

Report on the Internal Audit of the
Middle East and North Africa Regional Office
(MENARO)

UNICEF OFFICE OF INTERNAL AUDIT AND INVESTIGATIONS

July 2025

Report 2025/11

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EXECUTIVE SUMMARY

The Office of Internal Audit and Investigations (OIAI) conducted an audit of the Middle East and North Africa Regional Office (MENARO), covering the period from January 2023 to November 2024. The audit was conducted from October 2024 to February 2025 in conformance with the Institute of Internal Auditors' Global Internal Audit Standards. The objective of the audit was to assess the adequacy and effectiveness of the governance, risk management and control processes related to a selection of significant risk areas of the MENARO. The specific risks evaluated are set out in the Audit Objective, Scope and Approach section of this report.

The Middle East and North Africa (MENA) region comprises a culturally diverse group of low, middle and high-income countries. Inequalities between and within countries are substantial, and this gap is widening. The MENA Regional Office in Amman, Jordan provides guidance and support to 16 offices and 20 countries in varied contexts, while discharging its own accountabilities for delivery and oversight of results at country and regional level and contributing to the overall UNICEF Strategic Plan. During the audit period, MENARO worked with country offices on six accelerated action areas in line with the 2022-2025 UNICEF Strategic Plan, providing expertise in such areas as advocacy, social behaviour change, community engagement, gender, resource mobilization, strategic planning, monitoring and research, and data and knowledge management. At the time of the audit, MENARO was responding to four L3 emergencies.

In April 2025, OIAI contributed to a Management Memo to the Executive Director, which provided evidence-based reflections from past internal audits and evaluations, as input to the Future Focus Initiative, a global review of UNICEF's future organizational structure, risk management and oversight mechanisms. In view of the relevance of certain observations to the Future Focus Initiative, several preliminary observations from this audit were included in the Management Memo for consideration by UNICEF senior leaders, including those related to Headquarters-Regional Office complementarities. While this report summarizes all key observations within the current audit scope, the overall audit conclusion and individual recommendations presented below are based only on those areas for which MENARO could be held accountable, as at the time of writing.

Further to the Future Focus Initiative, in May 2025 a decision was made to consolidate the MENA and Europe and Central Asia Regional Offices, creating a new regional office, based in Amman, to be fully operational by December 2026. New Centres of Excellence will provide technical support and assistance to regional and country offices. Some of MENARO's structures and processes are expected to be impacted by those decisions. In this report, no specific audit recommendations have been addressed to MENARO in areas undergoing broader, organization-wide changes.

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 governance, risk management and control processes were generally adequate and functioning but needed improvement.

	Satisfactory
➔	<i>Partially Satisfactory, Improvement Needed</i>
	<i>Partially Satisfactory, Major Improvement Needed</i>
	Unsatisfactory

Summary of Observations and Agreed Actions

OIAI noted the following practices that were innovative or exceeded expected levels of control:

- **Regional Recruitment Hub:** Given the high number of recruitment cases across the MENA country offices, and the need to free up capacity in country offices for other HR activities, such as workforce planning, staff development and wellbeing, MENARO created a regional recruitment hub. This resulted in a significant increase in talent outreach activities; faster, more rigorous recruitment for temporary vacancies, emergency responses and positions established by Programme and Budget Reviews (PBRs); and efforts to achieve greater consistency in recruitment processes across the region, including with respect to gender, diversity and child safeguarding. The recruitment hub was available for use by country offices, for a fee, based on a service level agreement.
- **Financial Affordability and Sustainability Analysis:** As part of the lessons learned from PBRs, in 2024, MENARO started to request country office affordability and sustainability analyses along with the PBR submission at least once a year. Regular reviews of the financial status of country offices can be an effective mechanism to anticipate and manage any critical funding situation or financial sustainability risk. In addition to the country office PBR analyses, a regional analysis was being considered, to allow better understanding of the donor landscape, and there were plans for the systematic review of country office affordability in Regional Management Team (RMT) meetings. These measures would allow MENARO to gauge the need to provide timely support to offices facing financial difficulties. The MENARO was also considering the development of a system/method for country office financial projections.
- **Investment in Emergency Preparedness and Response:** MENARO's priorities for 2024 included plans to establish more systematic, streamlined mechanisms to support country offices' emergency preparedness, response and coordination, tailored to the MENA humanitarian context. MENARO's Programme Planning, Monitoring and

Research Team and Humanitarian Team led an initiative to identify areas for improvement across sections/functions, which were translated into an action plan. The MENARO Humanitarian Team and EMOPS undertook a comprehensive review of UNICEF emergency preparedness and response procedures, policies and guidelines and identified key benchmarks and indicators as the basis for establishing MENARO's accountabilities and responsibilities to ensure timely, effective support to country offices in the event of a sudden onset crisis.

- **Investment in Data Analytics:** MENARO piloted a new dashboard which incorporated additional implementing partner financial information to strengthen country offices' financial assurance planning and risk management. Once this tool is fully deployed, country offices will benefit from richer information as a basis for better-informed assurance activities, more focused transactional sampling, early detection of operational gaps and red flags, and higher quality recommendations for partners' financial capacity-building. MENARO also developed an evaluation dashboard to complement the Evidence Information Systems Integration (EISI)¹ to facilitate monitoring of the status of evaluations, from inception to reporting.
- **Child Protection Community of Practice:** The Child Protection section established a Community of Practice across the region as a forum to engage different stakeholders and share information including regional initiatives, multi-country studies, research papers, etc., and to allow the MENARO Child Protection section to keep abreast of the latest developments.

The audit team made several observations related to the management of the key risks evaluated. OIAI noted:

- **Regional Office Accountabilities:** While some elements of MENARO's key accountabilities were clearly defined by the UNICEF Accountability Framework, there was ambiguity around how mutual accountability for regional programme interventions, partnerships and operations was to be discharged and misalignment between some accountabilities and the mechanisms in place to enable regional and country offices to fulfil them. Recommendations, which were rated by OIAI as 'High Priority', were made to Headquarters management to address these issues as part of the global Future Focus Initiative.
- **Risk Management:** There was a need to enhance MENARO's oversight and support of regional and country office risk management activities, including the quality assurance of country office risk registers, identification and review of emerging risks, timely escalation of risks and determination of regional risk appetite. At the global level, there

¹ EISI is the UNICEF platform for planning, managing and storing evaluation reports and management responses, and storing other evidence-generation activities - such as studies and research, capacity building and other major data collection activities. EISI is an integrated system for planning, monitoring, analysing, reporting, assessing and archiving all evaluation-related activities.

were opportunities to learn from MENARO's risk management practices to inform the revision of UNICEF's ERM policy and related procedures and strengthen the critical 'Second Line' role of regional offices.

