

Internal Audit of the
SENEGAL COUNTRY OFFICE

MARCH 2026

Report 2026/11

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EXECUTIVE SUMMARY

The Office of Internal Audit and Investigations (OIAI) conducted an audit of the Senegal Country Office, covering the period from January 2024 to December 2025. The audit was conducted in person from 1–12 December 2025 in accordance with the Global International Internal Audit Standards. The overarching objective of the audit was to assess the adequacy and effectiveness of the governance, risk management and control processes over a selection of significant risk areas of programme management, partnership management, direct cash transfers (DCTs) and assurance activities, resource mobilization and grant management, procurement and contract management, including oversight and accountability, office structure and staffing, risk and fraud risk management, protection from sexual exploitation and abuse (PSEA), Common Services Operations and programme monitoring. The descriptions of the specific risks identified during the engagement planning process are provided in the Audit Objectives, Scope and Approach section of this report¹.

Overall Conclusion

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

	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:

- **Comité de Suivi des Appuis Budgétaires:** This sector-wide mechanism was created to monitor and coordinate all budgetary support in education. It was established under UNICEF's leadership with the aims of reducing fragmented financing and strengthening governance and accountability.

¹ The ongoing UN House and Common Premises and Common Back Office (CBO) projects were reviewed separately in an advisory engagement, given the involvement of a number of UN offices, in addition to UNICEF. Areas linked to the projects under the responsibility of the Country Office are highlighted under the respective observations in this report

- **Conseils Municipaux des Enfants (Children’s Municipal Councils):** Institutionalized councils at the local level allow children to participate in governance and decision-making. UNICEF introduced and supported these councils to promote inclusive governance and integrate children’s rights into municipal planning.
- **Resource mobilization:** The Senegal Country Office was the first globally to submit a proposal to the Green Climate Fund, supporting the positioning of the UNICEF Senegal Country Office on climate finance.

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

- **Governance and organizational structure:** The Senegal Country Office lacks a documented governance and accountability framework for major operational changes, including Common Services, the Independent Project Unit (IPU),² the UN House Management Unit (UNHMU)³ and the transition to the CBO.⁴ The Country Programme Management Plan (CPMP) and Programme Budget Review (PBR) did not include UNHMU or CBO structures for validation, nor did they incorporate contingency planning for delays in the UN House relocation. These gaps have contributed to operational inefficiencies, increased fiduciary risk from undefined financial authorities and informal controls, and led to misalignment with UN Reform objectives, creating reputational risk for UNICEF as lead entity.
- **Programme sustainability and financial resilience:** The country programme faces significant sustainability and financial risks due to reliance on UNICEF internal resources and the lack of exit and financing frameworks. This increases vulnerability to funding cuts that could disrupt essential services, though steps such as revising the theory of change and initiating joint planning and capacity strengthening provide a foundation for improvement.
- **Risk management:** There are gaps in the Country Office’s risk management framework, including an incomplete risk register, missing mitigation measures and weak monitoring systems. Critical risks remain unaddressed, causing delays and inefficiencies.
- **Resource mobilization and grant management:** The Senegal Country Office’s

² Independent Project Unit: A dedicated unit established to manage large-scale, multi-agency projects – such as the UN House construction or renovation – on behalf of participating UN entities. It typically handles project planning, procurement, financial oversight, and coordination with government and contractors.

³ UN House Management Unit: The unit responsible for managing the operations and maintenance of the UN House facility, including shared services like security, utilities and space allocation for resident UN agencies. It ensures compliance with UN standards and cost-sharing arrangements.

⁴ Common Back Office: A shared service model under UN Reform that consolidates administrative functions (e.g., human resources, finance, procurement, information and communication technology) across multiple UN agencies in a country. The goal is to improve efficiency, reduce duplication and achieve cost savings through joint operations.

Resource Mobilization Strategy (2024–2028) has not been updated to reflect major funding shifts. This lack of update, combined with low proposal success rates and donor retention challenges, increases the risks of funding shortfalls and may affect delivery of planned results and donor confidence.

- **Management of construction activities:** Delays in documentation and quality issues in the management of construction-related activities – including planning, procurement, oversight and partner coordination – have affected timely delivery of programme results and increased operational and financial risks for the Country Office.
- **Cash transfers and financial assurance activities:** Weaknesses in cash transfer management and financial assurance – including delays, inaccurate reviews, inconsistent modality application and insufficient follow-up on ineligible expenses – undermine compliance with harmonized approach to cash transfers (HACT) procedures and UNICEF Financial Rules and Regulations, increase fiduciary risk and delay programme implementation.
- **Programme monitoring:** There are opportunities to strengthen programme monitoring processes to improve data reliability, accountability and overall compliance, thereby enabling the office to deliver more effective, accountable programming.

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.

