the annual reports in the corporate tool. For example, the annual report for the first year of CP8 (2020) had only 12 of the 15 CPD output indicators; and the annual report for the last year of CP8 (2023) had no output indicators linked to the CPD.

13. Review of the annual reports indicated instances where CPD milestones were used as output indicators in the annual reports. For instance, the 2023 annual report had the following milestones included as output indicators – "*Number of new Youth Friendly Health Services created*"; "*Investment Cases? on Family Planning finalized*"; and "*Number of health providers at provincial level trained on Family Planning*" – instead of the CP8 output indicator – "*Percentage of additional users of family planning for adolescent girls aged 15-19 years in focus provinces*". Consequently, the overall achievement of the CP8 output indicator targets could not be established. (QA Note: Inconsistent capitalization of quoted output indicator titles in paras. 13 and 17. Please check source documents to ensure they are correctly quoted)

*Unsupported output indicator baselines and targets*

14. Applicable guidance<sup>16</sup> requires that output indicators have well-defined measurable/quantifiable baselines and targets based on available data and previous results.

15. There were output indicator baselines and targets in the ninth Country Programme Document (CP9) that were not supported by the available data. For example, CP9 output indicator "*Number of public health facilities in focus provinces providing high-quality adolescent- and youth-friendly integrated sexual and reproductive health services*" had a baseline of 120 and a target of 300, while the same output indicator in CP8 had a baseline of 8 and a target of 15 and was not reported in the Office's 2023 annual report.

<sup>14</sup> UNFPA Policy and Procedure for Development and Approval of the Country Programme Document.

<sup>15</sup> Quantum+ - the corporate results planning and reporting tool.

<sup>16</sup> UNFPA Country Programme Review and Approval – Guidance Note

16. Similarly, the output indicator "Percentage of central municipalities in focus provinces providing basic and comprehensive emergency obstetric care" had baselines of 50 per cent for Basic Emergency Obstetric and Newborn Care (BEmONC), and 10 per cent for Comprehensive Emergency Obstetric and Newborn Care (CEmONC), in both CP8 and CP9. However, the documentation available did not support these baselines values.

17. Additionally, the Office used a binary unit of measurement (yes/no) where numeric units of measurement were required in its annual report. For example, the output indicators: "Number of BEmONC and CEmONC Studies carried out"; "Number of the Gender equality observatory Platform and Advocacy with the line Ministries to sign off and launched"; and "Number of desk reviews conducted to identify the gaps in terms of gender responsiveness in policies and Laws", were all assigned (yes/no) targets, instead of numeric targets.

*Inadequate disaggregation of output indicators into milestones*

18. Applicable policy<sup>17</sup> recommends that country offices include a detailed list of main milestones, activities or groups of activities (interventions), together with annualized baselines, quarterly targets and resources for each output as a basis for programme design.

19. OAIS' review of the 2024 RRP revealed that 10 out of the 22 output indicators included therein were repeated as the only milestones and targets. This posed a challenge in the disaggregation and distribution of responsibilities among Implementing Agencies/Partners (where there were more than one contributor) during planning and results measurement, and aggregation when reporting, as noted in paragraphs 30 and 31 below.

ROOT CAUSE	<i>Guidance: Inadequate supervision at the Office level (Inadequate oversight of results planning, monitoring, and reporting processes).</i>
IMPACT	<i>Inadequate programme planning, monitoring, and reporting diminishes the Office's ability to achieve expected results and increases the risk of inaccuracies in the reporting process.</i>
CATEGORY	<i>Strategic.</i>

<b>Recommendation 1</b>	<b>Priority: Medium</b>
Strengthen the Office's results planning, monitoring and reporting processes by: (a) annualizing the Country Programme Document's output targets to ensure that the high-level results of the Country Programme Document are broken down into manageable outcomes; (b) aligning output indicator baselines and targets in the Country Programme Document and the Results and Resources Planning with the available supporting documentation; (c) formulating quality milestones and targets for each output indicator; and (d) implementing quality assurance controls over results planning, monitoring and reporting.	
Manager Responsible for Implementation: Representative	
Status: Agree	
<b>Management action plan:</b>	
The Office is committed to taking the following actions: (a) strengthening senior management and technical oversight of results planning, monitoring, and reporting processes to ensure output targets in the CP9 are annualized to enable the breakdown of high-level results into manageable outcomes; (b) aligning of output indicator baselines and targets in the CP9 with available supporting documentation; (c) formulating high-quality milestones and targets for each output indicator; (d) implementing robust quality assurance controls for results planning, monitoring and reporting; and (e) organizing training sessions for staff on results-based management to improve their competency in results planning, monitoring and reporting.	
<b>Estimated completion date:</b> June 2025	