- **Programmatic and Operational Support and Oversight:** While MENARO supported the roll-out of many corporate policies, procedures, guidance and tools, its ability to monitor country office compliance with some policies was limited by a misalignment between its accountabilities and the related authority. There also was a need for UNICEF to consider developing new guidance and tools to facilitate a more structured, proactive approach to prioritizing and planning country office support and any necessary follow-up. Stronger coordination between regional office and other corporate monitoring tools and activities would enhance the efficiency and effectiveness of country office oversight.
- **Regional Office Performance Metrics:** In the absence of corporate guidance on the measurement of regional office performance, there was room for improvement in how MENARO's overall performance across sections was planned, assessed and monitored.
- **Partnership and Resource Mobilization:** There was a need to better capture and measure the contribution of the Partnerships and Resource Mobilization function towards improved fundraising results across the MENA region. This was due to a lack of clarity at the organizational level on the role of the regional office Partnership and Resource Mobilization unit with respect to its contribution to regional resource mobilization.
- **People and Culture:** There was a need to review the role of MENARO in a number of HR-related processes (e.g., recruitment, surge capacity) and the availability of skills to support the specific regional operating context.
- **Knowledge Management and Sharing:** There were opportunities for MENARO to further enhance its role in capturing and sharing knowledge for improved organizational performance across the offices in the region, in particular by leveraging existing knowledge and previous experiences to achieve increased programmatic and operational efficiencies.
- **Protection from Sexual Exploitation and Abuse (PSEA):** As PSEA is a critical UNICEF priority and in view of the L3 emergencies and protracted humanitarian crises in the region, there was a need to clarify the role of regional offices in supporting and strengthening PSEA implementation, quality assurance, and country office capacity-building.

The table below summarizes the actions management has agreed to take to address the residual risks identified and OIAI's assessment of the ratings of those risks (see the

[definitions of the observation ratings](#) in the Appendix.) For all other areas within the audit scope, no deficiencies in the governance, risk management or control processes evaluated were identified that warrant reporting.

RECOMMENDATIONS & AUDIT RATINGS	
<p>Risk Management (Recommendation 1): Pending global guidance and in consultation with UNICEF's Chief Risk Officer as needed, develop and implement a regional risk appetite statement and strengthen the identification and management of new/emerging and common regional risks, the quality assurance of country office risk registers and the application of risk escalation protocols.</p>	Medium
<p>Programmatic and Operational Support and Oversight (Recommendation 2): Work with the Future Focus Initiative implementation team to develop a document that clarifies the role of the Regional Office and how this role is operationalized, in line with the revised business delivery model for UNICEF. This should include: consideration of the nature and extent of the Regional Office's role in monitoring adherence to organizational policies and procedures, with reference to the Regulatory Framework and oversight activities of other UNICEF offices, as appropriate, to ensure complementarity and efficiency; and enhanced needs-assessment, resource allocation and planning tools to ensure effective prioritization and implementation of country office support, drawing on the results of previous oversight activities, as appropriate.</p>	Medium
<p>Regional Office Performance Metrics (Recommendation 3): Subject to the outcome of the Future Focus Initiative, review, revise and develop, as needed, the performance indicators in the Regional Office Management Plan (ROMP) submission for 2026, and revise the template for the regional Client Satisfaction Survey to better capture relevant feedback from country offices.</p>	Medium
<p>Partnership and Resource Mobilization (Recommendation 4): Develop and monitor specific indicators that take into account the plans to achieve regional resource mobilization objectives and expected results, and identify relevant activities and qualitative indicators to capture the Regional Office's contribution toward strengthening private sector fundraising, in line with the new ROMP.</p>	Medium
<p>People and Culture (Recommendation 5): In collaboration with Headquarters divisions, expand the roster to establish a well-staffed regional surge capacity that can be supplemented by global capacity as and when needed.</p>	Medium
<p>Knowledge Management and Sharing (Recommendation 6): Add a specific Knowledge Management Core Standard Indicator to the MENARO IRRF in the new ROMP, and develop sub-regional Knowledge Management approaches by country typology with programmatic and operational similarities for a more targeted and cohesive knowledge exchange.</p>	Medium
<p>Protection from Sexual Exploitation and Abuse (PSEA) (Recommendation 7): In consultation with UNICEF Headquarters, update the existing MENARO PSEA workplan to include the key PSEA interventions to support stronger oversight and</p>	Medium

assistance to the offices in the region and to include expected results and indicators for PSEA in the ROMP submission.

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.

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The Middle East and North Africa (MENA) region is comprised of a culturally diverse group of low, middle and high-income countries.² Inequalities between and within countries are substantial, and this gap is widening. During 2023 and 2024, there were devastating earthquakes in Syria and Morocco; floods in Libya; large-scale conflict across Sudan (creating the world's largest child internal displacement crisis); the (ongoing) tragic situations in Israel and the State of Palestine, Lebanon and Syria; and protracted humanitarian crises affecting Iran, Iraq, Iran, Lebanon, Libya, Yemen and part of Algeria.

Country offices and the Regional Office in Amman, Jordan respond to the needs of children in very varied contexts, requiring significant programme flexibility, solid contingency planning and preparedness, and a high level of attention to staff duty of care. The MENARO was responding to four Level 3 emergencies during the period under review:³ Syria and related cross-border operations, Lebanon, State of Palestine and related cross-border humanitarian operations, and Sudan.

The MENA region is the third smallest of the seven UNICEF regional offices in terms of number of country offices within the region yet has a high number of high and medium-risk country offices. It has the highest allocated budget (both for the Regional Office and for the region) yet is the largest contributor of core resources globally.⁴ The Regional Office provides guidance and support to 16 offices and 20 countries, while discharging its own accountabilities for delivery and oversight of results at country and regional levels and contributing to the overall UNICEF Strategic Plan. During the audit period, it worked with country offices on six accelerated action areas in line with the 2022-2025 UNICEF Strategic Plan, providing expertise in such areas as advocacy, social behaviour change, community engagement, gender, resource mobilization, strategic planning, monitoring and research and data and knowledge management. The MENARO was also leading the Whole of Syria (WoS) approach, designed to integrate and coordinate the different elements of the humanitarian response in Syria.