AGREED ACTIONS & AUDIT RATINGS	
<p>Governance and operational structure (Observation 1): The Senegal Country Office, with guidance from the Division of Finance and Administrative Management (DFAM) and the Regional Office, has agreed to develop an addendum/annex to the CPMP defining roles for Common Services, the UNHMMU and the CBO; clarity of roles for Common Service Operations and the UNHMMU; and ensure that the transition to the CBO is formally reviewed through the PBR process and integrates contingency planning for UN House delays.</p>	High
<p>Programme sustainability and financial resilience (Observation 2): The Senegal Country Office, with guidance from the Regional Office, has agreed to develop and formalize a sustainability and exit framework that consolidates existing programme-level sustainability practices into an office-wide approach with phased transition considerations and government financing pathways, and integrate these transition elements into the 2027/2028 government work plans and review progress during the Mid-Term Review (MTR) to confirm readiness for gradual handover</p>	Medium

<p>transition; implement a diversified financing strategy, aligned with the revised Resource Mobilization Strategy, to reduce reliance on a limited donor base and strengthen proposal development processes; and strengthen capacity transfer and establish post-exit monitoring mechanisms to ensure continuity, aligning actions with MTR findings to adjust priorities and resource allocation.</p>	
<p>Risk management (Observation 3): The Senegal Country Office, with support from the Regional Office, has agreed to strengthen the functioning of the Risk Committee by clarifying roles/ownership and integrating the UN House/CBO risks into a shared, regularly reviewed register (with Country Management Team oversight); standardize Enterprise Risk Management (ERM) processes and monitoring by requiring complete mitigation plans, measurable indicators, owners/timelines, and regular updates and discussion; and build ERM capacity and discipline through the planned risk and compliance specialist, targeted staff training on risk identification, rating and monitoring, and alignment of annual managements plans (AMPs) and the CPMP with implementable risk actions and dependencies.</p>	<p>Medium</p>
<p>Resource mobilization and grant management (Observation 4): The Senegal Country Office, with support from the Regional Office, has agreed to revise the Resource Mobilization Strategy during the Mid-Term Review to reflect funding priorities and gaps; strengthen programme ownership of resource mobilization and improve proposal development processes; diversify funding approaches and better leverage UNICEF's technical expertise; and improve grant management compliance, including documenting donor approvals and monitoring grant timelines.</p>	<p>Medium</p>
<p>Management of construction activities (Observation 5): The Senegal Country Office, with guidance from the Supply Division and Regional Office, has agreed to strengthen governance and technical oversight for construction projects, including clear roles, documentation requirements and mandatory technical supervision; improve planning and risk management by assessing partner capacity, sequencing activities effectively, and applying risk-based controls for construction-related procurement and disbursements; and build internal and partner capacity and embed lessons learned to enhance sustainability and prevent recurrence of delays and quality issues.</p>	<p>High</p>
<p>Cash transfers and financial assurance activities (Observation 6): The Senegal Country Office, with support from the Regional Office, has agreed to enhance quality assurance and timeliness by implementing standardized review checklists and monitoring Funding Authorization and Certificate of Expenditure (FACE) processing against service standards; prioritize and map training needs with government partners, ensuring that trainings funded by UNICEF are focused on technical assistance and system-strengthening – particularly when government budgets for routine trainings are not available – while also defining a phased exit strategy to transition recurrent training costs to government financing; strengthen governance and oversight for cash transfers, ensuring clear roles and compliance with HACT requirements; apply risk-based cash transfer modalities consistently, supported by documented partner capacity assessments and pre-approval for exceptions; and conduct a review and reconciliation of outstanding ineligible balances, with guidance from DFAM.</p>	<p>Medium</p>

Programme monitoring (Observation 7): The Senegal Country Office has agreed to enhance supervisory review of programme visits, spot checks and financial assurance activities and implement an accountability to affected populations (AAP) strategy; monitor civil society organization partners' PSEA capacity through programmatic visits; and enhance staff capacity and accountability through targeted training on timely follow-up to ensure data reliability and programme delivery.

Medium

Eva Mavroeidi

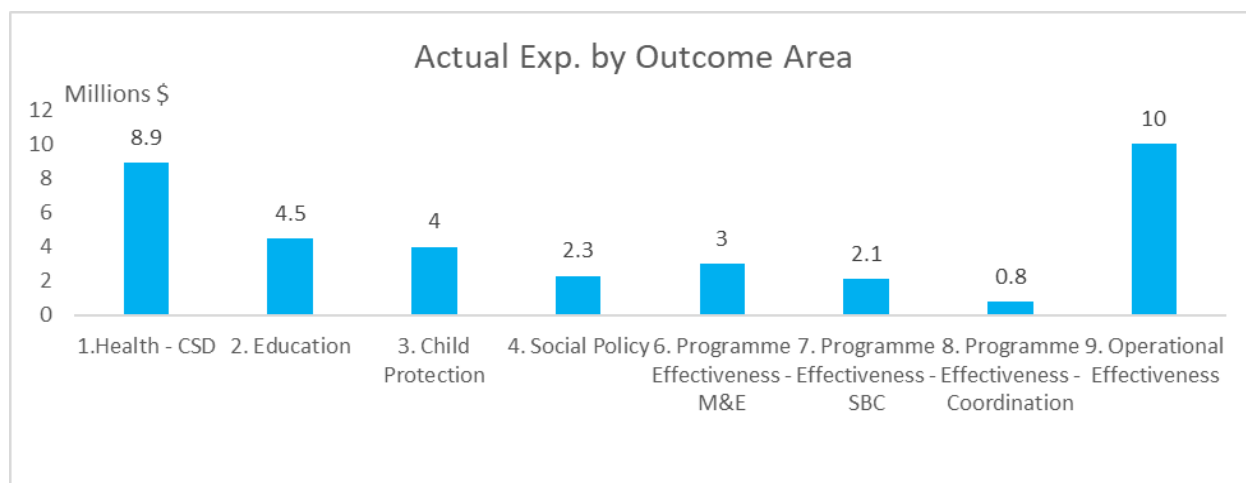
Eva Mavroeidi
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Audit and Investigations

