

Report on the Internal Audit of the Colombia Country Office

Sections of this report have been redacted in accordance with paragraph 9 of Executive Board decision EB2012/12, which states that a report may be redacted if particularly sensitive (relating inter alia to third parties or a country, government or administration); or compromising to a pending action; or likely to endanger the safety or security of any individual, or violate his or her rights or invade his or her privacy.

UNICEF OFFICE OF INTERNAL AUDIT AND INVESTIGATIONS

FEBRUARY 2026

Report 2026/08

CONTENTS

Executive Summary	3
Overall Conclusion	
Summary of Observations and Agreed Actions	
Context	8
Audit Objectives, Scope and Approach	11
Observations and Management Action Plan	12
1. Risk and fraud risk management	
2. Protection from sexual exploitation and abuse	
3. Harmonized approach to cash transfers	
4. Private sector fundraising	
5. Procurement of goods and services	
6. Operations capacity	
Appendix	24
Definitions of Audit Observation Ratings	
Definitions of Overall Audit Conclusions	

EXECUTIVE SUMMARY

The Office of Internal Audit and Investigations (OIAI) conducted an audit of the UNICEF Colombia Country Office, covering the period from January 2024 to October 2025. The audit was conducted from September to October 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 Colombia Country Office. The specific risks evaluated are set out in the Audit Objectives, Scope and Approach section of this report. The audit also contributes to OIAI's broader regional assurance and risk assessment activities for the Latin America and the Caribbean (LAC) region.

The Colombia Country Office implements a significant proportion of its programme activities through partnerships with civil society organizations and outsourced service arrangements, alongside a growing private sector fundraising (PSFR) operation. During the audited period, the office transferred approximately US\$13.3 million to implementing partners and procured approximately US\$20.6 million in goods and services, the majority of which related to service contracts supporting programme delivery and fundraising activities. In parallel, the Country Office operated a large and expanding PSFR programme, generating approximately US\$23 million in annual revenue. These operating modalities involve inherent risks related to partner oversight, procurement integrity, safeguarding, and the management of high-volume financial transactions and donor data. Against this backdrop, the audit sought to assess whether the Country Office had established and applied adequate governance, risk management and control measures to manage these risks effectively in a complex and evolving operating environment.

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 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.

	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:

- **Decentralized territorial governance supporting locally driven and scalable delivery:** The Country Office has established a strong territorial footprint through a decentralized governance and field presence model, enabling programmes to be designed and implemented close to affected communities. This approach has supported community-driven interventions adaptable to local contexts, which have been adopted or replicated by national and subnational authorities, thereby strengthening sustainability and reducing implementation risks in complex and high-risk environments.
- **Strong technical leadership and trusted engagement with partners and the UN system:** The Country Office demonstrates strong technical leadership through its active provision of substantive technical guidance, policy input and problem-solving support to implementing partners and interagency counterparts, extending beyond direct programme implementation. Implementing partners and the UN Resident Coordinator's Office recognized UNICEF's visibility, availability and role in shaping technical discussions and approaches in key programme areas. This contributed to improved coordination, strengthened partner capacity and more coherent delivery, mitigating risks associated with fragmented implementation in a complex operating context.



The audit team also made several [observations](#) related to the management of the key risks evaluated. In particular, OIAI noted:

- **Risk and fraud risk management:** While the Country Office has demonstrated a strong commitment to awareness of fraud and other risks through induction training and regular updates to its risk library, its formal risk assessment does not fully reflect the most significant and emerging risks. Key risks cited by management and staff, such as security, programme delivery and fundraising, are not consistently captured in the risk register, and documented mitigation measures lack clearly defined actions, ownership, timelines and monitoring indicators. As a result, the risk register provides limited assurance that the office's most material risks are being systematically identified and managed in a complex and evolving operating environment.
- **Protection from sexual exploitation and abuse (PSEA):** The Country Office has demonstrated strong leadership and innovation in PSEA, including interagency coordination, tailored community engagement and strengthened partner awareness.

However, PSEA responsibilities are currently concentrated in a part-time focal point role, governance oversight has become less systematic, and quality assurance arrangements for partner SEA risk assessments remain uneven. These factors may limit the sustainability and consistency of PSEA implementation as programme scale and partner complexity increase.