The 2022-2025 Regional Office Management Plan (ROMP) includes nine⁵ outcomes, six of which are in line with the UNICEF Strategic Plan Goal areas. Others relate to the Whole of Syria Operation, the Area Programme for Palestinian Children and Women, and change strategies and enablers.

² The UNICEF MENA region covers 16 offices in 20 countries: Algeria, Bahrain, Djibouti, Egypt, Iran, Iraq, Jordan, Kuwait, Lebanon, Libya, Morocco, Oman, the State of Palestine, Sudan, Syria, Tunisia, Qatar, Saudi Arabia, the United Arab Emirates (collectively known as the Gulf Area) and Yemen.

³ Under a Level 3 Emergency Response, the Executive Director declares that organization-wide mobilization is needed to scale up and respond. A Global Emergency Coordinator is appointed and the Regional Office support to the Country Office is enhanced.

⁴ Core Resources are unrestricted funds that UNICEF can use flexibly to address the needs of children wherever and whenever they are greatest.

⁵ After the MTR changes for 2024-2025.

Figures 1 and 2 below provide information on budget and funding levels for MENARO during the period under review.

Figure 1: Budget utilization by type of funding (January 2023 – September 2024)

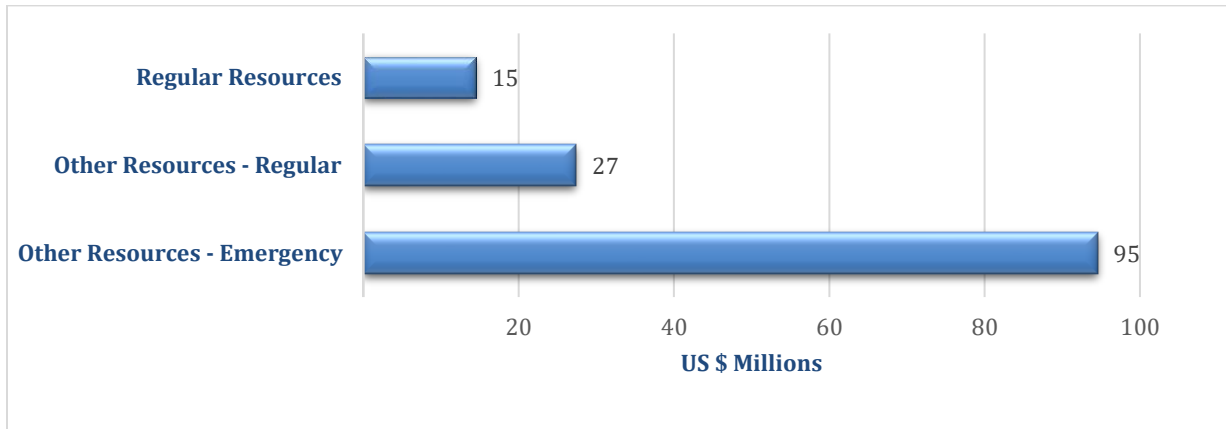
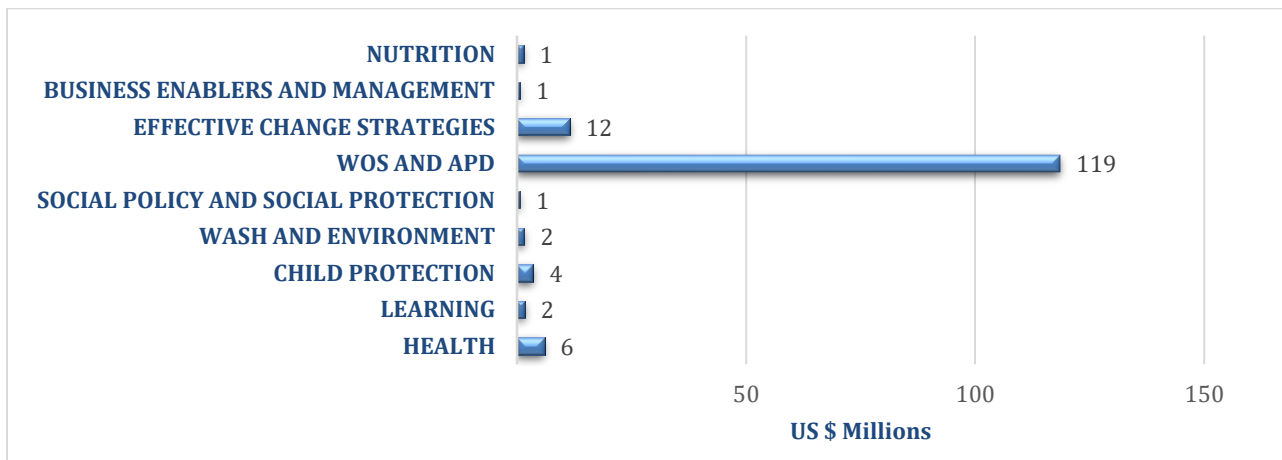


Figure 2: Funds utilization by programme area (January 2023 – September 2024)



MENARO is based in Amman, the capital of Jordan. At the time of the audit, it had a total of 155 staff members and 26 vacancies. It also had an office in Gaziantep as part of the Whole of Syria response, with 33 additional positions.

AUDIT OBJECTIVE, SCOPE AND APPROACH

The objective of the audit was to assess the adequacy and effectiveness of the governance, risk management and control processes related to a selection of significant risk areas of the MENA Regional Office.

The audit scope was determined during the audit planning process based on an assessment of the inherent⁶ risks of the MENA Regional Office, and included the following areas:⁷

Governance

- Regional office accountabilities
- Risk management

Oversight, Guidance and Support

- Programmatic and operational support and oversight
- Regional Office performance metrics
- Partnership and resource mobilization
- People and culture
- Knowledge management and sharing
- Protection from sexual exploitation and abuse (PSEA)

The audit fieldwork was conducted in November 2024 in conformance with the Institute of Internal Auditors' Global Internal Audit Standards. For the purpose of audit testing, the audit covered the period from January 2023 to November 2024. The audit involved a combination of methods, tools and techniques, including interviews, data analytics, document review, tests of transactions and validation of preliminary observations.

⁶ 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.