CONTEXT

Senegal is the westernmost country in mainland Africa. Dakar, the capital, hosts approximately 3 million inhabitants. The national population is estimated at 19 million in 2025, growing at 2.3 per cent annually. Nearly half of the population is under 18 years of age, with 24 per cent aged 0–14, reflecting a youthful demographic profile. Child health and nutrition challenges remain significant. Under-five mortality stands at 38 per 1,000 live births,⁵ and infant mortality at 30 per 1,000. Acute malnutrition affects about 10 per cent of children, while stunting impacts 20–22 per cent. Anaemia prevalence among women aged 15–49 is 54 per cent. Child protection concerns include early marriage (30 per cent of girls before age 18) and child labour (23 per cent of children aged 5–17).

Senegal faces recurrent climate shocks, notably floods that displaced over 70,000 people – including 39,000 children – in 2024.⁶ While the country remains relatively stable, low-level insurgency persists in the Casamance region, and regional insecurity from the Sahel poses spillover risks. Economic shocks and inflation spikes have widened inequalities, increasing child poverty (43–51 per cent) and straining public services through labour strikes.

Figure 1 details the Senegal Country Office’s expenditure by outcome area from January 2024 to December 2025.



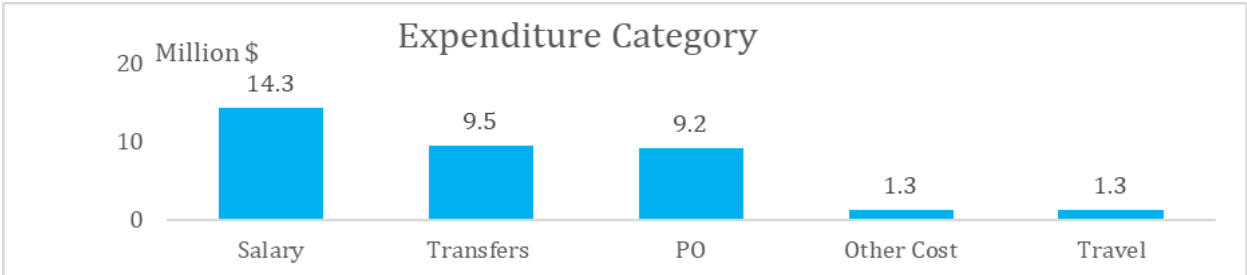
CSD: child survival and development
M&E: monitoring and evaluation
SBC: social and behaviour change

Figure 2 details findings from the 2024–2025 fund utilization analysis, which shows that the Country Office spent US\$35.6 million, with the largest spending streams allocated to salaries (39 per cent), cash transfers to partners (26 per cent) and purchase orders (PO, 25 per cent).

⁵ UNICEF. (2023). Senegal Country Programme Document 2024–2028 (E/ICEF/2023/P/L.28).

⁶ UNICEF. (2025). Senegal-Flash-Update-No3-Floods-05-December-2024

Figure 2: Fund utilization by expenditure category, 2024–2025



AUDIT OBJECTIVES, SCOPE AND APPROACH

The objective of the internal audit of the Senegal Country Office is to provide reasonable assurance as to whether governance, risk management and control processes related to a selection of significant risk areas of the Senegal Country Office.

The audit scope was determined during the audit planning process based on an assessment of inherent risks⁷ of the Senegal Country Office and included the following areas:

- Oversight and accountability
- Office structures and staffing
- Risk and fraud risk management
- Protection from sexual exploitation and abuse
- Programme planning
- Accountability to affected populations
- Partnership management
- Resource mobilization and grants management
- Programme monitoring and HACT
- Cash transfers
- Procurements and contracts management
- Common Services Operations

The audit was conducted in person from 1–12 December 2025 in accordance with the International Standards for the Professional Practice of Internal Auditing. For audit testing, the audit covered the period from January 2024 to December 2025. It involved a combination of methods, tools and techniques, including interviews, data analytics, document review, tests of transactions, evaluations and validation of preliminary observations⁸.

