

Report of the Internal Audit of
TOGO COUNTRY OFFICE

JULY 2023

Report 2023/12

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EXECUTIVE SUMMARY

The Office of Internal Audit and Investigations (OIAI) conducted an audit of the UNICEF Country Office in Togo, covering the period from January 2021 to November 2022. The audit was conducted remotely from 5 December to 22 December 2022 in conformance with the International Standards for the Professional Practice of Internal Auditing. The overarching objective of the audit was to assess the adequacy and effectiveness of the governance, risk management and control processes over a selection of significant risk areas of the Country Office, including assurance activities under the Harmonized Approach to Cash Transfers (HACT), programme planning, monitoring and reporting, resources mobilization, payment of Community Health Agents, revolving funds for community loans, Prevention of Sexual Exploitation and Abuse (PSEA) and procurement of supplies and services.

Togo Country Office works with government partners and civil society organizations (CSOs) in the implementation of planned programme activities. During the period audited, the Country Office transferred approximately US\$8.6 million of cash and US\$5.2 million of supplies to implementing partners. There were several risks around cash transfers and supplies distributed to implementing partners, recruitment and payment of Community Health Agents and construction contracts. The Sahel crisis spill over into Togo created an environment that exposes children and women to the risks of sexual exploitation and abuse. The audit team therefore sought to determine whether and how the Country Office managed those risks.

Overall Conclusion

Based on the audit work performed, OIAI concluded that the assessed governance, risk management, or control processes were **Partially Satisfactory, Improvement Needed**, meaning that the weaknesses or deficiencies identified were unlikely to have a materially negative impact on the audited entity, area, activity or process. (See the Appendix for [definitions of the conclusion ratings](#).)

	Satisfactory
➡	Partially Satisfactory, Improvement Needed
	Partially Satisfactory, Major Improvement Needed
	Unsatisfactory

Summary of Observations and Agreed Actions

OIAI noted several areas where the Country Office's controls were adequate and functioned well:

- **Partnerships:** The Country Office signed partnership agreements in a timely manner, which supported effective implementation of planned activities. Completed partnership agreements also were reviewed, which allowed the Country Office to assess risks of entering into future partnerships with the related civil society organizations.
- **Management of Cash Transfer:** The Country Office closely followed up outstanding direct cash transfer (DCT). Only approximately US\$0.1 million of outstanding cash transfer was above six months despite the majority of implementing partners being government partners with high risk. The Country Office effectively conducted micro-assessments of its implementing partners to determine the risk management process for cash transfers.

The audit team also made a number of observations related to the management of the key risks evaluated. In particular, OIAI noted the following:

- **HACT Assurance Activities:** Spot checks were not implemented in a timely manner and recommended corrective actions were not monitored for timely implementation. There were 287 overdue recommendations from spot checks and audits, including 99 with a 'high' rating. There was thus an elevated risk that funds transferred to implementing partners might not be used and accounted for as agreed.
- **Revolving Funds for Community Loans:** The Country Office started a revolving funds scheme to provide small-scale loans to targeted beneficiaries for construction of latrines. The Country Office did not validate that the beneficiaries met the selection criteria. Additional transfers also were made. These gaps risked the that funds released might not reach intended beneficiaries and/or that funds could be misused or lost.
- **Construction Contracts:** Construction contracts were issued to contractors that did not implement them as agreed, resulting in significant delays in their completion. Payments were not linked to specified outputs, which risked loss of funds.
- **Payment of Community Health Agents:** During the period January 2021 to December 2022, the Country Office spent US\$1.4 million for the recruitment and payment of Community Health Agents. There was limited oversight by the Country Office over the selection, monitoring and payment of those agents.

The table below summarizes the key actions management has agreed to take to address the residual risks identified and the ratings of those risks and observations with respect to the assessed governance, risk management and control processes. (See the [definitions of the observation ratings](#) in the Appendix.)