⁷ The scope of the audit specifically excluded any assessment of the implementation of the WoS response.

OBSERVATIONS AND MANAGEMENT ACTION PLAN

The key areas where actions are needed are summarized below.

Regional Office Accountabilities

High

While some elements of MENARO's key accountabilities were clearly defined by the UNICEF Accountability Framework, there was ambiguity around how mutual accountability for regional programme interventions, partnerships and operations was to be discharged and misalignment between some accountabilities and the mechanisms in place to enable regional and country offices to fulfil them. Recommendations were made to Headquarters management to address these issues as part of the global Future Focus Initiative.

According to the Summary of the March 2023 Accountability System and Organization of UNICEF (March 2023) and the August 2023 Compendium on the organization of UNICEF (the Compendium), 'regional directors provide the necessary policy support and coordination, management guidance, strategic and operational oversight, technical assistance and quality assurance to country offices.' The Compendium also states that UNICEF applies matrix management as an organizational approach, whereby some individuals report to more than one supervisor or leader. In such cases, matrix management may be supported by a collaboration framework using a responsibility assignment matrix, or 'RACI' matrix.⁸ The audit assessed how the elements of the accountability framework were articulated by MENARO, in accordance with the expectations set out in the Compendium, and noted the following:

Clarity of accountabilities: As stated above, the accountabilities of regional directors are clearly defined, and with respect to the operations internal to MENARO, the responsibilities were defined in a regional office organization chart. However, it was less clear how the accountabilities were operationalized in relation to the country/area offices in the region.

Each country and area office is headed by a UNICEF representative, who is responsible for all UNICEF activities undertaken in the country/ies concerned, and reports to the regional director (RD). For some processes – especially those related to the Country Programme cycle – the roles and accountabilities of both regional and country offices were clearly defined and well mapped out. These included activities where regional offices provide technical support, quality assurance and oversight across all sectors, for example, the review and technical support of the Evidence Synthesis and Situation Analysis,

⁸ A RACI matrix outlines participation by various roles in completing tasks or deliverables. RACI is an acronym derived from the following four types of participation: responsible (who has responsibility to carry out the function), accountable (who has authority to approve), consulted (who provides inputs and/or advice) and informed (who needs to be kept informed). It is used for clarifying and defining roles and responsibilities in cross-functional projects and processes.

participation in Strategic Moments of Reflection and oversight of the Country Programme Document process.

While accountabilities and responsibilities for regional programme interventions, partnerships and operations were explicitly outlined in the Compendium, the audit found that staff roles and responsibilities for completing specific tasks or deliverables in areas of mutual accountability were not adequately defined. It was therefore unclear how mutual accountability for regional programme interventions, partnerships and operations was to be discharged. For example, in audit interviews, cases were cited whereby country offices did not seek MENARO's approval or endorsement of a key decision, as required, or did not act on advice provided by MENARO. In another instance, a country office failed to take timely action to address a local management issue, despite early identification of the problem by MENARO. There was also ambiguity as to the ownership of a joint review by Headquarters, MENARO and a country office and accountability for the resulting actions, which negatively affected implementation.

MENARO management explained that accountabilities were set out in staff workplans and performance evaluations, which defined each individual's deliverables, tasks and responsibilities, the resources and stakeholders required to achieve the deliverables, as well as the indicators of success. However, in the absence of clear guidance from Headquarters on how mutual accountability for key regional and country office roles should work in practice, this may not be sufficient to mitigate the risk of organizational gaps, missed efficiencies and/or overlaps.

Alignment between accountabilities and authorities, tools and systems: The audit noted several mechanisms that supported the RD in fulfilling his/her accountabilities, for example, RMT Meetings, bi-monthly calls with RMT members, the annual review of Country Office Annual Reports, thematic discussions led by regional advisors, the review of KPIs and scorecards, and feedback to Representatives based on country office year-end reports. However, these were not sufficient to allow the MENARO team to contribute fully to the RD's accountabilities, which included monitoring the performance of UNICEF representatives in the MENA region and its country offices, and taking steps to address recurring programmatic and operational issues. There was therefore a misalignment between regional office accountabilities, as defined by the UNICEF Accountability framework, and the structures, tools and processes in place to enable fulfilment of those accountabilities.

Root cause(s): The above issues stem from gaps and weaknesses in UNICEF's accountability system and regulatory framework. It is essential that policies and procedures explicitly define the roles and responsibilities of country offices, regional offices, and Headquarters. Clear delineation will help eliminate duplication and gaps and enhance the effectiveness and efficiency of programme delivery.

Recommendations relating to the above observation were included in the Management Memo issued to the Executive Director in April 2025 for consideration in the UNICEF Future Focus Initiative.

Risk Management

Medium

There was a need to enhance MENARO's oversight and support of regional and country office risk management activities, including the quality assurance of country office risk registers, identification and review of emerging risks, timely escalation of risks, and determination of regional risk appetite. At the global level, there were opportunities to learn from MENARO's risk management practices to inform the revision of UNICEF's ERM policy and related procedures and strengthen the critical 'Second Line' role of regional offices.

The UNICEF accountability system reflects the principles of the Three Lines model, developed by the Institute of Internal Auditors to facilitate strong governance and risk management.⁹ As part of the 'Second Line,' regional offices are expected to support and monitor the consistent application of a risk management approach across the region, including analysis of regional trends and emerging situations. Regional Directors lead the RMT in regularly scanning the environment to identify potential risks to the achievement of the priorities for the region, and to apply risk management approaches in setting strategies and programme objectives and in managing dynamics in complex settings. The audit assessed the effectiveness of MENARO's risk management practices and oversight of country office risk management across the region to support the timely identification of risks, appropriate risk responses, regular monitoring of mitigation plans, and prompt escalation, as appropriate, and noted the following:

Risk Management Committee and regional guidance: MENARO established a Risk Management Committee (RMC), responsible for oversight of the implementation of the Enterprise Risk Management (ERM) framework across the MENA region. The RMC, which meets quarterly, monitors the effectiveness of country office risk response plans and highlights to the RMT the most critical risks faced in the region. MENARO supported country offices with guidelines and templates on the Annual Risk Assessment process and was developing other tools to reinforce trend analysis, identify common issues and achieve a consistent risk management approach across the region. The audit noted that risk management was a standard agenda item in every CMT as well as in the RMT. Some of these initiatives represent good practices with potential for replication across the wider organization. However, MENARO had yet to develop a regional risk appetite statement as a basis for determining the level of risk the regional and country offices should be willing

⁹ In the model, first line roles are most directly aligned with the delivery of products and services to UNICEF beneficiaries. Second line roles assist the first line in the management of risk within the organization's risk appetite, by providing complementary expertise, support and monitoring. The third line provides independent oversight and is performed by the Office of Internal Audit and Investigations, the Evaluation Office and the Ethics Office.

to accept in pursuit of agreed strategic goals. Global guidance on establishing relevant, practical risk appetite statements was pending at the time of the audit.