- **Harmonized approach to cash transfers (HACT):** The Country Office has implemented several positive HACT practices, including senior management oversight of assurance activities and investments in staff guidance and training. However, weaknesses in HACT governance arrangements, execution and documentation of assurance activities, partner risk rating, and follow-up of financial and programmatic findings reduce the level of assurance over cash transfers to implementing partners. While the amount of ineligible expenditure identified during the audit period was very low, the overall assurance framework does not yet provide sufficient confidence that partner risks are being consistently assessed and mitigated in line with the scale and complexity of operations.
- **Private sector fundraising:** [REDACTED]
- **Procurement of goods and services:** During the audit period, the Country Office procured a significant volume of goods and services to support programme delivery and PSFR activities. While procurement transactions were executed and programme delivery continued, weaknesses in procurement planning, governance oversight, documentation and controls over the direct handover of supplies to implementing partners reduced assurance over value for money, transparency and accountability in procurement processes.
- **Operations capacity:** During the audit period, the Country Office operated with a lean Operations function while managing a large, complex and increasingly decentralized programme portfolio, including a growing PSFR operation. This configuration reflected a conscious management decision to prioritize programme delivery and territorial presence within affordability constraints. While core operational continuity was maintained, the sustained reliance on a structurally limited operations capacity presents an inherent risk to effective oversight and poses challenges as programme scales and organizational complexity continue to increase.

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 and fraud risk management (Observation 1): Ensure the annual risk assessment to reflect key operational, programme, security, fundraising and fraud-related risks; define and implement adequate mitigation measures with clear ownership for the material risks; incorporate structured input from field locations into the risk assessment process.</p>	High
<p>Protection from sexual exploitation and abuse (PSEA) (Observation 2): Maintain systematic senior management oversight of PSEA through regular KPI-based reporting and governance forums; assess whether programme officers have adequate capacity and support to assist implementing partners in conducting SEA risk assessments and training; strengthen regional coordination and quality assurance for SEA risk assessments of international and regional implementing partners to promote consistent standards and avoid duplication across country offices.</p>	Medium
<p>Harmonized approach to cash transfers (HACT) (Observation 3): Review, update and formally approve the HACT Committee terms of reference to reflect current roles and responsibilities, including oversight of partner risk ratings and assurance follow-up, and the need to regularly convene the committee and document the proceedings; establish a formal contractual arrangement for the performance of spot checks, or initiate a tender process for the selection of a qualified assurance provider; implement a clear process, including assigned responsibilities, for the recovery of ineligible expenditure; leverage the HACT Committee and the Planning, Monitoring and Evaluation function to ensure that partner reporting requirements, including quarterly progress reports, are met in accordance with programme documents, simplified programme documents and work plans, and that programmatic visits and related action points are adequately documented and followed up in eTools.</p>	Medium
<p>Private sector fundraising (PSFR) (Observation 4): [REDACTED]</p>	Medium
<p>Procurement of goods and services (Observation 5): Establish a consolidated procurement planning process to capture anticipated goods and services requirements across sections; ensure that all Contract Review Committee (CRC) members complete mandatory procurement training; strengthen the accuracy</p>	Medium

<p>and completeness of CRC submissions, including alignment between procurement methods applied and information presented to the CRC; reinforce controls over direct delivery of goods to implementing partners, including appropriate use of partner codes, assessment of storage capacity and monitoring of distribution.</p>	
<p>Operations capacity (Observation 6): In coordination with the Regional Office and the Executive Office, assess whether operations capacity remains aligned with the scale, complexity and decentralization of current and anticipated programme and fundraising activities, and identify a sustainable mitigation approach. This may include clarifying escalation and challenge arrangements, strengthening access to regional or shared operational support, and defining interim risk-mitigation measures to preserve effective oversight and risk management.</p>	<p>High</p>

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 OIAI is to provide an independent assessment of those governance, risk management and control processes.


 Eva Mavroeidi
 Deputy Director, Internal Audit
 Office of Internal Audit and Investigations

Colombia is an upper-middle-income country with an estimated population of over 52 million, approximately one-third of whom are children and adolescents. Despite sustained economic development and institutional capacity at the national level, significant disparities persist across regions, particularly affecting children living in poverty, those in rural and remote areas, indigenous and Afro-descendant populations, and children affected by violence, displacement and migration. These disparities continue to shape UNICEF's programme priorities and delivery approaches.

The country context remains complex and fluid. Internal armed conflict in certain regions, large-scale migration flows, climate-related shocks and security constraints in parts of the territory present ongoing operational challenges. These factors affect access, delivery modalities, partner capacity and safeguarding risks and require UNICEF to operate through decentralized structures, partnerships with civil society organizations and flexible implementation arrangements. The operating environment also heightens exposure to fiduciary, reputational and safeguarding risks, particularly where programme delivery relies on third parties and remote oversight mechanisms.