OBSERVATION RATING		
Category of Process	Area or Operation and Key Agreed Action	Rating
Risk Management	Prevention of sexual exploitation and abuse (PSEA): Ensure action plans with agreed completion dates are developed for all partners assessed with high SEA ratings and that ongoing assessment of SEA risks is conducted during programme monitoring; Also ensure vendors and community health workers are sensitized on SEA requirements as part of the onboarding process	Medium
Controls processes	Management of a revolving funds scheme: Ensure that lists of beneficiaries of funds provided under a revolving fund scheme are validated and that funds are not released to the Government unless previous funds are fully used	Medium
	Payment of Community Health Agents: Ensure periodic confirmation of the number of Community Health Agents hired and that payments are only made for services received	Medium
	Construction contracts: The Country Office will strengthen its capacity to manage construction projects by ensuring that construction contracts are monitored and implemented within the grant validity periods, that contractor performance is adequately evaluated, and payments are linked to specific deliverables.	High

	HACT Assurance Activities: Ensure that spot checks are conducted and reports prepared in a timely manner, appropriate training is provided to staff to conduct the spot checks and that recommended corrective actions are monitored for timely implementation	Medium
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Management is responsible for establishing and maintaining appropriate governance, risk management and control processes, and implementing the actions agreed following this audit. The role of the OIAI is to provide an independent assessment of those governance, risk management and control processes.

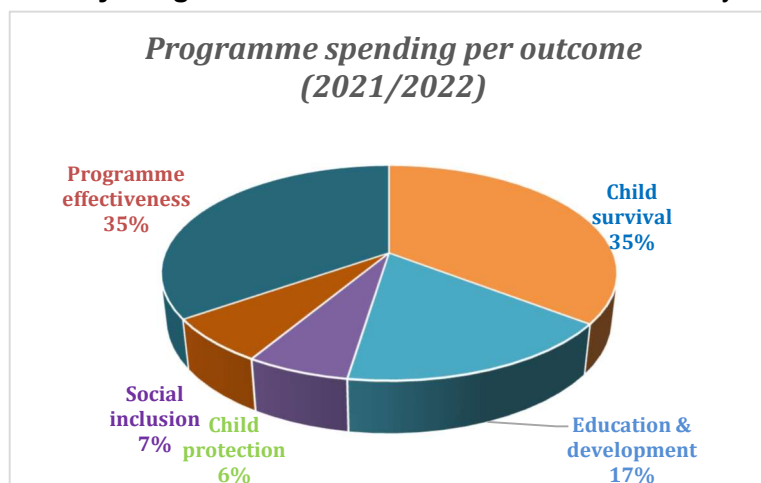
Togo has made socioeconomic progress in recent years. The country has maintained economic growth of 5 per cent since 2018, reduced the under-five mortality rate, and improved access to education. However, many of the country's children continue to be deprived of their rights owing to challenges arising from poverty and inequality. Although the rate of monetary poverty decreased from 58.7 per cent to 55.1 per cent between 2011 and 2015, 60.4 per cent of children still live in poor families and 84.2 per cent of children aged 0 to 17 years endure at least one deprivation affecting their well-being (nutrition, health, water, sanitation, housing, protection, information or education), particularly in rural areas. The poverty level is twice as high in rural areas as in urban areas (58.8 per cent vs. 26.5 per cent).



The maternal mortality rate remains high, at 401 per 100,000 live births. The prevalence of HIV among young people aged 15 to 24 years is nearly three times higher among women than men (0.8 per cent vs. 0.3 per cent). Sixty per cent of women surveyed cited lack of money as a major obstacle to addressing their health needs. Only 28.3 per cent of girls complete basic education, compared to 51.1 per cent of boys.

Between 2013 and 2021, Togo experienced a significant increase in the gross enrollment rates for both the preschool (from 21.3 to 42.2 percent) and primary school (from 90.9 to 119.5 per cent). Although the completion rate stands at 87% at primary level, less than one in two pupils master the minimum skills in reading (39 per cent) and mathematics (37 per cent). The country faces budgetary constraints in terms of infrastructure, equipment, as well as the recruitment and training of administrators and teachers. Two out of three schools lack access to clean water, and half of them lack proper sanitation facilities. Despite the government's efforts, the education system is not adequately prepared to cope with crises. While the enrollment rates for secondary education have improved, they are still marked by high dropout rates and gender disparities. In the first and second cycles of secondary education, the enrollment and achievement rates are respectively 71.4 per cent and 28.3 per cent for girls, compared to 81.9 per cent and 42.3 per cent for boys. Girls drop out due to social norms, violence, early marriages, and/or early pregnancies. Furthermore, technical and vocational education only represents 6 per cent of the secondary school enrollment.