Oversight of country office risk management: MENARO's review of the country office annual risk assessments (including fraud risk assessments) focused more on process than on the substance of the reported risks and how they were managed. The audit noted that all the peer reviews¹⁰ conducted during the audit period that included assessment of risk management practices identified weaknesses in this area. There was therefore an opportunity for MENARO to improve the quality of country office risk registers and the consistency, reliability and integrity of risk data for decision-making purposes through more robust quality assurance of local risk assessments.

In audit interviews, several cases were mentioned where country offices did not seek advice on identified risks or where MENARO was informed only when an incident had already occurred. The audit noted that no risk was formally escalated to MENARO during the period under review, so it was not clear whether those risks that could not be adequately addressed at the source were effectively managed.

Regional risk register: MENARO maintained a risk register that compiled the most strategic risks across the region for review by the RMC. However, there was a need for a more structured approach to the identification and assessment of new/emerging risks for management and monitoring, as required. The RMC also identified this as a key action during its last meeting of 2024. The audit also noted that not all high/top risks identified during RMC meetings were included in the regional risk register. Therefore, it was not clear whether those high/top risks were adequately managed at the regional office level. There was also a need to identify more clearly those risks specific to the regional office itself, e.g., lack of capacity, insufficient expertise, funding constraints, and how they were managed.

Root cause(s): At the time of the audit, the UNICEF ERM Policy and related procedures were being revised, as part of a strategic review of the approach to risk management. The above issues were due to a lack of clear guidance from UNICEF Headquarters on how to implement the regional office accountabilities for risk management.

AGREED ACTION 1

Pending global guidance and in consultation with UNICEF's Chief Risk Officer as needed, MENARO agrees to develop and implement a regional risk appetite statement and to strengthen the identification and management of new/emerging and common regional

¹⁰ As defined by MENARO, peer reviews are an independent assessment of CO activities, conducted by the Regional Office. They highlight good practices, gaps and challenges in the specific CO operating and/or programming environment to support COs in the efficient, effective identification and management of risks.

risks, the quality assurance of country office risk registers and the application of risk escalation protocols.

Additional recommendations relating to the above observation were included in the Management Memo issued to the Executive Director in April 2025 for consideration in the UNICEF Future Focus Initiative.

Staff Responsible: Regional Chief, Risk

Implementation Date: 31 March 2026

Programmatic and Operational Support and Oversight

Medium

While MENARO supported the roll-out of many corporate policies, procedures, guidance and tools, its ability to monitor country office compliance with some policies was limited by a misalignment between its accountabilities and the related authority. There also was a need for UNICEF to consider developing new guidance and tools to facilitate a more structured, proactive approach to prioritizing and planning country office support and any necessary follow-up. Stronger coordination between regional office and other corporate monitoring tools and activities would enhance the efficiency and effectiveness of country office oversight.

The regional office serves as a mechanism for guidance, support, technical assistance, oversight and coordination of country offices and area-based and multi-country programmes within the region. Regional directors are accountable to the Executive Director for monitoring the accountabilities of UNICEF representatives in the region and the performance of the respective country offices and for taking steps to address recurring programmatic and operational issues.¹¹ The audit assessed how MENARO operationalized these accountabilities and noted the following:

Adherence to organizational policies and procedures: Between 2023 and mid-2024, 15 new corporate policies, procedures, guidance and tools were introduced with MENARO's support. The audit noted that the regional office played a critical role supporting the country/area offices on policy interpretation. In carrying out his/her accountabilities, the RD also monitors adherence to organizational policies and procedures within the region.¹² However, the audit identified a number of processes that were not monitored by MENARO, since these were managed directly by Headquarters with limited involvement of regional offices, e.g., Conflict of Interest disclosure, exchange rate management, Local

¹¹ Summary of the March 2023 Accountability System and Organization of UNICEF (March 2023) and the August 2023 Compendium on the organization of UNICEF (the Compendium)

¹² Compendium on the organization of UNICEF

Procurement Authorization for construction works, technical support and knowledge sharing related to the HOPE platform.¹³ This is another example of misalignment between accountability (as defined by the Compendium) and authority, which created a risk of inadequate or ineffective monitoring of compliance with organizational policies and procedures and limited MENARO's contribution to global policy formulation and implementation.

Root cause(s): This situation resulted from gaps in UNICEF's Regulatory Framework, as policies and procedures do not adequately specify the expected role of Regional Offices, leading to misalignment between some accountabilities of the Regional Office and the related authority.

Programmatic and operational oversight and support: MENARO provided country offices with technical support in various ways (e.g., peer reviews, in-country missions, issue-driven or on-demand meetings). Responses to the audit survey indicated that the quality of support was rated in general as 'very positive' by the offices in the region, and the audit identified several initiatives led by MENARO to support the country/area offices. However, the audit noted an opportunity to establish a more structured approach to the identification, assessment and prioritization of needs and implementation planning. The urgent need to respond to the escalation of conflicts, political instability, and natural disasters in the region necessitated a heightened focus on emergency response. However, some country office support was initiated in response to other immediate challenges, ad hoc requests or operational bottlenecks. While responsiveness and agility are positive attributes, the lack of a structured planning and resource allocation process increased the risk that some essential technical support needs might not be identified or met, especially for smaller offices. Some audit survey responses indicated that support could be better organized around the varying contexts in the region.

During 2024, only one peer review was performed due to limited capacity resulting from ongoing emergencies. Peer reviews were conducted on request by country offices and not as part of a structured plan. MENARO consciously did not follow up peer review recommendations, as implementation was at the discretion of the accountable country office Representative. As peer reviews are a key country office support and oversight mechanism, this increased the risk that programmatic, operational or financial risks might go unnoticed and unaddressed.

The audit also noted an opportunity for greater consistency in the provision of technical support by different sections. For example, some sections held frequent webinars to share programme experience across the region and some held monthly network calls, while others provided information to country offices on a request basis.