⁷ 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.

⁸ The ongoing UN House and Common Premises and Common Back Office projects were reviewed separately, given the high-level management negotiations relevant to the projects as well as the involvement of the UN Country Team. Areas linked to the projects under the responsibility of the Country Office are highlighted under the respective observations of this report.

OBSERVATIONS AND MANAGEMENT ACTION PLAN

The key areas where actions are needed are summarized below.

1. Governance and operational structure

High

The Senegal Country Office lacks a documented governance and accountability framework for major operational changes, including Common Services, the Independent Project Unit, the UN House Management Unit and the transition to the Common Back Office. The Country Programme Management Plan and Programme Budget Review did not include UNHMU or CBO structures for validation, nor did they incorporate contingency planning for delays in the UN House relocation. These gaps have contributed to operational inefficiencies, increased fiduciary risk from undefined financial authorities and informal controls, and led to misalignment with UN Reform objectives, creating reputational risk for UNICEF as lead entity.

UNICEF guidance requires the CPMP to document governance arrangements for major operational changes and define the country office structure. Significant adjustments to management arrangements or operational units must be reflected in the CPMP and validated through the PBR.

The Country Programme Document (CPD) 2024–2028 notes that challenges in establishing the CBO within the UN House may affect programme delivery. The CPMP must therefore reflect this dependency and document UNICEF's mandated role in hosting the IPU and the UNHMU and leading the CBO, including the related governance, systems, staffing and service delivery arrangements. Given their impact on UNICEF's internal structure, accountability and budget, these elements should be included and validated through the PBR.

The 2024–2028 CPMP, developed in 2023, focused primarily on the Programme Section and did not address the major operational restructuring already underway. While it acknowledged that establishing the CBO would significantly affect the Operations Section and its staffing, the Senegal Country Office deferred reviewing the Operations, IPU and CBO configuration until a later PBR, pending finalization of the CBO model and guidance from the United Nations Development Coordination Office and the Regional Office. As a result, the Senegal Country Office does not have a documented governance and accountability framework for major operational arrangements, including Common Services, the IPU, the UNHMU and the CBO transition. While the CPMP reflects a substantial operational footprint (a US\$118.3 million integrated budget with staffing costs representing 52 per cent and US\$13.82 million for IPU-managed UN House trust funds), these structures were not incorporated into the CPMP. UNICEF Senegal hosts the IPU/UNHMU as lead agency for the UN House initiative and in preparation for CBO implementation; however, this arrangement was established without the formal governance instruments required by UNICEF

procedures. The CPMP was not revised to include the UNHMU or CBO structures for validation, nor did it include contingency planning for delays in relocating to the UN House.

The 2025 PBR reflected further restructuring under the Future Focus Initiative, including the abolishment of positions originally created to support the CBO (e.g., human resources manager, supply and logistics manager). As of December 2025, the UN House remains unoccupied despite construction having been completed in 2023, and key agreements are still not signed, namely the memorandum of agreement (MoA) with the Government and the Common Premises Memorandum of Understanding (MoU) among UN entities. The Country Office also did not revise the CPMP during the 2025 PBR to reflect major organizational and resource changes affecting the Operations Section, despite budget constraints, reprioritization and delays in planning activities required for operational restructuring.

These gaps have resulted in operational inefficiencies, increased fiduciary risk from undefined financial authorities and informal controls, and led to misalignment with UN Reform objectives, creating reputational risk for UNICEF as lead entity. The absence of an updated CPMP and a formal governance framework increases the risk of reliance on informal controls and heightens fiduciary risk, while gaps in planning impede effective preparation for the CBO transition.

Root causes: Decisions on the governance structure for the CBO were deferred pending both guidance from the UN Secretariat and the conclusion of the UN Common House project.

AGREED ACTION

The Senegal Country Office, with guidance from DFAM and the Regional Office, agrees to:

- i. Develop an addendum/annex to the CPMP defining roles for Common Services, the UNHMU and the CBO.
- ii. Clarity of roles for Common Services Operations and the UNHMU.
- iii. Ensure that the transition to the CBO is formally reviewed through the PBR process and integrate contingency planning for UN House delays.

Staff Responsible: Deputy Representative Operations, Risk and Compliance Specialist
Implementation Date: 30 June 2026

2. Programme sustainability and financial resilience

Medium

The Country Programme faces significant sustainability and financial risks due to reliance on UNICEF internal resources and the lack of exit and financing frameworks. This increases vulnerability to funding cuts that could disrupt essential services, though steps such as revising the theory of change and initiating joint planning and capacity strengthening provide a foundation for improvement.

UNICEF programmes should integrate sustainability and exit planning, and financial management should ensure diversified funding and forward-looking cash-flow visibility. The Country Office, now in the second year of its Country Programme, is navigating a challenging context that includes a decline in funding, prompting adjustments to strategies and priorities. Despite these challenges, the office maintains a strong focus on key priorities – the first 1,000 days, adolescent girls’ empowerment, quality education and climate resilience – central to long-term impact.