Country Programme Document: The UNICEF Country Programme Document aims to support the Government's vision of making Togo a sound, stable nation economically, socially and democratically by investing in a large cohort of children, especially disadvantaged girls, those in hard-to-reach areas, out-of-school adolescents and single and child-headed poor households. The programme will contribute to the



country's Sustainable Development Goal aspirations through five components: child survival, education and development, child protection, social inclusion, and programme effectiveness. The chart presents a breakdown of programme spending by outcome for the period 2021 and 2022.

The chart shows that most of the resources raised were spent on child survival and education, which included the purchase of vaccines, construction of WASH facilities and development of alternative learning methods during the COVID-19 pandemic. The amount spent under programme effectiveness includes expenditures on emergency preparedness, disaster risk reduction and COVID-19 Risk Information and Community Engagement.

The UNICEF Togo Country Office does not have field offices and thus, the country programme is managed from Lome (the capital city). The Country Office staff included 48 regular staff (22 General Staff, 8 International Professionals and 18 National Officers) and 21 individual consultants.

AUDIT OBJECTIVES AND SCOPE

The objective of the audit was to assess the adequacy and effectiveness of the governance, risk management and control processes over a selection of significant risk areas of the Togo Country Office. The areas, set out in following table, were selected during the audit planning process based on an assessment of inherent risks.¹

RISK AREA	KEY INHERENT RISKS EVALUATED DURING THE AUDIT
Governance and Risk Management	The Country Office may not effectively identify and assess the risks to achieving country programme results and take effective measures to manage those risks.
Programme Planning, Monitoring and Reporting	Programme activities may not be properly planned and monitored, resulting in delays in delivery programme inputs to partners and the affected population.
Prevention of Sexual Exploitation and Abuse	Adequate measures may not be taken to assess and prevent sexual exploitation and abuse of children, women and staff.
Partnership Management	Partners with the necessary capacity for effective programme interventions may not be selected and/or effectively managed, which may lead to poor programme implementation and failure to maximize partner contributions to the achievement of planned results.
Cash transfers and HACT assurance activities	The Country Office may not carry out assurance activities effectively and efficiently, resulting in fraud, waste, abuse and inefficiencies related to cash transferred to implementing partners. The Country Office may not properly follow-up and close recommendations from assurance activities.
Construction contracts	The Country Office may not have in-house expertise to plan and monitor construction works, leading to delays in delivery of results to affected children.
Programme Supplies	Programme supplies may not be used for intended purposes.

The audit was conducted remotely from 5 December to 22 December 2022 in accordance with the International Standards for the Professional Practice of Internal Auditing. For the purpose of audit testing, the audit covered the period of January 2021 to November 2022. The audit involved a combination of methods, tools and techniques, including interviews, data analytics, document review, tests of transactions, evaluations and validation of preliminary observations.

¹ Inherent risk refers to the potential adverse event that could occur if management takes no actions, including internal control activities. The higher the likelihood of the event occurring and the more serious the impact would be should the adverse event occur, the stronger the need for adequate and effective risk management and control processes.

OBSERVATIONS AND MANAGEMENT ACTION PLAN

The key areas where actions are needed are summarized below.

1. Prevention of sexual exploitation and abuse (PSEA)

Medium

The COVID-19 pandemic and the spill over of Sahel crises heightened the risk of SEA in Togo, due to school closures, displacement of vulnerable populations from neighbouring countries and loss of income.

The audit team reviewed the Country Office's controls in managing SEA risks and noted that it did not adequately monitor civil society organization (CSO) implementing partners to ensure that they appropriately managed their SEA risks. Thus, the Country Office could not identify and address SEA risks in a timely manner. As of November 2022, the Country Office had 23 CSO partners, of which 14 were assessed with high SEA risk rating, seven with moderate risk rating and two with low-risk rating. Of the 14 CSOs that were rated as high SEA risk partners, the Country Office did not follow up with 10 of them to ensure they took appropriate action to manage their SEA risks. A review of six programmatic reports also showed that follow up of actions taken by implementing partners to address SEA gaps was not mainstreamed in programme monitoring. According to UNICEF guidance, monitoring of SEA risks is a continuous process whose objective is sustained reduction of SEA risks. Ongoing assessment of SEA risks should therefore be incorporated in field monitoring and other programme implementation (including programmatic visits) for CSOs with high SEA risks.

