

Internal Audit of the Equatorial Guinea Country Office

December 2019

Office of Internal Audit
and Investigations (OIAI)



Report 2019/29

Executive summary

The Office of Internal Audit and Investigations has conducted an audit of the Equatorial Guinea Country Office. The audit conducted the work remotely between 4-24 September 2019. The audit covered the period from 1 January 2018 to 24 September 2019.

Equatorial Guinea has an estimated population of 1.3 million people in 2018, with 43 percent being 18 or younger. Rapid growth in the oil sector has helped the country to reduce the number of people in extreme poverty. According to a 2015 national report on the Millennium Development Goals, the extreme poverty rate dropped from 33 percent in 2006 to 14 percent in 2011. Yet, the country is ranked 141 in the latest Human Development Report – a low ranking for its per capita income.

The country programme

The office spent US\$ 2.8 million during 2018. The previous country programme ended on 31 December 2018, and a new five-year programme started in January 2019; it has a budget of US\$ 17.4 million (US\$ 3.48 million per year). The main programme components are: *Child protection and equity; Child survival; Development and learning; and Programme effectiveness.*

The country recently decided to implement a more equitable social programme, and the UNICEF Country Office has seen this as an opportunity to place child rights at the centre of the national development agenda. A major risk faced by the country office is the inability to effectively deliver its country programme due the lack of the needed resources. Because Equatorial Guinea has been classified as an upper-middle-income country, the office has experienced challenges in mobilizing resources for its programme.

The country office is in Malabo, with a field office in Bata. As of the time of the audit, the office had a total of 22 posts (six international professionals, six national officers and 10 general service staff).

Results of the audit, and action agreed

The audit noted several controls that worked well. The office had set adequate programme and management priorities in 2018 and 2019 and tracked progress achieved. It had strengthened collaboration with other UN agencies, contributing to various interagency activities; it had also increased training opportunities for staff.

However, the audit identified some areas where risks to UNICEF's activities could be better managed. One of these is rated as high risk – that is, needing immediate management attention. While the office has assessed risks to its programme annually, planned mitigating measures appeared to be in adequate as they failed to fully address the root causes of risks identified. The office also had not implemented an anti-fraud strategy to detect and prevent risks of fraud and irregularities committed by staff and implementing partners.

Conclusion

Based on the audit work performed, OIAI concluded at the end of the audit that, subject to

implementation of the agreed actions described, the country office's governance, risk management and internal controls were generally established and functioning during the period under audit. The Equatorial Guinea Country Office, the West and Central Africa Regional Office (WCARO), the Division of Human Resources (DHR) and OIAI intend to work together to monitor implementation of the measures that have been agreed.

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Audit objectives and scope

The objective of the audit was to provide independent and objective assurance regarding the adequacy and effectiveness of the governance, risk management and control processes in the country office. The audit covered the period from January 2018 to September 2019. The work was conducted remotely from 4 to 24 September 2019.

The audit work included virtual meetings with staff in the country and zone offices, regional office, headquarter divisions and implementing partners (Government and non-Government organizations) and the UN Resident Coordinator. The audit also reviewed several documents to corroborate information obtained from interviews.

This report presents the more important risks and issues found by the audit and the measures agreed with the Equatorial Guinea Country Office management to address them.

Audit observations

Funding

Equatorial Guinea is an upper middle-income country mainly because of significant oil revenues. This makes it challenging for the Country Office to attract donors.

The Government had contributed US\$ 2.2 million during the previous UNICEF 2013-2018 country programme. This represented 30 percent of total OR¹ raised during the programme cycle. The OR funding gap amounted to US\$ 3 million or 30 percent of the total planned amount for the same period. For the 2019-2023 country programme, the Government is expected to contribute between US\$ 5 to US\$ 6 million, representing approximately 43.5 percent of the total OR expected to be raised. However, the Government annual contribution had not been released as of the time of the audit in September 2019. The late release of this contribution had delayed programme implementation during 2019.

The 2019-2023 CPD² requires the development of a resource mobilization and partnerships strategy that included Government, private sectors, and bilateral and multilateral partners and the office was also considering new funding instruments. However, the strategy had not been completed at the time of audit. Further, the office had not assessed the impact of potential funding gaps on its programmes. This was notwithstanding the fact the planned 2019 contributions from the Government had been delayed, the Government continued to depend on its volatile oil revenues, and mobilizing OR from other sources in the foreseeable future remained a challenge. Such assessments do help offices to reprioritize and focus on key programme interventions. The absence of scenario assessment could reduce the office's ability to quickly

¹ UNICEF offices work with two main types of funding, Regular Resources (RR) – core funding from UNICEF that they can use as they need – and Other Resources (OR), which the office must raise itself and has usually come from a donor for a specific purpose or programme. The great majority of an office's funding usually comes from OR.

² The Country Programme Document (CPD) is the "blueprint" for a country programme that is formally approved by UNICEF's Executive Board.

adjust its strategies and planned results with the changing environment.

Agreed action 1 (medium priority): The office agrees to, with the support of the Regional Office:

- i. Draw up a comprehensive resource mobilization and partnership strategy as soon as possible. It should also assess the key risks of any new funding instruments and establish mitigation measures to address them.
- ii. Analyze different scenarios that could lie ahead given the emerging risks in the operating and funding environment, and assess the potential impacts on the achievement of planned results.
- iii. In light of expected funding gaps under each scenario, identify priority programme components and activities to be postponed or cancelled and establish potential corresponding changes needed to the annual workplan.