The audit noted that the Senegal Country Programme relies heavily on UNICEF internal resources (regular resources and integrated budget), which account for about 50 per cent of total expenditure, while salaries represent half of overall spending. The UNICEF Senegal Partnerships & Resource Mobilization Strategy 2024–2028 sets out multi-pillar partnering covering public donors, private sector/National Committees, innovative financing and international financial institutions but does not include a formal sustainability or exit framework to guide phased handover or secure co-financing agreements with the government, nor does it include transition timelines. The application and ownership were not evidenced in the reviewed documents. The strategy also notes donor concentration risk, underscoring the need to broaden the funding base. In the absence of a formal sustainability/exit framework and given current concentration risks, a reduction in internal or external funding could plausibly lead to programme interruptions and challenges sustaining benefits post-UNICEF support.

On a positive note, the office has adjusted its theory of change and initiated mitigation measures, including joint planning boards and capacity strengthening. Furthermore, as noted in the 2025 PBR, the upcoming Mid-Term Review offers an opportunity for in-depth reflection and adjustment of strategies, including higher-level engagement with government and partners to reinforce sustainability and financial resilience.

Root causes: This was due to lack of a strategic approach from the CO management, as there was incomplete integration of the diversified financing strategy into long-term planning, and sustainability achievements remained partial and programme-specific.

AGREED ACTION

The Senegal Country Office, with guidance from the Regional Office, agrees to:

- i. Develop and formalize a sustainability and exit framework that consolidates existing programme-level sustainability practices into an office-wide approach with phased transition considerations and government financing pathways, and integrate these transition elements into the 2027/2028 government work plans and review progress during the Mid-Term Review to confirm readiness for gradual handover transition.
- ii. Implement a diversified financing strategy, aligned with the revised Resource Mobilization Strategy, to reduce reliance on a limited donor base and strengthen proposal development processes.
- iii. Strengthen capacity transfer and establish post-exit monitoring mechanisms to ensure continuity, aligning actions with MTR findings to adjust priorities and resource allocation.

Staff Responsible: Chief Partnership, Advocacy and Communication, Section Chiefs

Implementation Date: 31 December 2026

3. Risk management

Medium

There are gaps in the Country Office's risk management framework, including an incomplete risk register, missing mitigation measures and weak monitoring systems. Critical risks remain unaddressed, causing delays and inefficiencies.

The office developed its risk register focusing on high-priority risks; however, the approach was inconsistent. In the first version, seven risks were rated as medium, and one risk was later downgraded from high to low in August 2025. The register currently includes only 13 risks and omits major external risks that have already had tangible consequences (change in government and impact on the UN House negotiations), as well as the Future Focus Initiative and its potential operational impacts. This limited scope narrows the office's ability to identify risks that could directly or indirectly affect programming and operations.

Beyond coverage gaps, the register lacks essential details on risk responses and monitoring. For example, the risk "Lack of adequate RBM [results-based management] skills among implementing partners," rated as *Very High*, does not include any defined mitigation or monitoring measures. Similarly, the risk "Failure to systematically prevent, report, respond, coordinate between sectoral services, and monitor sexual exploitation and abuse towards children in UNICEF programming threatens safety of children and

impacts programme results and damages UNICEF reputation (Priority Result 5 AMP)" lacks a comprehensive analysis and omits response and monitoring actions.

Specific risks related to the UN House were identified but inadequately reviewed and followed up, while the attributed ratings may not reflect the reality: Three risks – “Non Signature du MOA/MOU” (rated medium), “Déménagement à Diamniadio” (rated high) and “Delay in the receipt of financial contributions from UN agencies” (rated medium despite an outstanding balance of US\$7208,146) – are primarily linked to staffing and location attractiveness. None of these risks include proper response or monitoring measures. Furthermore, the UNHMU maintains its own risk register, but most key risks affecting the Country Office are not reflected there, creating gaps in coordination.

The audit noted that the risk related to the implementation of the CBO was not fully operationalized and not adequately mitigated. The 2024–2028 CPD and CPMP identify the risk of difficulties in implementing the new structure of the CBO to consolidate common services within the United Nations Common House in Senegal as significant. While mitigation measures are noted, the CPMP does not include measurable indicators in its results and resources matrix or accountability framework, limiting its ability to track progress at the strategic level.

In addition, the 2024 and 2025 AMPs attempted to operationalize this risk through specific actions – such as finalizing the CBO structure, completing recruitments within deadlines, signing MOAs/MOUs and conducting annual quality assessments – but these actions were not implemented. Their execution depended on political decisions and commitments from both the Government of Senegal and the United Nations system that did not materialize within the planned time frame. Consequently, the risk remains unmitigated and has resulted in delays in the UN House service integration, causing inefficiencies and increased costs not aligned with UN Reform objectives.