The audit team reviewed five contracts signed with vendors working directly with communities and noted that there was no requirement for them and their employees to comply with UNICEF SEA requirements. In addition, the Country Office worked with Community Health Agents (see observation below) that were not screened and/or sensitized on SEA compliance requirements. The vendors and the agents could therefore engage in unacceptable SEA conduct that poses a reputational risk to UNICEF. Overall, the gaps noted elevated the risk that UNICEF would not meet its commitments to prevent SEA for beneficiaries, resulting in increased risk of the occurrence of SEA and potential reputational damage.

AGREED ACTION 1

The Country Office has agreed to ensure:

- i. Action plans with agreed completion dates are developed for all partners assessed with high SEA ratings and that ongoing assessment of SEA risks is conducted during programme monitoring activities, particularly for SEA high risk rated partners
- ii. Vendors and community health workers are sensitized on SEA requirements as part of the onboarding process.

Staff Responsible: Deputy Representative/Operations Manager

Implementation Date: December 2023

The Country Office started a revolving fund scheme for community credit where selected beneficiaries received small-scale loans of between US\$30 and US\$60 to assist them in the construction of latrines. Under the scheme, the regional departments of planning request funds from UNICEF, which transfers the funds to accounts opened in Micro-Finance Institutions (MFIs) by local Communal Sanitation Committees. Loans are granted to beneficiaries at an interest rate of 6 per cent and are supposed to be repaid within 12 months. For the period August 2020 to November 2022 the Country Office transferred US\$0.6 million to the government regional departments for the revolving fund.

The audit team noted some gaps in the selection of beneficiaries and in the disbursement process to the Micro-Finance Institutions.

- i) **Identification of beneficiaries:** Selection of beneficiaries begins with community awareness campaigns through local media. Potential beneficiaries must express an interest in participating in the revolving fund scheme, must be living in the intervention zone and belong to a vulnerable class with capacity to reimburse the loans granted to them. Beneficiaries are then selected by Communal Sanitation Committees after field visits to verify vulnerability and financial situations of interested beneficiaries. The approved list of beneficiaries is forwarded to MFIs for granting of loans. While there were field visits to monitor the effectiveness of these loans and the impact on the communities, the audit team did not see any evidence that the Country Office validated that the beneficiaries met the selection criteria. While the Country Office indicated that the choice and number of beneficiaries was being monitored using information in monthly field monitoring reports, this was not evidenced in the reports reviewed by the audit. For example, a review of two monthly reports noted that they only contained information on the total number of beneficiaries onboarded, with no details (names, contact information and residential locations) on those onboarded. The information in the reports was therefore inadequate for effective monitoring and reporting on the use of the funds.
- ii) **Disbursements of Funds to MFIs:** Under the scheme, the regional departments of planning request funds from UNICEF through Funding Authorization and Certificate of Expenditure (FACE) forms based on loan demand. The audit team noted that the Country Office continued to disburse funds to government partners even though previous funds had not been fully used. For example, as of November 2022, only 42 per cent (US\$202,015) of the total amount (US\$480,520) transferred to MFIs had been given out as loans. Despite the MFIs' unused balances, in November 2022, the Country Office transferred another US\$245,455, bringing the total unused amount to US\$520,712. Even though management explained that additional disbursements were to target new communities, there were no clear procedures for unused funds to be transferred back to the government's regional planning department or to be reassigned to other communities in need. The audit team reviewed agreements signed with two Communal Sanitation Committees and noted that there was no guidance on actions to be taken on any unutilized funds released for loaning to the targeted communities. There was a risk that such unused funds might be diverted and not used as expected.

AGREED ACTIONS 2

The Country Office has agreed to ensure that:

- i) The lists of beneficiaries of funds provided under revolving fund scheme are validated
- ii) Funds are not released to the Government unless previous funds are fully used and consider allowing unused funds to be reassigned to other communities.