¹³ Country Offices commonly use HOPE for beneficiary database management in cash transfer programmes.

In the operations area, the audit acknowledged MENARO's close monitoring of country office performance through the review of indicators, such as HACT indicators, and Supply and Budget KPIs. However, it was not clear from the available documentation how MENARO used the results of the various oversight processes to inform future support and oversight activities and ensure continuous improvement across the region. For example:

- Some country offices kept high levels of cash to support their operations, where the local financial system was not functional. Such use of petty cash is generally associated with a higher risk of fraud and requires careful management and oversight. While this risk was identified in peer reviews, these were not systematically planned to ensure adequate coverage (as noted above), and it was not clear how else MENARO monitored the management of cash-related risks by country offices.
- Low-value procurement was common in the region and digital banking was not available in some countries. Low value procurement accounted for less than one per cent of all procurement volume in the region, but it was inefficient and led to a higher risk of fraud. While recommendations were made by peer reviews to address these issues, there was no evident improvement in this area across the region.
- Previous internal audit reports highlighted the poor quality of financial assurance reports in many countries in the region. While MENARO supported country offices with the HACT assurance process, for example, by selecting assurance providers, preparing the terms of reference and facilitating regional LTAs, it was not clear what efforts were made by MENARO to identify and address the underlying causes of the poor-quality assurance reports and improve the quality of financial assurance in the country offices across the region.

Root cause(s): The above issues were due to a lack of appropriate guidance and tools to support regional office planning and resource allocation, and a lack of clarity about the extent of monitoring to be performed by regional offices.

Liaison with other UNICEF offices: The audit noted an opportunity to strengthen and facilitate the oversight role of the Regional Office and improve the support provided to country offices by leveraging tools and data produced by Headquarters offices. In particular, the Global Shared Service Centre generates multiple dashboards and exception reports to support its own transaction-level monitoring of country office activities. These might also be of value to the Regional Office, as a complement to existing information (e.g., KPIs, performance scorecards, office dashboards) periodically reviewed for performance monitoring, detection of 'red flags' and potential early identification of fraud.

Root cause(s): This opportunity stems from a broader need for enhanced coordination of oversight activities between UNICEF Headquarters offices and divisions and regional offices.

AGREED ACTIONS 2

MENARO agrees to work with the Future Focus Initiative implementation team to develop a document that clarifies the role of the Regional Office and how this role is operationalized, in line with the revised business delivery model for UNICEF. This should include consideration of:

- i. the nature and extent of the Regional Office's role in monitoring adherence to organizational policies and procedures, with reference to the Regulatory Framework and oversight activities of other UNICEF offices, as appropriate, to ensure complementarity and efficiency;
- ii. the need for enhanced needs-assessment, resource allocation and planning tools to ensure effective prioritization and implementation of country office support, drawing on the results of previous oversight activities, as appropriate.

Additional recommendations relating to the identified root causes were included in the Management Memo issued to the Executive Director in April 2025 for consideration in the UNICEF Future Focus Initiative.

Staff Responsible: Deputy Regional Director Programme & Partnership, Deputy Regional Director Operations & Management

Implementation Date: 31 December 2025

Regional Office Performance Metrics

Medium

In the absence of corporate guidance on the measurement of regional office performance, there was room for improvement in how MENARO's overall performance across sections was planned, assessed and monitored.

The UNICEF Compendium states that Headquarters and regional office accountabilities are embodied in the respective office management plans and aligned with overall organizational strategies and development and management results frameworks.

In setting its strategic direction, expected results and annual objectives, MENARO developed its 2022-2025 regional office management plan (ROMP), 2022-2025 integrated

results and resources framework (IRRF),¹⁴ rolling work plans, and Annual Management Plan (AMP). MENARO reported annually on results and achievements through the Results Assessment Module (RAM), Regional Office Annual Report (ROAR) and the review of its AMP. It also requested annual feedback from country offices through the Regional Client Satisfaction Survey with the aim of assessing the timeliness, responsiveness and quality of the support, advice, technical assistance and oversight provided.

The audit noted room for improvement in how MENARO's performance was planned and assessed, as follows:

- The audit acknowledged as a good practice the use of a combination of contribution and attribution type indicators to better capture the mainstreaming of the child rights agenda by MENARO in its dual support/technical assistance and oversight roles. That said, there was a need for greater consistency in the approach used for measuring performance. For example, some outcomes/outputs were measured only through the aggregated results of the MENA country/area offices with no assessment of the activities contributed by MENARO; others were a combination of MENARO's contribution and the aggregated country office results; others included only MENARO's contribution to results.
- Financial administration indicators were too generic. There was an overall scorecard for the regional performance, instead of specific indicators to support the effective planning and monitoring of financial administration activities related to MENARO's support/technical assistance and oversight roles.
- The correlation between some advisory roles and the attribution of results was questionable. For example, in audit interviews, MENARO staff indicated that their roles were primarily advisory, which cast doubt on whether the regional results should be attributed to them. The audit also noted that some key activities related to MENARO's oversight role were not translated into corresponding indicators.
- The results of the audit survey indicated that most offices in the region did not consider the rating system used in the Client Satisfaction Survey to be an optimal mechanism for providing meaningful feedback. Country offices were in a good position to provide input but this type of survey did not adequately capture all relevant feedback.

Root cause(s): These issues resulted from a lack of specific UNICEF guidance on how regional office performance should be defined and assessed, and a lack of clarity about the endorsement of targets and review of regional office performance at higher organizational levels.

¹⁴ The IRRF was updated for the 2024-2025 cycle after the Mid-Term Review in 2024.

AGREED ACTIONS 3

Subject to the outcome of the Future Focus Initiative, MENARO agrees to:

- i. Review and revise, as needed, the performance indicators in its ROMP submission for 2026.
- ii. Revise the template for the regional Client Satisfaction Survey to better capture relevant feedback from country offices.

Additional recommendations relating to the identified root causes in the above observation were included in the Management Memo issued to the Executive Director in April 2025 for consideration in the UNICEF Future Focus Initiative.

Staff Responsible: Regional Chief Programme & Planning

Implementation Date: 31 December 2025

Partnerships and Resource Mobilization

Medium

There was a need to better capture and measure the contribution of the Partnerships and Resource Mobilization function towards improved fundraising results across the MENA region. This was due to a lack of clarity at the organizational level in the role of the regional office Partnership and Resource Mobilization unit with respect to its contribution to regional resource mobilization.