The office also failed to establish baseline indicators to track risks over time. This omission complicates monitoring and undermines the effectiveness of mitigation actions, as risk ratings could change without clear justification. While the first version of the 2025 risk register was uploaded to the Enterprise Risk Management system in February 2025, the updated version prepared in September 2025 was not shared, limiting the organization’s ability to adapt to emerging risks. Finally, risk discussions were minimal: the register was reviewed only once during the August 2025 Country Management Team meeting and mentioned again in September solely as a reminder to update it for the internal audit.

Root causes: The noted issues are caused by lack of attention of the CO management to the risk management process and failure to capture key risks, as well as lack of oversight from the Regional Office.

The audit noted that the Senegal Country Office has taken steps to strengthen its risk management framework – including steps to recruit a risk and compliance specialist – and has established a Risk Committee to improve oversight and monitoring, conducted risk management training with Regional Office support, and developed an anti-fraud awareness initiative.

AGREED ACTION

The Senegal Country Office, with support from the Regional Office, agrees to:

- i. Strengthen the functioning of the Risk Committee by clarifying roles/ownership and integrating the UN House/CBO risks into a shared, regularly reviewed register (with Country Management Team oversight).
- ii. Standardize ERM processes and monitoring by requiring complete mitigation plans, measurable indicators, owners/timelines, and regular updates and discussion.
- iii. Build ERM capacity and discipline through the planned risk and compliance specialist, targeted staff training on risk identification, rating and monitoring, and alignment of AMPs/CPMP with implementable risk actions and dependencies.

Staff Responsible: Deputy Representative Operations, Risk and Compliance Specialist
Implementation Date: 31 May 2026

4. Resource mobilization and grant management

Medium

The Senegal Country Office's Resource Mobilization Strategy (2024–2028) has not been updated to reflect major funding shifts. This lack of update, combined with low proposal success rates and donor retention challenges, increases the risks of funding shortfalls and may affect delivery of planned results and donor confidence.

The Senegal Country Office developed a Resource Mobilization Strategy (2024–2028) to guide fundraising for the CPD cycle. However, the strategy has not been updated to reflect significant changes in the funding landscape, including the end of COVID-19-related support, the closure of the United States Agency for International Development and reductions associated with the Future Focus Initiative. The office remains highly dependent on a limited number of donors, and some major anticipated contributions have been delayed due to global budget constraints.

Based on the Future Focus Initiative affordability analysis for 2026–2029, the estimated remaining funding gap is approximately US\$21 million, after accounting for resources

already secured and funds available in 2024–2025. The office indicated that it has a potential pipeline. However, delays in major expected contributions and continued reliance on a limited number of donors pose risks to resource availability and achievement of CPD results.

In addition, grant management practices revealed compliance issues, including partial double charging to a donor, use of regular resources funds for activities outside the approved budget, and lack of documented donor approval for reconstruction activities. Delays in construction and grant closure mean retention guarantees will be charged to regular resources, reducing funds available for other programme activities.

Root causes: The issues identified by the audit are due to partial implementation of the Resource Mobilization Strategy and limited programme-level ownership of resource mobilization responsibilities, as well as weak CO oversight on the application of internal processes for proposal development and donor engagement. The revision of the strategy was pending broader strategic adjustments linked to the ongoing Future Focus Initiative process.

AGREED ACTION

The Senegal Country Office, with support from the Regional Office, agrees to:

- i. Revise the Resource Mobilization Strategy during the Mid-Term Review to reflect funding priorities and gaps.
- ii. Strengthen programme ownership of resource mobilization and improve proposal development processes.
- iii. Diversify funding approaches and better leverage UNICEF's technical expertise.
- iv. Improve grant management compliance, including documenting donor approvals and monitoring grant timelines.

Staff Responsible: Deputy Representative, Chief Partnership, Advocacy and Communication and Section Chiefs

Implementation Date: 31 December 2026

5. Management of construction activities

High

Delays in documentation and quality issues in the management of construction-related activities – including planning, procurement, oversight and partner coordination – have affected timely delivery of programme results and increased operational and financial risks for the Country Office.

UNICEF emphasizes timely and well-sequenced implementation of programme activities to ensure children benefit from planned interventions. Effective management of construction activities requires adequate planning, assessment of partner capacity, and proper technical oversight in line with UNICEF procedures for indirect construction and collaboration with UN organizations and government entities.

The audit noted delays in construction and procurement activities across education, child protection and health programmes, affecting both indirect constructions with the United Nations Office for Project Services (UNOPS) and construction activities implemented by government partners.

Concerning the education programme Early Childhood Facilities, UNICEF and UNOPS signed an MoU in October 2019 for the construction of eight early childhood facilities, scheduled for completion by October 2023. Construction execution and technical compliance were under UNOPS's responsibility. Two sites were completed in July 2024 (nine months late), two reached final acceptance in December 2025 (14 months late) and one site remained unfinished as of the audit date – 26 months beyond the agreed timeline. One facility suffered structural failure and required demolition; UNOPS acknowledged the issue and initiated an internal reimbursement process.