- iii) Clear guidelines are established on actions to be taken if the funds released to the Communal Sanitation Committees are not loaned out as expected.

Staff Responsible: Deputy Representative

Implementation Date: December 202

3. Payment of Community Health Agents

Medium

Effective monitoring controls are essential to ensure that management identifies gaps in the recruitment, management, and payment of Community Health Agents in a timely manner.

Between January 2021 and November 2022, the Togo Country Office transferred US\$1.4 million as direct payment to a Mobile Telecom company for payment of Community Health Agents (known in French as *Services des Agents de Santé Communautaire*, or ASC) for their service to communities and their participation in mass vaccination campaigns. Each agent was selected by his/her community during community awareness and training campaigns. The list of selected agents was forwarded to regional health departments and the Ministry of Health (MoH) for validation and approval. The final approved list was kept and monitored at government regional offices and revised quarterly based on community demands.

Gaps were noted in the selection, monitoring and payment of Community Health Agents

The audit team noted that the Country Office did not validate the reported number of agents hired. This risked payments being made to individuals not actually serving as agents. A review of a programmatic visit report highlighted cases of duplicate names in some of the communities visited. Another report of a joint monitoring visit by UNICEF and the Department of Health noted that approximately 8 per cent of the agents were not present at their locations either because of death or because they had abandoned duty. These examples indicate that there was an elevated risk that payments were made for services that were not delivered. The audit team noted that although the Country Office had commissioned an audit of this partner, that audit did not address the risks of making payments to individuals not actually serving as agents.

AGREED ACTION 3

The Country Office has agreed to ensure that it periodically confirms the number of Community Health Agents hired and that payments are only made for services received.

Staff Responsible: Deputy Representative

Implementation Date: December 2023

4. Harmonized Approach to Cash Transfers assurance activities

Medium

The Harmonized Approach to Cash Transfers (HACT) is a risk-based framework where the risks attached to a partner are assessed and results are used to determine the best way to transfer cash to that partner. The risk assessment also informs the nature and number of assurance activities (programmatic visits, spot checks and scheduled and special audits) needed to ensure the correct use of the cash transfers. The audit team reviewed the Country Office's

implementation of HACT and found that appropriate risk assessments were conducted, and elements of assurance activities were correctly implemented to manage related risks. For example, the Country Office completed 130 percent of planned programmatic visits (164 of 126 planned) and 106 percent of planned spot checks (51 of 48 planned). A review of 30 programmatic visit (PV) reports showed that staff focused on key risks, included appropriate actions to manage the risks, and that there was an effective process to follow-up and ensure recommended actions were taken on areas identified with gaps. In addition, 28 of the 30 PV reports included documented feedback from the affected population.

The audit team found that spot checks were not implemented and reported on in a timely manner and actions to manage risks noted were not fully documented and/or followed up. It took the Country Office an average of 190 days from completion of the programme activities to spot checks being conducted, with some of the spot checks occurring more than one year after activities were completed. For example, one spot check was conducted 399 days after the programme activities were completed, and another was conducted 450 days after completion. The audit team also noted the spot check reports were not finalized on a timely basis. It took an average of 211 days to issue the final spot check reports after field visits. Four of the reports were produced more than 300 days after field visits. The delays in implementing spot checks and in issuing spot check reports meant that management might not obtain assurance in a timely manner that funds provided to partners were being used as intended.

Some of the spot checks were conducted by staff who were not properly trained and did not have the right experience to conduct spot checks. The untrained staff included the Finance Assistant, Logistics Officer, the Programme Assistant and Administrative Assistant. The last training provided to spot checkers by an external audit firm was in 2015. The lack of training poses a risk that the quality of spot checks is not adequate to provide assurance that funds are used for intended purposes and risked that disbursed funds would be lost or misused.

Follow-up of spot check recommendations: Timely, complete and accurate follow-up on assurance findings and recommended actions is key to ensuring that cash transfers to implementing partners are used for their intended purposes. The audit team noted that recommendations from spot checks were not documented in eTools² and the recommendations were not implemented in a timely manner. For the period from January 2018 to November 2022, there were 287 open recommendations from spot checks, including 99 with a high rating. Fifty percent (144 recommendations) of the open recommendations were not acted on for more than two years. The recommendations were not documented in eTools but instead were monitored using excel templates that did not include details such as the priority ratings, target completion dates and those responsible for follow-up. Failure to follow up and address recommendations from assurance activities may lead to a risk of waste or loss of funds.