UNICEF Country Programme

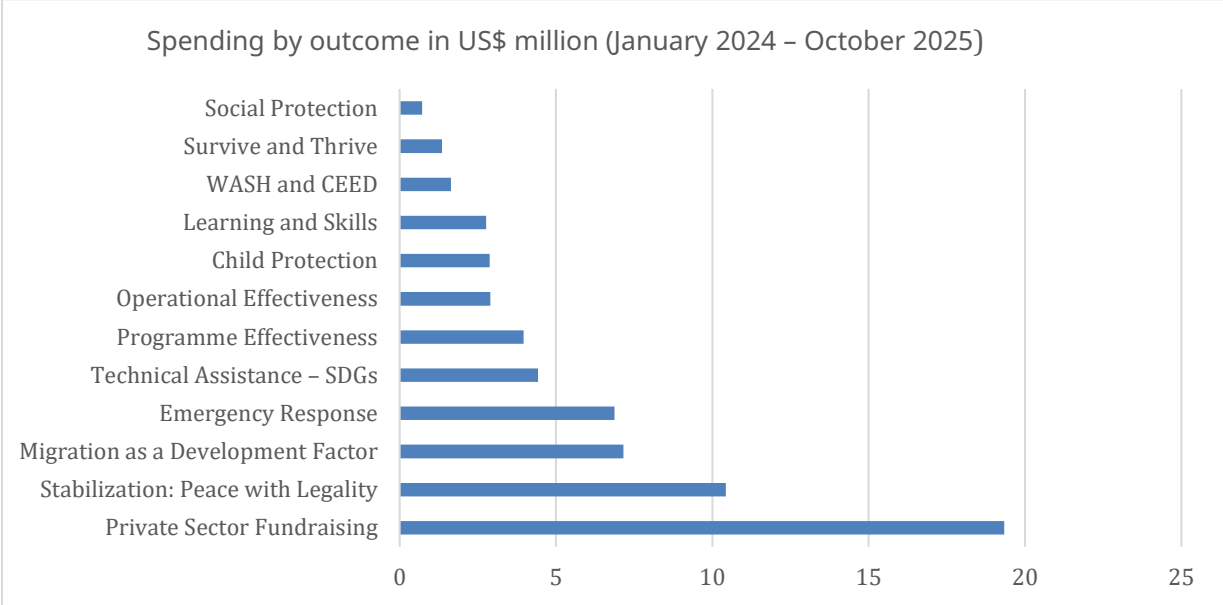
The UNICEF Colombia Country Programme for the period under review was guided by the 2021–2024 Country Programme Document, extended into 2025, and the subsequent March 2025–2028 Country Programme cycle. The programme focuses on child survival and development, education, child protection, social inclusion and policy, and emergency preparedness and response. Across these areas, UNICEF emphasizes systems strengthening, policy advocacy, institutional capacity development, and support to national and subnational institutions, particularly in contexts affected by conflict, displacement and other vulnerabilities. Programme delivery relies largely on partnerships with civil society organizations, making effective partnership management and assurance mechanisms central to programme performance.

Between January 2024 and September 2025, the Country Office collaborated with approximately 30 implementing partners, all civil society organizations, through which approximately US\$13.3 million in cash was transferred. During the same period, the office procured approximately US\$20.6 million in goods and services, primarily through service contracts supporting programme delivery and PSFR activities. In parallel, the Country Office managed a large and expanding PSFR operation, generating approximately US\$23 million. These delivery modalities involve significant reliance on external partners and vendors, as well as high-volume financial transactions, heightening the importance of strong governance, risk management, safeguarding and internal control processes.

Figure 1 shows the distribution of actual programme expenditure by outcome during the period under review. PSFR accounts for the largest share of expenditure, followed by Stabilization: Peace with Legality, Migration as a Development Factor, and Emergency

Response. Together, these areas accounted for the majority of programme spending, reflecting the Country Office’s focus on complex operating environments and diversified funding modalities, and underscoring the materiality of governance, partnership management and fiduciary risks associated with these outcomes.

Figure 1: Programme spending by outcome in US\$ million – January 2024 to October 2025



WASH: Water, Sanitation and Hygiene; CEED: Climate, Environment, Energy, and Disaster Risk Reduction; SDGs: United Nations Sustainable Development Goals

Note: Programme expenditure shown in Figure 1 covers activities implemented under both the 2021–2024 Country Programme Document (extended into 2025) and the 2025–2028 Country Programme Document.