The Regional Director is responsible for leveraging resources and regional partnerships in the interest of children. Regional Directors guide and oversee public and private sector fundraising and partnerships in the region, in close collaboration with key global partnership offices.¹⁵

In 2024, US\$1.1 billion (34 per cent) of the total US\$3.2 billion income received by the UNICEF regions came from the MENA region, the highest of all the regions. Conversely, planning levels of UNICEF regular resources represented only seven per cent and the institutional budget envelope was the fourth lowest of all the seven regional offices. Ninety one per cent of the MENARO income came from the public sector. The region showed a positive trend in fundraising during 2023, likely to continue in 2024, mostly for emergencies (i.e., earmarked funds). Flexible funding continued to decrease in the region, particularly in the traditional areas such as Education, WASH, Health, etc. Seventy seven per cent of MENA total income came from four traditional donors and 81 per cent of the total income was allotted to five country offices in humanitarian settings. Tighter donor conditionalities increased, inter alia, the risk of MENA offices' long-term financial

¹⁵ August 2023 Compendium on the organization of UNICEF (the Compendium)

sustainability. Amid the global political and economic trends, financial constraints, and donor requirements, UNICEF was facing an increasingly urgent need to respond and to protect its mandate. Subsequent to the audit, in March 2025 UNICEF launched the Future Focus Initiative as a global effort to ensure that UNICEF remains affordable and fit for purpose by identifying strategic shifts and cutting costs.

The key objectives of the MENA 2022-2025 Resource Mobilization Strategy were to: protect funding by retaining traditional donors; expand and diversify funding with channels in high income countries; and explore activities to attract quality private sector funding. Both the 2023 and 2024 AMPs identified resource mobilization as a key priority, with growth strategies at both regional and country levels for public and private-sector funding. The next Resource Mobilization Strategy was in progress at the time of this audit in preparation for the 2026-2029 ROMP. This came at a time when the proportion of flexible core funding to total income had been steadily declining and an unprecedented share of overseas development funding was being directed towards humanitarian crises and conflict and refugee responses. Aid effectiveness was often compromised by political considerations that drive short-term approaches rather than sustainable, long-term investments.¹⁶

The MENARO Partnership and Resource Mobilization (PRM) section supported country/area offices with partnership engagement, technical and strategic support, donor agreements conditionalities and donor reporting quality assurance. This support was rated as very positive by the country offices. However, the country offices pointed to the need to further advance the opportunities to other forms of resource mobilization through innovative financing structures, regional partnerships that could facilitate funding opportunities and resource sharing. They also indicated that there was further potential in the region, in particular the Gulf area, that had not been fully explored. Despite the regional prioritization of flexible funding, the audit noted that the long-term targets for the PRM unit, as per the IRRF, did not include any indicator related to the level of flexible funds mobilized.

MENARO management explained that the regional office's role in leveraging resources was more qualitative than quantitative. It also stated that while the Regional Director was responsible for leveraging resources and fostering regional partnerships in the interest of children, the ultimate responsibility for resource mobilization lay with each country office Representative. The audit found that responsibilities for resource mobilization at regional and country office level were not clear.

The satisfaction score for the support received by country offices from the MENARO PRM section in the 2023 Annual Regional Client Satisfaction Survey was 4.4 out of 5. Despite this positive result, respondents to the audit survey indicated that MENARO's role in partnership and resource mobilization was limited, as the Regional Office did not access

¹⁶ 2025 - Annual report on the risk profile of UNICEF.

the same donors as the country/area offices but sought opportunities with other potential donors.

Root cause(s): The above situation stemmed from the lack of clarity at the organizational level about the role of the Regional Offices PRM unit with respect to its contribution to regional resource mobilization.

AGREED ACTIONS 4

MENARO agrees to:

- i. Develop and monitor specific indicators that take into account the plans to achieve regional resource mobilization objectives and expected results.
- ii. Identify relevant activities and qualitative indicators to capture the Regional Office's contribution toward strengthening the private sector fundraising, in line with the new ROMP.

Additional recommendations relating to the identified root causes in the above observation were included in the Management Memo issued to the Executive Director in April 2025 for consideration in the UNICEF Future Focus Initiative.

Staff Responsible: Regional Chief, Partnership and Resource Management

Implementation Date: 31 March 2026

People and Culture

Medium

There was a need to review the role of MENARO in a number of HR-related processes (e.g., recruitment, surge capacity) and the availability of skills to support the specific regional operating context.

MENARO provided advisory and support services and oversight to country offices and had greatly invested in staff wellbeing and workplace culture activities in the region. Activities included, inter alia, provision of additional HR capacity to support offices with workload challenges, case management, training in performance review, policy interpretation and procedural guidance. The results of the MENARO Country Office Satisfaction Survey 2023 for HR were satisfactory (4.5 out of 5). The audit noted the following areas for improvement:

Regional recruitment process: As part of its oversight role, MENARO provided quality assurance for the recruitment of staff both at the country and regional office level, in line with the strategic vision of the organization, and the regional and country office priorities.

However, respondents to the audit survey highlighted that the quality assurance of country office recruitment conducted by MENARO was not always fully contextualized and added unnecessary layers of approval and clearance, which might negatively impact the quality and timeliness of programme delivery.

Root cause(s): This issue was a result of a lack of corporate guidance on the operationalization and performance measurement of the regional HR role.

Coordination of surge capacity: MENARO facilitated the deployment of technical staff to meet additional requirements of country offices and support the redeployment of staff in emergency situations. It kept a surge tracking sheet for deployments in the region from start to end. In audit interviews, MENARO staff highlighted several challenges in facilitating surge capacity, including an over-utilized pool of qualified staff that can be quickly deployed on surge, the back-to-back deployment of the same staff from the MENA region, operational constraints such as the need for visas, language skills, access limitations, etc. However, the audit noted room for improvement in the administration of the regional surge capacity needs, as the process was not well structured. In some cases, MENARO was not informed on a timely basis as country offices contacted the global Division of People and Culture Surge Unit directly. In others, the Headquarters focal point had insufficient capacity and the regional roster pool was not sufficient to cover the needs. With four L3 ongoing emergencies in the region, it was necessary to prioritize staffing needs to mitigate the risk of failing to provide sufficient capacity to support humanitarian responses.