To mitigate programme and reputational risks, UNICEF maintained regular communication with the donor and engaged the national partner to oversee reconstruction under strengthened supervision. Field visits indicated that reconstruction was progressing, though still at risk of not being completed before the grant expiry date. These delays and quality issues – while attributable to the implementing partner – affected achievement of programme objectives and required additional remedial actions from UNICEF.

For a warehouse construction activity under the health programme, the office transferred US\$412,000 as a lump sum to a government partner without adequate risk mitigation measures. The transfer was made to avoid losing funds expiring on 31 December 2025 but shifted financial and implementation risk to the partner. The programme continued to reflect phased payments and was not amended to align with the lump-sum transfer. The UNICEF Supply Division was not informed despite an existing local procurement authorization (LPA). The implementing partner's technical capacity had not been assessed, and no engineering firm was engaged to support planning, design review, procurement or site supervision.

Documentation requirements for indirect constructions through a joint programme were not fully met. UNICEF procedures require capacity assessments and formal agreements, including MoUs and project documents for UN organizations and work plans for government entities. Due to staff turnover, the audit could not obtain complete documentation. Only a standard UN-to-UN joint MoU was available, outlining

administrative roles but lacking a detailed project document specifying cost breakdowns, roles, responsibilities, timelines and monitoring modalities. No tripartite agreement was found between UNICEF, UNOPS and the government beneficiary, limiting transparency and shared accountability.

Root causes: The delays and quality issues were primarily due to the following:

- Inadequate planning and sequencing of procurement and construction activities.
- Unclear governance roles and responsibility for construction oversight.
- Insufficient assessment of implementing partners' technical capacity.
- Limited in-house technical expertise for construction related supervision.

AGREED ACTION

The Senegal Country Office, with guidance from the Supply Division and the Regional Office, agrees to:

- i. Strengthen governance and technical oversight for construction projects, including clear roles, documentation requirements and mandatory technical supervision.
- ii. Improve planning and risk management by assessing partner capacity, sequencing activities effectively and applying risk-based controls for construction-related procurement and disbursements.
- iii. Build internal and partner capacity and embed lessons learned to enhance sustainability and prevent recurrence of delays and quality issues.

Staff Responsible: Deputy Representatives, Risk and Compliance Specialist and Supply Specialist

Implementation Date: 31 December 2026

6. Cash transfers and financial assurance activities

Medium

Weaknesses in cash transfer management and financial assurance – including delays, inaccurate reviews, inconsistent modality application and insufficient follow-up on ineligible expenses – undermine compliance with HACT procedures and UNICEF Financial Rules and Regulations, increase fiduciary risk and delay programme implementation.

UNICEF's Financial Rules and Regulations and HACT procedures require that cash transfers to implementing partners be managed with strong internal controls. This includes timely disbursement of funds, accurate review of FACE forms and application of risk-based cash transfer modalities.

During the audit period, the Country Office transferred US\$9.4 million to implementing partners – 96 per cent (US\$9.1 million) via DCTs and 4 per cent (US\$0.3 million) via direct

payments and reimbursements. The review of FACE forms and related financial assurance activities identified the following:

Review of 20 FACE forms showed that 12 payments related to per diem, transportation and meals for trainings delivered by central-level staff to decentralized personnel. While initial analysis suggested these were routine training costs, further examination confirmed that they were government-agreed, results-focused activities included in annual work plans, aimed at supporting the rollout of new tools and approaches. These activities contribute to system strengthening and align with national strategies – particularly for immunization, where new vaccine introductions planned for 2026 require updated protocols and capacity building. However, recurring training needs – partly driven by high staff turnover – continue to generate substantial enabling costs and sustain reliance on UNICEF-funded training expenditures. Strengthening government ownership and further institutionalizing training modules would enhance sustainability, reduce dependence on external funding and improve the timeliness and efficiency of programme delivery.

Instances of inaccurate or ineligible entries were noted, including a data entry error (title reflected 11 daaras instead of 14), per diem itemized cost estimate (ICE) lump sums not consistently aligned with activity details, a room rental cost four times usual benchmarks, and lunch for UNICEF staff included in ICEs not always removed at liquidation. These errors increase the risk of overpayment, ineligible expenditure and non-compliance with HACT/ UNICEF Financial Rules and Regulations, and may necessitate recoveries or budget reallocations.

A high-risk partner received US\$118,600 through DCTs, and a low-risk partner received US\$83,362 in DCTs for training services that could have been paid directly to the service provider. Using DCT where direct payment is feasible increases fiduciary risk and the burden on assurance mechanisms and may conflict with the risk-based modality principle.

A lump-sum DCT to a government partner was made without a technical capacity assessment or risk mitigation to avoid grant expiry (31 December 2025). The programme document still reflected phased payments and was not amended; the Supply Division was not informed despite an LPA, and no engineering firm was engaged for planning or supervision. This shifted financial and delivery risks to the partner, reduced traceability against agreed milestones, and weakened assurance over funds used for construction.