Figure 2: Expenditure by cost category in US\$ million – January 2024 to October 2025

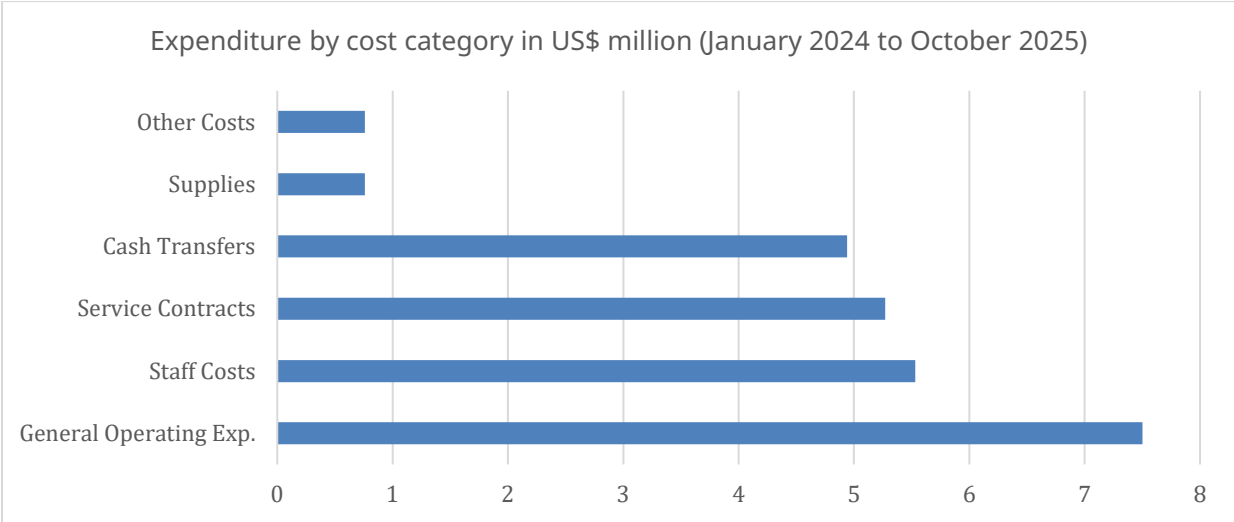


Figure 2 presents actual programme expenditure by cost category during the audited period. The largest shares of expenditure relate to general operating expenses, staff costs, service contracts and cash transfers, while supplies and other costs represent a smaller proportion of total spending. The distribution illustrates the main modalities through which programme activities were delivered.

AUDIT OBJECTIVES, 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 Colombia Country Office.

The audit scope was determined during the audit planning process based on an assessment of the inherent risks¹ of the Colombia Country Office and included the following areas:

- Governance
- Risk management, including fraud risk management
- Private sector fundraising
- Partnership management
- Cash transfers to implementing partners
- HACT assurance
- Emergency response and preparedness
- Procurement (service contracts)
- Supply chain management
- Protection from sexual exploitation and abuse

The audit fieldwork was conducted from September to October 2025 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 2024 to October 2025. The audit involved a combination of methods, tools and techniques, including interviews with management and staff, reviews of policies, procedures and relevant documentation, data analysis, tests of selected transactions, and evaluations and validations of preliminary observations with management.

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. Risk and fraud risk management

High

While the Country Office has demonstrated a strong commitment to awareness of fraud and other risks through induction training and regular updates to its risk library, its formal risk assessment does not fully reflect the most significant and emerging risks. Key risks cited by management and staff, such as security, programme delivery and fundraising, are not consistently captured in the risk register, and documented mitigation measures lack clearly defined actions, ownership, timelines and monitoring indicators. As a result, the risk register provides limited assurance that the office's most material risks are being systematically identified and managed in a complex and evolving operating environment.

UNICEF requires country offices to identify, assess, document and monitor significant and emerging risks, including fraud and corruption risks, and to ensure that mitigation measures are proportionate, documented and regularly reviewed. This includes conducting comprehensive risk assessments and maintaining a risk register that reflects the office's operational context.

The Colombia Country Office has established positive practices in risk awareness and fraud prevention. Fraud risk training is provided as part of induction for all personnel, including field staff, regardless of tenure, and management has committed to updating the office's risk library three times per year to reflect emerging risks. These measures demonstrate management's approach to fraud and corruption as well as its intention to strengthen risk management practices.

However, the 2025 Country Office risk assessment documented only four key risks: reputational crisis, volatile exchange rates, data breaches or information leakage, and economic uncertainty related to legislative proposals. The mitigation measures documented for these risks were brief and general. During audit interviews, management and staff consistently identified security risks as among the most significant challenges facing the office, yet these risks were not reflected in the risk register. Similarly, risks related to programme implementation, misuse of resources, undisclosed conflicts of interest and PSFR were not explicitly captured.