Root cause(s): These issues reflected an organization-wide need to strengthen the process to build, maintain and provide surge capacity.

Skills mapping: For effective performance and delivery, offices need to assess the available skills and understand the gap in the workforce to achieve their strategic goals in the particular operating context. MENARO had to balance support and oversight among a varied office typology, from development to emergencies and from well-staffed to small-size offices. However, no skills mapping exercise had been conducted and the regional learning plan did not fully address all the gaps, which increased the risk of inefficiencies or of MENARO's capacity not being fully aligned with the contextual needs. Globally, skills mapping exercises would also help staff members to better manage their career aspirations and identify opportunities for regional office support.

Root cause(s): This issue reflected a lack of maturity in skills mapping processes across the wider organization.

AGREED ACTION 5

In collaboration with Headquarters divisions, MENARO agrees to expand the surge roster and establish a well-staffed regional surge capacity that can be supplemented by global capacity as and when needed.

Additional recommendations relating to the above observation were included in the Management Memo issued to the Executive Director in April 2025 for consideration in the UNICEF Future Focus Initiative.

Staff Responsible: Regional Chief, People & Culture

Implementation Date: 31 December 2026

Knowledge Management and Sharing

Medium

There were opportunities for MENARO to further enhance its role in capturing and sharing knowledge for improved organizational performance across the offices in the region, in particular by leveraging existing knowledge and previous experiences to achieve increased programmatic and operational efficiencies.

UNICEF defines Knowledge Management (KM) as ‘the capture, organization, sharing, and use of knowledge for improved organizational performance towards development and humanitarian right-based results for children.’ The regional office is the key facilitator of the process of knowledge exchange among UNICEF offices within each region to inform decisions at country and regional levels and enhance the capabilities of UNICEF staff and partners.

MENARO has been working on strengthening its KM function, through development of the 2023-2024 workplan, aligned with global KM priorities and regional needs and creation of a dedicated KM position. It has created a KM SharePoint site, produced learning material, pioneered the creation of a KM platform accessible to external partners, compiled best practices, and been instrumental in the consolidation of evidence generation. That said, the audit noted room for further improvement in KM as an enabler to achieve results and particularly for increased efficiency. For example, different offices implemented Humanitarian Cash Transfer programmes (e.g., Sudan, Yemen).

MENARO organized both formal and informal knowledge sharing sessions, specific deep dives, facilitated the sharing of documentation and experiences across country offices for capacity building and actively supported the development of a joint digital solution. However, there were further opportunities to capitalize on previous experiences to gain efficiencies, transfer best practices and based on this, adapt the implementation of such programmes by different country offices.

Similarly, MENARO provided support to a variety of country/area offices of different typology, from middle-income country economies to high-income countries and major emergencies. MENARO did not have sufficient bandwidth to respond with the same level of engagement to such a wide range of situations. While audit interviews with country office staff highlighted initiatives to foster stronger engagement (e.g., Child Protection Community of Practice), there were opportunities to strengthen knowledge sharing at the sub-regional level for country offices with similar characteristics and to connect offices with common needs, therefore maximizing the provision of support and technical assistance.

In an operating context with high staff high turnover across the region, a robust system for information capturing, updating and sharing would help in maintaining and transferring institutional knowledge.

Root cause(s): These opportunities stemmed from a lack of corporate guidance on how to leverage knowledge and previous experience to achieve increased programmatic and operational efficiencies.

AGREED ACTIONS 6

MENARO agrees to:

- i. Add a specific Knowledge Management Core Standard Indicator to the MENARO IRRF in the new ROMP.
- ii. Develop sub-regional Knowledge Management approaches by country typology with programmatic and operational similarities for a more targeted and cohesive knowledge exchange.

Additional recommendations relating to the identified root causes in the above observation were included in the Management Memo issued to the Executive Director in April 2025 for consideration in the UNICEF Future Focus Initiative.

Staff Responsible: Regional Chief Programme & Planning

Implementation Date: 31 December 2026

PSEA

Medium

As PSEA is a critical UNICEF priority and in view of the L3 emergencies and protracted humanitarian crises in the region, there was a need to clarify the role of a regional office in supporting and strengthening PSEA implementation, quality assurance, and country office capacity building.

The Regional Director is accountable for the overall success of the UNICEF-assisted programmes of cooperation in the region, and the delivery of UNICEF humanitarian commitments in line with the Core Commitments for Children. At the time of this audit, MENARO was responding to four L3 emergencies, and providing assistance with the response to natural disasters in Libya, Morocco and Syria, and the protracted humanitarian crises affecting Iran, Iraq, Lebanon, Libya, Yemen, and part of Algeria.

Aligned with UNICEF's policy of zero tolerance for SEA, MENARO supported country offices with PSEA mechanisms, such as child protection referral systems, training on SEA investigations for implementing partners and PSEA inter-agency coordination. It also conducted PSEA oversight (e.g., monitoring on HAC indicators, utilization of allocated budget to PSEA, review of SitReps). Country/area office PSEA focal points had been assigned and internal coordination mechanisms set up (e.g., PSEA Community of Practice, monthly meetings between MENARO and the country offices).

Although MENARO was drafting the 2024 PSEA action plan at the time of the audit, it had not formalized the approach to its regional, cross-cutting PSEA role in ensuring sufficient implementation, quality assurance, and country office capacity building. There was no specific indicator that captured MENARO's PSEA-related support and oversight in the IRRP, and the rolling work plans did not include any specific PSEA activity, despite PSEA being a critical UNICEF priority.

Root cause(s): This issue was due to a lack of clarity about the regional office role in PSEA, and a resulting lack of corporate guidance, tools, processes and indicators to operationalize and measure progress in PSEA at the regional level.

AGREED ACTION 7

In consultation with UNICEF HQ, MENARO agrees to update its existing PSEA workplan to include the key PSEA interventions to support stronger oversight and assistance to the offices in the region and to include expected results and indicators for PSEA in its ROMP submission.

Additional recommendations relating to the root causes identified in the above observation were included in the Management Memo issued to the Executive Director in April 2025 for consideration in the UNICEF Future Focus Initiative.

Staff Responsible: Regional Office PSEA Specialist

Implementation Date: 31 December 2025

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 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, and control processes were adequate and functioning well.
Partially Satisfactory, Improvement Needed		The assessed governance, risk management, and 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 did not function 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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