AGREED ACTION 4

The Country Office has agreed that it will strengthen financial assurance activities by ensuring that spot checks are conducted, reports prepared in a timely manner, appropriate training is provided to staff to conduct the spot checks and recommended corrective actions are monitored for timely implementation.

Staff Responsible: Deputy Representative

Implementation Date: December 2023

² eTools is a suite of applications that make regular administrative functions in UNICEF easier. It includes facilities to assist planning and follow-up of assurance activities.

Construction contracts were not completed on time due to inadequate planning and monitoring. Additional contracts were issued to vendors that had not completed earlier constructions works issued to them. This created a risk that planned outputs would not be achieved and created elevated reputational risk for UNICEF.

For the period January 2021 to November 2022, the Country Office spent US\$2.1 million on drilling of boreholes, constructions of schools and latrines. The audit team reviewed the tendering and monitoring of those construction contracts with an objective of determining whether they were competitively issued and completed on time and that correct payments were made to the vendors.

Implementation of constructions: The audit team reviewed 6 of 14 construction contracts that totaled US\$1.7 million and noted that they were competitively issued. However, the audit team

**Multiple contracts
were issued to
vendors without
construction
capacity**

also noted that five contracts were awarded to vendors who did not implement the construction contracts they were awarded. For example, contract #43330574 worth US\$560,000 was issued in September 2021 for the construction of 23 boreholes with a planned delivery period of three months (by November 2021). As of October 2022, the contract was still at 70 per cent completion rate. The grant that funded the construction had expired. In contract # 43335125 worth US\$270,000 for the construction of 38 latrines, the terms of reference (ToR) required a delivery period of

five months, but as of October 2022, which was more than a year after the contract start date, the completion rate was at 90 per cent. The grant used in financing the contract expired in October 2022, which risks that there will be no funds to pay the contractor if and when the construction is completed.

The audit team also noted that vendors were awarded additional construction works even though they had not delivered previous outputs by the agreed dates. This occurred because the Country Office did not conduct contract performance assessments before issuing additional contracts to the vendors. This elevated the risks of loss of resources through payments to vendors whose prior track record indicated a heightened risk of a failure to deliver.

The delays in the constructions meant that the projects did not provide the expected benefits to children. There was also a risk that the delays negatively impacted UNICEF's reputation with donors and the communities that expected the agreed benefits from the construction projects. The Country Office stated that the delays experienced in executing those contracts were due to insecurity related to the spill over of Sahel crises into the country, inaccessibility of some of the construction sites during the rainy season and the time taken to replace sites following drilling non-productive boreholes. The explanations reflect inadequate planning and monitoring of constructions, which reflect a need for the Country Office to assess its capacity to effectively manage constructions.

Payment terms: The audit team reviewed the payment terms of six construction contracts and noted that three of the six payment terms were not linked to specific deliverables, even though the contracts had distinct activities/stages with measurable deliverables. For example, the Term of Reference of contracts #43330574, #43343403 and #43356160 for the drilling of boreholes specified feasibility studies, drilling, testing and completion and installation as activities to be carried out, with reports to be produced at the end of each stage of the job. Vendor payments were linked to percentage of completion rather than on presentation of report of each activity/stage. Payments made based on items other than completed activities pose a risk that management might be paying for work that has not been completed or has been completed with poor quality.

AGREED ACTION 5

The Country Office has agreed to strengthen its capacity to manage construction projects, particularly to ensure that:

- (i) Contracts are planned, monitored and supervised to be implemented within the grant validity periods;
- (ii) Contractor performance is evaluated and considered in decisions to award additional contracts;
- (iii) Payments for borehole drilling are clearly linked to specific deliverables that should be specified in contract agreements.

Staff Responsible: Operations Manager

Implementation Date: December 2023

6. Programme Supplies

Medium

Delivering supplies without formal requests, coupled with inadequate monitoring of delivery and use of supplies, risked their misuse or loss.