Management explained that the limited number of risks reflected guidance received from the LAC Regional Office in prior years to reduce the size of the risk register, as earlier versions were considered overly broad and difficult to manage. In response, the office deliberately narrowed its focus to a smaller number of risks. In addition, while the risk assessment process involves participation from programme and operations staff in

Bogotá, personnel based in field locations do not directly participate, despite operating in environments where risks, particularly security and implementation risks, evolve rapidly.

The issue identified is not the absence of risk awareness, but rather that the current risk assessment does not comprehensively document or systematically track the most material risks facing the office, nor does it include sufficiently detailed mitigation measures to support proactive risk management. Management generally acknowledged this gap and agreed to strengthen the annual risk assessment accordingly.

If significant operational, security, programme and fundraising risks are not comprehensively identified and documented, there is a risk that mitigation measures may remain reactive, limiting the office's ability to anticipate disruptions, prevent fraud or misuse of resources, and support the effective achievement of programme results.

Root causes: The situation is due to efforts to simplify risk reporting following regional feedback, the interpretation of guidance on balancing risk coverage and manageability, and the concentration of the risk assessment process at the main country office level in Bogotá, which reduced systematic input from field locations.

RECOMMENDED ACTIONS

The Colombia Country Office should:

- i. Ensure the annual risk assessment reflects all key operational, programme, security, fundraising and fraud-related risks.
- ii. Define and implement adequate mitigation measures with clear ownership for the material risks.
- iii. Incorporate structured input from field locations into the risk assessment process.

Staff Responsible: Deputy Representative and Operations Manager

Implementation Date: April 2026

2. Protection from sexual exploitation and abuse

Medium

The Country Office has demonstrated strong leadership and innovation in PSEA, including interagency coordination, tailored community engagement and strengthened partner awareness. However, PSEA responsibilities are currently concentrated in a part-time focal point role, governance oversight has become less systematic, and quality assurance arrangements for partner SEA risk assessments remain uneven. These factors may limit

the sustainability and consistency of PSEA implementation as programme scale and partner complexity increase.

UNICEF policies require country offices to maintain effective PSEA frameworks, including clear governance oversight, adequate resourcing, trained focal points, systematic partner risk assessments and quality assurance mechanisms to ensure consistent application across implementing partners and delivery modalities.

The office has established several strong PSEA practices. It co-leads the interagency PSEA task force with UN Women and has developed the capacity to support implementing partners and vendors that lack adequate PSEA materials. The office adapts PSEA communication tools to suit diverse audiences, including children and communities in conflict-affected areas, using innovative and discreet approaches to mitigate protection risks. PSEA principles are integrated with safeguarding and Accountability to Affected Populations messaging, and the office actively supports implementing partners in addressing PSEA risks related to subcontractors and sub-subcontractors, an area generally associated with higher vulnerability.

The office has also developed a multi-agency standard operating procedure for SEA cases and conducted a PSEA diagnostic for the Instituto Colombiano de Bienestar Familiar, providing technical recommendations that were well received. Collaboration with the Regional Office on PSEA, safeguarding and Accountability to Affected Populations has strengthened over the past year, particularly through regional resource-sharing.

Notwithstanding these strengths, the PSEA focal point function is currently performed in along with a full-time gender and development officer role. Given the breadth of PSEA activities, training, partner support, monitoring, communication and coordination, this arrangement constrains available capacity, particularly for hands-on technical assistance to smaller implementing partners and field-level engagement. In parallel, PSEA is no longer a standing agenda item in Country Management Team meetings, reducing its systematic visibility in senior governance discussions. Management agreed to address this by integrating PSEA as a regular global KPI.

Under the revised organizational structure, responsibility for supporting implementing partners in completing SEA risk assessments has shifted from the PSEA focal point to programme officers, with the focal point retaining a review role before submission in the UN Partner Portal. While this approach aims to mainstream PSEA within programmes, it relies on programme officers having sufficient knowledge, time and capacity, particularly when supporting smaller implementing partners that require more intensive technical assistance.

In addition, quality assurance arrangements for SEA risk assessments of international and regional implementing partners are not fully harmonized across country offices. Instances

were noted where partners assessed as having full capacity by another country office did not meet that standard when reviewed locally, highlighting the need for stronger regional-level consistency to avoid duplication and gaps.