<sup>17</sup> UNFPA Policy and Procedures for Development and Approval of Country Programme Documents

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

**SOME IMPROVEMENT NEEDED**

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

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

21. A review of the Office’s 2023 annual plan and report compared to individual CPM documents for a sample of six key staff members indicated instances of misalignment between five of the staff members’ CPM performance goals and their assigned annual output indicators in the 2023 Office Results and Resources Plan in QuantumPlus+. In the one instance where annual plan activities were included in the staff member’s CPM, it did not include the success criteria against which the performance was to be measured.

22. Office Management attributed the misalignment to new projects with their respective output indicators, and the failure to adjust staff members’ CPM documents with the updated annual plan.

ROOT CAUSE *Guidance: inadequate supervision at the Office level (Inadequate oversight of the accountability and responsibility assignment).*

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

CATEGORY *Operational.*

<b>Recommendation 2</b>	<b>Priority: Medium</b>
Ensure that staff members’ Career and Performance Management documents are aligned with the Office’s annual Results and Resources Plan in QuantumPlus+ and implement supervisory monitoring controls thereof.	
<u>Manager Responsible for Implementation:</u> Representative	
<u>Status:</u> Agree.	
<b>Management action plan:</b> Beginning with the 2025 Career and Performance Management development cycle, the Office will align staff members’ CPM documents with the Office’s planned results. Supervisors, with oversight of human resources and senior management, will ensure that all staff CPM documents explicitly include the annual output indicators outlined in the Office Results and Resources Plan.	
<b>Estimated completion date:</b> June 2025.	

**A.3 – RISK MANAGEMENT**

**MAJOR IMPROVEMENT NEEDED**

**Issue 3** Inadequate risk management practices

23. All global, regional, and country programmes are subject to a risk assessment at the time they are developed, regardless of their amount. Further, applicable policy<sup>18</sup> requires risk assessments for all business units that request programme extensions or commence new country programmes based on the corporate Enterprise Risk Management calendar.

24. The Office did not undertake a risk assessment at the extension of the eighth and commencement of the ninth Country Programmes. The Office completed its last risk assessment in 2020. Based on the last risk assessment, the Office identified one critical strategic risk, and three high strategic risks. However, the Office did not document and update a risk response plan to manage these risks. The Office stated that the risk management plans are no longer accessible from "myRisks,"<sup>19</sup> and they did not maintain offline copies to support active risk management and monitoring.

25. In addition, a review of the risk assessment prepared by the Office in 2020 indicated that the assigned strategic and fraud risks levels did not consider the environment in which programme delivery and operational activities took place. For example, despite the Office's strategy of relying on local field coordinators for the monitoring of humanitarian projects, and transfer of programme supplies to IPs, the following risks were assessed as being inherently low: "Risk of doing unintended harm to people and the environment by UNFPA supported programmes and donor projects executed by UNFPA" and "Risk of environmental (word missing?) and misuse of reproductive health commodities".

26. As noted in paragraph 21 above, key staff members' CPM documents did not include responsibility for risk management as well (para.21 does not state this). During the period under audit, there were multiple changes in personnel responsible for risk management, however, the changes were neither reflected in any risk management documents nor in the respective staff members' CPM.