For the period January 2021 to December 2022, the Country Office transferred supplies worth US\$5.2 million to implementing partners from either the UNICEF warehouse or directly from the suppliers. The audit team reviewed the Country Office's distribution and monitoring of the use of supplies and noted some areas for improvement.

Programme requests: A review of 20 supply deliveries noted that there was no formal request for 12 of them worth about US\$526,000. Therefore, there was a risk that supplies delivered were not needed and/or that they were not of the right quantities or quality. Furthermore, the implementing partners may not have been ready to implement the activities for which the supplies were distributed, which meant that the supplies could end up being kept in storage and unused.

Partner warehouse and logistics capacity: The audit team noted that a warehouse capacity and logistics assessment was not conducted for 13 of the 20 implementing partners who received supplies during the audited period. There were risks that the supplies could be misused or become obsolete while in the partners' storage.

Delivery of programme supplies: Of the US\$2.5 million of supplies delivered to partners from the Country Office warehouse, 59 per cent (US\$1.5 million) were delivered more than 31 days after they left UNICEF warehouse. Approximately US\$0.6 million of the supplies were delivered after 180 days. UNICEF has not set a time within which supplies should be delivered, but programming guidelines recommend that supplies should be delivered to partners in a timely manner to avoid disruption or delay in activity implementation. The Country Office had not established a performance indicator that could be used to assess effectiveness of delivery of supplies and did not share with the audit team how it ensured supplies were delivered on a timely basis to the locations where they were required. Therefore, there was risk that supply distribution was ineffective and resulted in delayed implementation of planned activities. The impact of such delays was not known since the delays were not being monitored.

Monitoring use of supplies: Programme staff are responsible for monitoring supplies as part of their programmatic visits or field monitoring. The audit team reviewed 15 programmatic visit reports to partners who received supplies and noted that six of them did not report on the use of supplies (status, distributed balances, etc.). While the education section conducted End-User

Monitoring (EUM) on supplies delivered to some partners, this practice was not consistent across all programme sections. Without EUM, there a risk that the Country Office delivered supplies that were not needed or useful to achieve planned results.

AGREED ACTION 6

The Country Office has agreed to strengthen its supplies management by ensuring that supplies are released to implementing partners on the basis of formal supply requests and that monitoring processes encompass review of the timeliness of supply delivery and end-user monitoring across all programme sections.

Staff Responsible: Deputy Representative/ Operations Manager

Implementation Date: December 2023

APPENDIX





Definitions of Audit Observation Ratings

To assist management in prioritizing the actions arising from the audit, OIAI ascribes a rating to each audit observation based on the potential consequence or residual risks to the audited entity, area, activity or process, or to UNICEF as a whole. Individual observations are rated as follows:

Low	The observation concerns a potential opportunity for improvement in the assessed governance, risk management or control processes. Low-priority observations are reported to management during the audit but are not included in the audit report. Action in response to the observation is desirable.
Medium	The observation relates to a weakness or deficiency in the assessed governance, risk management or control processes that requires resolution within a reasonable period of time to avoid adverse consequences for the audited entity, area, activity or process.
High	The observation concerns a fundamental weakness or deficiency in the assessed governance, risk management or control processes that requires prompt/immediate resolution to avoid severe/major adverse consequences for the audited entity, area, activity or process, or for UNICEF as a whole.

Definitions of Overall Audit Conclusions

The above ratings of audit observations are then used to support an overall audit conclusion for the area under review, as follows:

Satisfactory	 The assessed governance, risk management or control processes were adequate and functioning well.
Partially Satisfactory, Improvement Needed	 The assessed governance, risk management or control processes were generally adequate and functioning but needed improvement. The weaknesses or deficiencies identified were unlikely to have a materially negative impact on the performance of the audited entity, area, activity or process.
Partially Satisfactory, Major Improvement Needed	 The assessed governance, risk management or control processes needed major improvement. The weaknesses or deficiencies identified could have a materially negative impact on the performance of the audited entity, area, activity or process.
Unsatisfactory	 The assessed governance, risk management or control processes were not adequately established or not functioning well. The weaknesses or deficiencies identified could have a severely negative impact on the performance of the audited entity, area, activity or process.

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