Finally, while progress has been made in engaging with the Instituto Colombiano de Bienestar Familiar on PSEA, available technical resources remain limited relative to the scope of support required.

If PSEA capacity, governance oversight and quality assurance arrangements are not sufficiently reinforced, there is a risk of inconsistent partner assessments, uneven preventive coverage, and reduced assurance that SEA risks are being effectively identified and mitigated, particularly among smaller partners and subcontractors.

Root causes: The situation reflects constrained resourcing for PSEA functions due to the latest Global Programme and Budget Review decisions and organizational changes that redistributed responsibilities without additional capacity.

RECOMMENDED ACTIONS

The Colombia Country Office should:

- i. Maintain systematic senior management oversight of PSEA through regular KPI-based reporting and governance forums.
- ii. Assess whether programme officers have adequate capacity and support to assist implementing partners in conducting SEA risk assessments and training.
- iii. Strengthen regional coordination and quality assurance for SEA risk assessments of international and regional implementing partners to promote consistent standards and avoid duplication across country offices.

Staff Responsible: Representative and Deputy Representative

Implementation Date: September 2026

3. Harmonized approach to cash transfers

Medium

The Country Office has implemented several positive HACT practices, including senior management oversight of assurance activities and investments in staff guidance and training. However, weaknesses in HACT governance arrangements, execution and documentation of assurance activities, partner risk rating, and follow-up of financial and programmatic findings reduce the level of assurance over cash transfers to implementing partners. While the amount of ineligible expenditure identified during the audit period was very low, the overall assurance framework does not yet provide sufficient confidence

that partner risks are being consistently assessed and mitigated in line with the scale and complexity of operations.

UNICEF requires country offices to implement HACT assurance activities proportionate to partner risk profiles, supported by effective governance arrangements, accurate partner risk ratings, formal contracting of assurance providers, timely recovery of ineligible expenditure, and complete programmatic and financial reporting to support oversight of cash transfers.

Between January 2024 and September 2025, the office worked with 30 implementing partners, all civil society organizations, which received cash transfers totalling approximately US\$13.3 million. The office implemented several positive HACT practices, including regular monitoring of assurance activities at the Country Management Team level, staff training on the Field Monitoring module in eTools, and the development of methodological guidance for programmatic visits.

Notwithstanding these practices, gaps were identified in the governance and execution of HACT assurance activities. The HACT Committee, established to provide quality assurance and oversight over HACT implementation, had not convened formally since April 2024, and its terms of reference were neither signed nor updated to reflect current roles and responsibilities, including oversight of partner risk ratings and follow-up of assurance findings. The absence of regular meetings and updated terms of reference reduced the effectiveness of the committee as a governance and quality assurance mechanism.

Regarding assurance execution, the Country Office completed 14 of the 21 planned spot checks for 2025. These spot checks, however, were conducted without a formal contract in place with a third-party auditor, following the expiry of a previous long-term agreement in late 2024. Requests for spot checks were issued on an ad hoc basis, pending completion of a new tender process led by the United Nations Development Programme — the lack of a formal contractual arrangement reduced clarity over service expectations, deliverables and accountability.

All implementing partners were rated low risk, except one which was rated high risk by assumption due to the absence of a micro-assessment. A review of micro-assessment reports conducted in 2024 and 2025 identified internal control findings related to risk management, fraud risk management and financial management. These findings, together with contextual factors, were not reflected in partner risk ratings.

While the amount of ineligible expenditure identified during the audit period was very low (US\$1,092), this figure alone does not assure the robustness of HACT assurance activities. Given the number of implementing partners, the volume of cash transfers and the operating context, the limited level of findings may also indicate that assurance activities were not consistently detailed enough to identify material issues or systemic weaknesses.

Ineligible expenditure pending recovery amounted to approximately US\$7,275, of which around 85 per cent related to 2022 and 2023. Recovery actions had not been initiated because the responsibilities for follow-up were not clearly defined, and no formal process was in place to track and recover ineligible costs.

Programmatic assurance through field monitoring was partially implemented, with 58 per cent of required programmatic visits completed in 2025 at the time of the audit. The office indicated that visit agendas were often defined by implementing partners, increasing the risk of selection bias. Review of a sample of programmatic visit reports identified inconsistent documentation in eTools, unclear descriptions of activities monitored, limited verification of resource use, and weak recording of follow-up actions. In addition, 9 of 15 high-priority action points related to programmatic visits were overdue.

The audit also reviewed a sample of six Funding Authorization and Certification of Expenditure (FACE) forms to assess the processing and reporting of cash transfers. Partner quarterly reports did not accompany five of the six FACE forms reviewed. The absence of narrative progress reporting limits the Country Office's ability to assess programmatic progress alongside financial expenditure and to take timely corrective or adaptive action where required.