ROOT CAUSE	<i>Guidance: Inadequate supervision at the Office level (inadequate oversight to ensure realistic assessments of risks, preparation and implementation of risk response plans, and allocation of risk management responsibilities).</i>
IMPACT	<i>The Office's ability to timely identify risks and develop appropriate response measures to address risks is diminished.</i>
CATEGORY	<i>Strategic.</i>

<b>Recommendation 3</b>	<b>Priority: High</b>
Undertake a risk assessment of the Office and assign appropriate risk ratings in accordance with the materiality and complexity of the assessed areas and strengthen risk management by actively tracking and managing the risks identified and assigning responsibilities for the corresponding risk response measures using the corporate Enterprise Risk Management tool, as required by applicable policy.	
<u>Manager Responsible for Implementation:</u> Representative	
<u>Status:</u> Agree	
<b>Management action plan:</b> The Office has completed the risk assessment and will formally integrate risk management responsibilities in staff Career and Performance Management plans for 2025.	
<b>Estimated completion date:</b> June 2025	

<sup>18</sup> Enterprise Risk Management, April 2022.

<sup>19</sup> The Enterprise Risk Management tool in the corporate Strategic Information System.

**B. PROGRAMME MANAGEMENT****SOME IMPROVEMENT NEEDED****B.1 – PROGRAMME PLANNING AND IMPLEMENTATION****MAJOR IMPROVEMENT NEEDED****Issue 4** Inadequate workplan management process

27. According to policy,<sup>20</sup> the workplan is the sole mechanism for budgeting and releasing programme funds. Therefore, all activities must be included in a work plan, and no funds can be spent without a valid, signed work plan. Workplans must derive from and contribute to global or regional initiatives, programme cycle outputs, and/or office-defined/management outputs.

28. A review of the 2024 Office RRP and related UNFPA and IP workplans indicated the following exceptions:

*Country programme output indicators assigned to IPs without a signed workplan with the Office*

29. There were country programme output indicators in 2024 RRP that were assigned to IPs that did not have a signed workplan with the Office. For example, three out of the five output indicators reviewed including: "Number of health providers trained on psychological support, including case management and PSEAH"; "Number of public health facilities in focus provinces providing high-quality adolescent- and youth-friendly integrated sexual and reproductive health services"; and "Percentage of designated health facilities (maternities/hospitals/health centres) in focus provinces that provide basic obstetric and neonatal care", were assigned to one IP, although a review of QuantumPlus+, revealed that at the time of the audit field mission, there was no signed workplan between the Office and the IP. Another output indicator: "Number of communities and leaders (traditional/religious) in the 73 targeted municipalities engaged in social norms change", with only one milestone: "Number of community leaders in 20 targeted municipalities fully engaged in social norms change discussions", was assigned to another IP which also did not have a signed workplan with the Office.

*Inadequate linkage between 2024 RRP output indicator targets and activities assigned to IPs*

30. There was no basis for distribution of RRP output indicator targets to activities assigned to IPs. Consequently, there were targets that were duplicated. For example, in the 2024 RRP, the Office included output indicators (repeated as milestones): "Number of Adolescents and Youths empowered with key information on SRHR and CSE" (with quarterly targets of 31,250); and "Number of new family planning users reached" (with quarterly targets of 62,500). A review of workplans for two IPs revealed that these RRP output indicators had been assigned to each of these IPs with the same respective quarterly targets as those in the 2024 RRP (i.e., 31,250 for the former and 62,500 for the latter output indicator). It was, therefore, challenging for the Office to track the status of the 2024 RRP output indicators.

*IP workplan deliverables not linked to the assigned output indicator*

31. The workplan of another IP included planned activities that were not linked to any of the 2024 RRP output indicators or associated milestones with relevant baselines and targets assigned to the IP. Specifically, the IP was assigned the output indicator: "Number of health providers trained on psychological support, including case management and PSEAH," although its planned activities related to, – "Adolescents and Youth in and out of school reached with integrated SRHR and CSE integrated services." Furthermore, review of the 2024 programme implementation progress reported in the RRP revealed that quarterly milestone targets under each of the output indicators were missed, as no activities had been planned and implemented by the IP.

<sup>20</sup> UNFPA Policy and Procedures for Preparation, Management and Monitoring of Workplans.