Of the FACE forms reviewed, 26 per cent were not processed within 14 days; delayed cases averaged 30 days, with a maximum of 88 days for three FACE forms. The office also processed multiple FACE payments for the same partner on the same day, which can diminish the effectiveness of spot checks (typically focused on a single FACE) and introduce operational inefficiencies. Delayed cash transfers slow activity start-up and programme delivery, potentially affecting beneficiaries and grant utilization.

HACT assurance activities: UNICEF procedures require that when expenditure is confirmed as ineligible, the partner must be formally notified and requested to reimburse the full amount within 60 days of receiving the official notification. As of 30 November 2025, the audit noted that US\$559,907 remained recorded as outstanding ineligible expenses, with 95 per cent (US\$527,291) overdue for more than two years, mainly due to misclassification and lack of partner notification. The office did not inform the partners about these issues. This situation could result in a financial loss for the Country Office.

The UNICEF Programme Implementation Handbook requires country offices to carry out financial assurance activities, including spot checks and audits, to ensure implementing partners' proper use of cash transfers. The handbook also requires timely completion and accurate follow-up of financial findings from assurance activities.

A review of 10 spot checks indicated that spot checks were delayed by an average of seven months after activity implementation and omitted significant findings from final reports.

Root causes: Inadequate quality control over FACE/ICE review and review of ineligible expenditures, insufficient risk-based modality application, lack of managing process bottlenecks and workload management, and insufficient planning and delays in assurance activities.

AGREED ACTION

The Senegal Country Office, with guidance from the Regional Office and DFAM, agrees to:

- i. Enhance quality assurance and timeliness by implementing standardized review checklists and monitoring FACE processing against service standards.
- ii. Prioritize and map training needs with government partners, ensuring that trainings funded by UNICEF are focused on technical assistance and system strengthening – particularly when government budgets for routine trainings are not available – while also defining a phased exit strategy to transition recurrent training costs to government financing.
- iii. Strengthen governance and oversight for cash transfers, ensuring clear roles and compliance with HACT requirements.
- iv. Apply risk-based cash transfer modalities consistently, supported by documented partner capacity assessments and pre-approval for exceptions.
- v. Conduct a review and reconciliation of outstanding ineligible balances, with guidance from DFAM.

Staff Responsible: Finance Specialist, Risk and Compliance Specialist

Implementation Date: 30 September 2026

7. Programme monitoring

Medium

There are opportunities to strengthen programme monitoring processes to improve data reliability, accountability and overall compliance, thereby enabling the office to deliver more effective, accountable programming.

UNICEF's Programme Implementation Handbook requires that programme monitoring visits be conducted to verify activity implementation, assess quality and review partner capacities, including PSEA compliance. These visits must be recorded in eTools, with action points tracked for follow-up. Additionally, UNICEF's Core Commitments to Children emphasize accountability to affected populations, requiring systematic engagement with beneficiaries.

The audit conducted an annual review and a mid-term review with government partners and examined programme implementation in the Senegal Country Office, including the field office supporting implementation in Kolda. The audit reviewed 15 programmatic visit monitoring reports and noted the following:

- Action points were not systematically recorded or monitored in eTools, reducing accountability for corrective actions. Duplicate entries in eTools created a false impression that minimum visit requirements were met, compromising data reliability and reporting.
- PSEA compliance was not consistently verified during programmatic visits.
- Verification of supply distribution was inconsistent. For example, one visit omitted hygiene kit distribution, and another lacked follow-up on a US\$500,000 transfer to daaras.
- Two programmatic visits occurred before funds were disbursed, making it impossible to verify implementation status.

Additionally, the office does not have a comprehensive AAP strategy, limiting systematic engagement with beneficiaries and reducing responsiveness to their needs. This constrains the office's ability to uphold its Core Commitments and ensure inclusive, accountable programming.

Root causes: The above issues are attributed to insufficient supervisory review and lack of systematic follow-up as well as the absence of a comprehensive AAP strategy.

AGREED ACTION

The Senegal Country Office agrees to:

- i. Enhance supervisory review of programme visits, spot checks and financial assurance activities and implement an AAP strategy.
- ii. Enhance monitoring of civil society organization partners' PSEA capacity through programmatic visits; enhance staff capacity and accountability through targeted training on timely follow-up to ensure data reliability and programme delivery.

Staff Responsible: Deputy Representative Programme, Programme Monitoring and Evaluation Specialist and Section Chiefs

Implementation Date: 31 December 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 of time to avoid adverse consequences for the audited entity, area, activity or process.
High	The observation concerns a fundamental weakness or deficiency in the assessed governance, risk management or control processes that requires prompt/immediate resolution to avoid severe/major adverse consequences for the audited entity, area, activity or process, or for UNICEF as a whole.

Definitions of Overall Audit Conclusions

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

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

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