If HACT assurance activities are not sufficiently robust and risk-informed, there is a risk that control weaknesses or emerging issues will remain undetected, limiting assurance over the appropriate use of funds transferred to implementing partners and reducing the effectiveness of corrective action.

Root cause: The issues observed stem primarily from unclear accountability arrangements and insufficient prioritization of HACT governance and assurance functions amid competing operational demands. This reduced management attention to maintaining formal oversight mechanisms, contractual arrangements, and the systematic use of risk information to calibrate the scope and rigour of assurance activities.

RECOMMENDED ACTIONS

The Colombia Country Office should:

- i. Review, update and formally approve the HACT Committee terms of reference to reflect current roles and responsibilities, including oversight of partner risk ratings and assurance follow-up, and the need to regularly convene the Committee and document the proceedings.
- ii. Establish a formal contractual arrangement for the performance of spot checks, or initiate a tender process for the selection of a qualified assurance provider.

- iii. Implement a clear process, including assigned responsibilities, for the recovery of ineligible expenditure.
- iv. Leverage the HACT Committee and the Planning, Monitoring and Evaluation function to ensure that partner reporting requirements, including quarterly progress reports, are met in accordance with programme documents, simplified programme documents and work plans, and that programmatic visits and related action points are adequately documented and followed up in eTools.

Staff Responsible: Operations Manager and Planning & Monitoring Officer

Implementation Date: March 2026

4. Private sector fundraising

Medium

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

Root causes: [Redacted]

RECOMMENDED ACTIONS

[Redacted]

Staff Responsible: [Redacted]
Implementation Date: [Redacted]

5. Procurement of goods and services

Medium

During the audit period, the Country Office procured a significant volume of goods and services to support programme delivery and PSFR activities. While procurement transactions were executed and programme delivery continued, weaknesses in procurement planning, governance oversight, documentation and controls over the direct handover of supplies to implementing partners reduced assurance over value for money, transparency and accountability in procurement processes.

UNICEF requires country offices to plan procurement activities as part of programme planning, maintain adequately trained Contract Review Committee members, and ensure that procurement processes are competitive, properly documented and supported by accurate CRC submissions. Delivery and handover of goods must be subject to appropriate controls and monitoring to safeguard resources and ensure intended use.

Between January 2024 and September 2025, the office procured approximately US\$20.6 million in programme supplies and services, of which services accounted for about 91 per cent. A substantial portion of this procurement supported PSFR activities.

Procurement planning was decentralized across programme sections, with no consolidated annual procurement plan at the country office level. While sections were expected to identify procurement needs during annual work planning, a review of section work plans did not show systematic inclusion of anticipated goods or services. This increases the likelihood of ad hoc or last-minute procurement requests, which may affect competition, pricing and timeliness.

In relation to governance oversight, the CRC serves as an advisory body for procurement actions above defined thresholds. At the time of the audit, only one CRC member had completed the mandatory procurement training, limiting assurance that submissions were consistently reviewed with sufficient technical understanding.

The audit also identified weaknesses in procurement documentation. In both 2022 and 2024, the Country Office conducted a procurement process for the purchase and installation of power generators across multiple locations. For the 2024 procurement, the CRC submission indicated that multiple bids had been received and assessed; however, no technical or financial evaluation documentation was provided to the CRC. When requested, evaluation documents from the earlier procurement process were presented, and management confirmed that a new competitive process was not conducted in 2024, despite this being implied in the CRC documentation. Instead, the office relied on the prior (2022) procurement process and documented this approach separately. The inconsistency between the procurement method applied and the information presented to the CRC limited the committee's ability to exercise effective oversight.

Regarding the delivery and monitoring of goods, approximately US\$1.67 million in goods were procured and delivered directly from vendors to implementing partners between January 2024 and October 2025. Of this amount, around US\$1.3 million was recorded using a generic implementing partner code intended for exceptional emergency-type situations. The consignees included entities such as health centres and schools that specific partnership arrangements would normally cover. Goods recorded under the generic implementing partner code are expensed upon delivery, before verification of their use for the intended purpose. The Country Office confirmed that assessments of partners' storage capacity and monitoring of distribution were limited.

Weaknesses in procurement planning, CRC oversight, and accuracy of procurement documentation reduce assurance over transparency and value for money and increase the risk of procurement decisions being taken without adequate evidence or challenge. Limited controls over direct delivery of goods further increase the risk of loss, misuse or delayed distribution of supplies.