ROOT CAUSE	<i>Guidance: Inadequate supervision at the Office level (Inadequate programme planning and oversight to ensure compliance with the workplan management policy).</i>
IMPACT	<i>Accountability for expected results and the effectiveness of the programme delivery operations may be diminished, and the programme results may not be achieved.</i>
CATEGORY	<i>Operational.</i>

<b>Recommendation 4</b>	<b>Priority: High</b>
Strengthen the workplan management process by: (a) aligning output indicator baselines and targets in the Results and Resources Plan with the workplans assigned to Implementing Partners and UNFPA; and (b) implementing supervisory controls to ensure compliance.	
Manager Responsible for Implementation: Representative	
Status: Agree	
<b>Management action plan:</b> The Office will develop and implement an internal quality assurance mechanism to ensure that workplan activities are aligned with the Results and Resources Plan in QuantumPlus+, and that all the output indicators in the Plan are assigned to IPs and UNFPA.	
<b>Estimated completion date:</b> April 2025	

**B.2 – IMPLEMENTING PARTNER MANAGEMENT**

**SATISFACTORY**

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

33. The audit visited and held meetings with selected IPs, with the objective of developing an appropriate understanding of: (a) their overall control environment as pertaining to UNFPA-funded programme activities; (b) the controls in place over financial transactions for significant expense categories; and (c) the process followed for the preparation and authorization of FACE forms and workplan progress reports submitted to UNFPA; and (d) the safeguarding and use, for intended purposes, of assets provided by the Office. The visits also included inquiries about the IPs work experience with UNFPA, the support received, monitoring undertaken, quality and frequency of communications, and the barriers and other factors potentially impacting the effectiveness of programme delivery.

34. Based on the work performed in this area, the audit did not identify any reportable matters other than those issues reported in section B.1 above.

**B.3 – PROGRAMME SUPPLIES MANAGEMENT**

**SOME IMPROVEMENT NEEDED**

**Issue 5**      Gaps in the management of programme supplies

*Insufficient programme supplies information in IP workplans*

35. According to policy,<sup>21</sup> when UNFPA makes in-kind contributions to an IP, such as the provision of UNFPA-procured reproductive health commodities or other programme supplies, the IP workplan must specify the types and estimated volumes of the programme supplies, their estimated value and intended

<sup>21</sup> UNFPA Policy and Procedures for Preparation, Management and Monitoring of Workplans.

use, as well as the activities to be undertaken by the IP to ensure that the programme supplies are used for the intended purposes. This information can be included directly in the workplan or in a complementing annex to the workplan e.g., a distribution plan.

36. Between January 2023 and March 2024, the Office received programme supplies including reproductive health commodities amounting to \$2.7 million for distribution to an IP. However, the recipient IP’s workplans did not include a description of the items, their intended use, and other policy-mandated details. Distribution plans were annexed to the quantification report, in place of a workplan. The distribution plans, however, also did not include the relevant policy-mandated details.

*Deficient monitoring activities for Last Mile Assurance*

37. Applicable policy on the management of programme supplies<sup>22</sup> mandates obtaining sufficient visibility and assurance, through the Last Mile Assurance (LMA) process and other appropriate monitoring activities, over the adequate safeguarding, management, and use of programme supplies for the intended purposes following their handover to partners or beneficiaries.

38. The Office did not undertake any LMA review as part of monitoring activities to ensure that UNFPA-donated programme supplies reached the designated service delivery points and beneficiaries effectively and promptly, despite receiving and distributing programme supplies including reproductive health commodities totalling \$2.7 million. The Office Management indicated that the Office is a new entrant to the UNFPA supplies partnership programme and lacked capacity to undertake the LMA review process during the period under review.

ROOT CAUSE	<i>Guidance: Inadequate supervision at the Office level (inadequate oversight over the programme supplies management).</i>
IMPACT	<i>The inadequate programme supplies management process may negatively impact commodity visibility and security, and result in inventory and/or financial losses.</i>
CATEGORY	<i>Operational.</i>

<b>Recommendation 5</b>	<b>Priority: High</b>
Enhance programme supplies management by: (a) specifying in Implementing Partner workplans, the required detail on programme supplies, including their estimated values, intended use, and activities to be undertaken by the Implementing Partners to ensure that the items are used for the intended purposes; (b) conducting regular monitoring activities for programme supplies, including undertaking Last Mile Assurance activities; and (c) establishing rigorous management oversight thereof.	
Manager Responsible for Implementation: Representative	
Status: Agree	
<b>Management action plan:</b> The Office will undertake the following actions: (a) ensure that all IPs involved in programme supplies distribution have workplans with detailed information as per policy requirements; (b) continue with the Last Mile Assurance activities that began in late 2024 with support from the East and Southern Africa Regional Office; and (c) develop and implement regular monitoring activities for programme supplies to reinforce the technical capacity of warehouse personnel at the central, provincial and municipal levels.	
<b>Estimated completion date:</b> June 2025	

<sup>22</sup> UNFPA Policy and Procedures on Management of Programme Supplies, March 2021

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

**SOME IMPROVEMENT NEEDED**

**Issue 6** Deficiencies in the management of non-core resources

39. Applicable policy on co-financing<sup>23</sup> requires that each UNFPA country programme document include fundraising targets for co-financing resources, which should be clearly spelled out in a Resource Mobilization Plan. Further, the policy emphasizes UNFPA’s accountability to its co-financing donors, including timely submission of quality substantive (narrative) progress reports and financial reports. Compliance with reporting requirements, as set out in signed co-financing agreements, is crucial to UNFPA, both in terms of maintaining credibility with donors and ensuring continued support for fundraising.

40. During the period under audit, the Office delayed submission of donor reports. For example, the audit noted delayed donor reporting on two separate occasions by 38 and 128 days, respectively. On the other hand, the donor noted poor quality reports submitted by the Office citing arithmetic errors, factual inaccuracies, and unreferenced documents. The Office stated that the delays were partly due to: (a) numerous iterations of precursor activities, including “schools’ database” revision, which were required to be finalized before the reporting could be completed; and (b) challenges with accessing Quantum that delayed their ability to extract and process data and information.

41. Discussions with donors revealed concerns over general delays of programme implementation and progress towards achievement of targets. For instance, one donor noted that for two years of a three-year cycle, the Office reported an implementation rate of about 51 per cent. Management attributed the implementation challenges to the differences in the funding calendar (July to June) relative to the Office’s annual programme planning calendar (January to December) and noted that programme planning timelines coupled with delays in the release of funding resulted in relatively lower implementation in quarter one and three of each year. Consequently, the Office had to refund to donors unused funds at the project end dates. For example, in the period under audit, \$29,875 and \$74,735 were refunded to two separate donors.

42. The Office stated that the donor refunds were required due to discrepancies between the project monitoring documents and the balances available and visible at Headquarter-level when the final financial statements were issued to the donors.

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

<b>Recommendation 6</b>	<b>Priority: Medium</b>
Establish supervisory controls to ensure the timely implementation of planned donor-funded programme activities and timely submission of quality-assured donor reports.	
<u>Manager Responsible for Implementation:</u> Representative	
<u>Status:</u> Agree	
<b>Management action plan:</b> The Office will undertake the following actions: (a) enhance oversight of timely programme implementation through joint programmes and operations, bi-weekly meetings and senior management team monthly meetings; (b) institute a workflow for donor reports with deadlines for the quality assurance process and their timely submission; and (c) timely and quality-assured donor reporting will be incorporated as a key CPM indicator for the key functions in the Office.	
<b>Estimated completion date:</b> April 2025	

<sup>23</sup> UNFPA Policy and Procedures Manual on Co-financing

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

43. Audit work performed in this area included testing of two service contracts and eight individual consultancies awarded by the Office 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; and (c) contract management.

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

**C.2 – PROCUREMENT****SATISFACTORY**

45. Audit work performed in this area included the review of a sample of 18 transactions made at a cost of \$0.3 million (10 per cent of total local procurement) for linkage to the corresponding workplans; compliance with UNFPA procurement principles,<sup>24</sup> policies and procedures; and 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, as well as the review of the procurement planning process.

46. Based on the work performed in this area, the audit identified operational matters considered to be of low risk, which were reported to Management in a separate memorandum.

**C.3 – FINANCIAL MANAGEMENT****SATISFACTORY**

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

48. A few matters of low priority were identified based on the audit work performed and reported to Office Management in separate memorandum.