Root causes: The issues observed stem primarily from unclear accountability, oversight and guidance for end-to-end procurement and delivery arrangements, combined with capacity and workload pressures. In this context, interim or expedient solutions, such as the use of a generic implementing partner code and reliance on prior procurement processes, were applied without sufficient consideration of their control implications or consistent communication to governance bodies. These factors appear to have been compounded by limited CRC training coverage, reducing the effectiveness of challenge and oversight.

RECOMMENDED ACTIONS

The Colombia Country Office should:

- i. Establish a consolidated procurement planning process to capture anticipated goods and services requirements across sections.
- ii. Ensure that all Contract Review Committee members complete mandatory procurement training.
- iii. Strengthen the accuracy and completeness of CRC submissions, including alignment between procurement methods applied and information presented to the CRC.
- iv. Reinforce controls over direct delivery of goods to implementing partners, including appropriate use of partner codes, assessment of storage capacity and monitoring of distribution.

Staff Responsible: Operations Manager and Contracts Associate

Implementation Date: May 2026

6. Operations capacity

High

During the audit period, the Country Office operated with a lean Operations function while managing a large, complex and increasingly decentralized programme portfolio, including a growing PSFR operation. This configuration reflected a conscious management decision to prioritize programme delivery and territorial presence within affordability constraints. While core operational continuity was maintained, the sustained reliance on a structurally limited operations capacity presents an inherent risk to effective oversight and poses challenges as programme scales and organizational complexity continue to increase.

UNICEF country offices are expected to maintain operational capacity that is proportionate to the scale, complexity and risk profile of their programmes, enabling effective oversight, risk management and support, particularly in decentralized and high-risk operating environments.

During the audit period, the office transitioned between the 2021–2024 Country Programme (extended into early 2025) and the 2025–2028 Country Programme, while simultaneously implementing affordability-driven restructuring under the Future Focus Initiative. This transition was further shaped by the suspension of United States Bureau of Population, Refugees, and Migration funding in early 2025, the application of global affordability directives, and delays in the regional Programme Budget Review due to a global hiring freeze.

The restructuring introduced a hub-and-satellite operating model, consolidating territorial presence into two hubs supported by multiple smaller outposts, while central leadership, including PSFR functions, remained in Bogotá. Programme delivery continued at scale across high-risk and remote locations, with combined programme and fundraising volumes approaching US\$40 million and an expanding PSFR portfolio increasing transactional and oversight demands.

Throughout this period, the Operations function provided continuity across procurement, finance, travel, information and communication technology, administration and risk management, with a lean staffing configuration led by an operations manager at a National Officer level. The team successfully supported programme delivery under both the previous and current programme cycles, and no significant operational failures were identified during the audit period. However, the breadth of responsibilities, the geographic dispersion of operations, and the growing complexity of programme and fundraising modalities place sustained demands on a limited operations structure, increasing reliance on individual capacity and informal coordination mechanisms rather than built-in depth or recognized seniority.

The issue identified relates to the structural alignment between operations capacity and the current and anticipated scale, complexity and decentralization of the office, rather than to the effectiveness or efficiency of the operations team. This risk is recognized by management and reflects a broader pattern observed across several country offices in the LAC region. The Regional Office is aware of this challenge and is considering regional and corporate mitigation approaches as part of ongoing operating model changes.

If operations capacity does not remain aligned with programme scale and decentralization, there is a risk that oversight, risk management and effective challenge will become increasingly strained over time, potentially affecting the consistency and sustainability of controls in a complex operating environment.

Root causes: The situation results from global affordability measures and post-ceiling constraints, combined with a strategic decision to prioritize programme delivery and field presence within available resources, while longer-term structural solutions are being considered at regional and corporate levels.

RECOMMENDED ACTIONS

The Country Office, in coordination with the Regional Office and the Executive Office, should assess whether operational capacity remains aligned with the scale, complexity and decentralization of current and anticipated programme and fundraising activities, and identify a sustainable mitigation approach. This may include clarifying escalation and challenge arrangements, strengthening access to regional or shared operational support, and defining interim risk-mitigation measures to preserve effective oversight and risk management.

Staff Responsible: Representative and Operations Manager

Implementation Date: June 2026

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.

Published by UNICEF Office of Internal Audit and Investigations (OIAI)

3 United Nations Plaza, East 44th St, New York, NY 10017

www.unicef.org/auditandinvestigation

Report No. 2026-08

© United Nations Children's Fund (UNICEF), [March, 2026]

unicef 
for every child