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

49. Work performed in this area focused on the asset management and travel management processes. The audit included a walk-through of the processes and testing of a sample of four asset-related and 15 travel-related transactions for appropriateness of business purpose, compliance with policies and procedures, and operating effectiveness of controls.

50. Based on the work performed in this area, the audit identified operational matters considered to be of low risk, which were reported to Management in a separate memorandum.

<sup>24</sup> Best value-for-money; fairness, integrity, and transparency; open and effective competition; and protection of the interests of UNFPA

**C.5 – INFORMATION AND COMMUNICATION TECHNOLOGY****SATISFACTORY**

51. Work performed in this area included testing for compliance with Quantum<sup>25</sup> access rights and a walk-through of the Office's backup policy and disaster recovery plan.

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

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

53. Work performed in this area included a review of: (a) the 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; and (g) the existence of a dedicated security focal person.

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

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<sup>25</sup> UNFPA's enterprise resource planning system.

## 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,<sup>26</sup> are explained below:

<ul style="list-style-type: none"> <li>▪ <b>Satisfactory</b></li> </ul>		<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"> <li>▪ <b>Partially satisfactory with some improvement needed</b></li> </ul>		<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"> <li>▪ <b>Partially satisfactory with major improvement needed</b></li> </ul>		<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"> <li>▪ <b>Unsatisfactory</b></li> </ul>		<p>The assessed governance arrangements, risk management practices and controls were not adequately established or functioning to provide reasonable assurance that the objectives of the audited entity/area should be achieved.</p> <p>The issues identified could seriously compromise the achievement of the audited entity or area’s objectives. Urgent management action is required to ensure that the identified risks are adequately mitigated.</p>

### B. CATEGORIES OF ROOT CAUSES AND AUDIT ISSUES

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

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

**Guidance:** Inadequate or lack of supervision by supervisors

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

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

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

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

**Intentional:** Intentional overriding of internal controls.

**Other:** Factors beyond the control of UNFPA.

<sup>26</sup> Based on the proposal of the Working Group on harmonization of engagement-level audit ratings approved by the United Nations Representatives of Internal Audit Services (UN-RIAS) in September 2016.

### C. PRIORITIES OF AGREED MANAGEMENT ACTIONS

Agreed management actions are categorized according to their priority, as a further guide to Management in addressing the related issues in a timely manner. The following priority categories are used:

- **High** Prompt action is considered imperative to ensure that UNFPA is not exposed to high risks (that is, where failure to take action could result in critical or major consequences for the organization).
- **Medium** Action is considered necessary to avoid exposure to significant risks (that is, where failure to take action could result in significant consequences).
- **Low** Action is desirable and should result in enhanced control or better value for money. Low priority management actions, if any, are discussed by the audit team directly with the Management of the audited entity during the course of the audit or through a separate memorandum 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 with specific provisions

## GLOSSARY

Acronym	Descriptions
<b>BEmONC</b>	Basic Emergency Obstetric and Newborn Care
<b>CEmONC</b>	Comprehensive Emergency Obstetric and Newborn Care
<b>CPD</b>	Country Programme Document
<b>CP8</b>	Eighth Country Programme
<b>CP9</b>	Ninth Country Programme
<b>CPM</b>	Career and Performance Management
<b>CSE</b>	Comprehensive Sexuality Education
<b>ERM</b>	Enterprise Risk Management
<b>FACE</b>	Funding Authorization and Certificate of Expenditure
<b>IIA</b>	Institute of Internal auditors
<b>IP</b>	Implementing Partner
<b>LMA</b>	Last Mile Assurance
<b>OAIS</b>	Office of Audit and Investigation Services
<b>PSEAH</b>	Protection from Sexual Exploitation, Abuse and Harassment
<b>Quantum</b>	UNFPA's Enterprise Resource Planning System
<b>QuantumPlus+</b>	UNFPA's Results-Based Planning and Management System
<b>RRF</b>	Results and Resources Framework
<b>RRP</b>	Results and Resources Plan
<b>SRHR</b>	Sexual and Reproductive Health and Rights
<b>UN</b>	United Nations
<b>UNDSS</b>	United Nations Department of Safety and Security
<b>UNFPA</b>	United Nations Population Fund