Responsible staff members: Representative, Education Specialist, Communication Officer

Date by which action will be taken: 31 July 2020

Staff vacancies and salaries of national staff

The office's approved budget of the 2019-2023 Government of Equatorial Guinea-UNICEF Country Programme amounted to US\$ 17,390,000. The approved OR ceiling was US\$ 13 million, representing 75 percent of the budget. The office had 22 established and nine temporary positions.

The audit noted the following.

Staff vacancies: As of 30 August 2019, the office had a total of nine staff vacancies due to funding constraints. The Child Protection and Equity programme was significantly affected by vacancies. Four out of the total of six positions in the Child protection and Evaluation programmes were vacant, including Social Policy Manager, Social Protection Specialist, and Social Policy Officer - Advocacy and Partnerships. The audit interviewed Government partners who confirmed that the office capacity to achieve the planned results of the Child Protection and Equity programme was insufficient due to vacancies. Despite funding constraints, the office also experienced difficulties in filling vacant positions due to language constraints and the less competitive salary for national staff.

Salaries of national staff: The last national staff salary survey in the country had been conducted in 2001. The new salary scale, which was introduced in October 2018 but was retroactive back to 1 March 2017, showed a significant increase of 115 percent and 125 percent for General Service staff and National Officer staff categories respectively since 2001. The office had not had the funds to pay this retroactive increase. At the time of the audit, the office was identifying sources of funds to do so, and was meanwhile assessing the impact of the salary increase on the office's resources.

Agreed action 2 (medium priority): The office agrees to, with the support of the Regional Office:

- i. Until funding constraints are resolved and the vacancies can be filled, find alternative ways to fill the gap in required expertise.
- ii. Complete an analysis of the impact of the new salary scale on the office's budget and identify sources of funds to ensure timely payments of retroactive salaries to national staff.

Responsible staff members: Representative, Education Specialist, Operations Manager

Date by which action will be taken: 31 July 2020

Risk management

The office operates in a complex programming environment with constant challenges. To be successful, the office needs to manage risks effectively.

The office carried out annual office-wide risk assessments in 2018 and 2019 to identify risks to its objectives, and decide how to manage them. The number of high risks increased from one in 2018 to five in 2019. For instance, the risk of fraud and misuse of resources and corruption increased from medium in 2018 to high in 2019. The increase in the number of high risks may reflect major changes in the operating environment (due for example to the fluctuating oil price) and/or significant difficulties in implementing mitigating measures.

The risks identified in various documents were not well aligned with those arising from the annual risk assessment. For instance, the programme strategy notes identified a risk of "overly ambitious results with quantitative targets that do not consider the risks and trends in the environment". However, this risk had not been explicitly captured in the office's annual risk assessment.

The audit also noted that the office had escalated seven mitigation measures to the regional office and headquarters divisions. An office may do this when the measures are beyond its scope or accountabilities. However, in this case some had been incorrectly escalated. For instance, the implementation of the staff retreat plan and staff morale survey should not have been escalated, as these are under the office's control.

It was also noted that the office did not always link the planned mitigating measures closely enough to the root causes of risks, thereby reducing the measures' effectiveness. For instance, the office incorrectly identified "insufficient understanding of HACT³ procedures" as one of the root causes of the risks around funding and stakeholder external relations. But the issues around donor funding were much wider than this and included the oil-price volatility, partners' capacity to manage funds, and the irregularity of Government funding as well. In another case, the low salaries of national staff and limited staff/partner knowledge of UNICEF financial procedures were identified as the root causes of possible fraud committed by staff and/or partners. However, the office's suggested mitigating measures did not address the root causes identified as closely as they should have done.

³ HACT is the Harmonized Approach to Cash Transfers. See observation *Programme monitoring and assurance activities*.

At the time of the audit, the office had not implemented an anti-fraud strategy and was rolling out the new UNICEF-wide tool (eGRC: electronic Governance, Risk and Compliance) to assess and monitor governance, risks and controls. The office noted that staff needed additional training to properly use eGRC.

The office had not defined its risk appetite or tolerance level to manage the risks identified. It was therefore not possible to determine whether the risk responses or mitigating measures were aligned with the risks the office was willing to tolerate.

The office said it had not received feedback on the annual risk assessment from the regional office, or from NYHQ for the risks escalated at the HQ level.

Agreed action 3 (high priority): The office agrees to, with support and guidance from the regional office, reinforce oversight over risk management, including fraud risk. This should include the following steps:

- i. Ensure clear linkages between the root causes of identified risks and the planned mitigating actions.
- ii. Ensure escalation of risks to a higher level is justified.
- iii. Align all key risks identified in various documents with the office-wide annual risk assessment.
- iv. Complete e-GRC training and implement the e-GRC tools and the anti-fraud strategy.

Responsible staff members: Representative, Education Specialist, Operations Manager

Date by which action will be taken: 31 March 2020

Governance

The office had had the usual statutory committees found in a country office. The terms of reference of the committees were well defined. The country management team (CMT) met regularly and identified key action points, which were monitored in subsequent meetings. However, the audit made the following observations with regard to two of the statutory committees.

Contract review committee (CRC): The CRC is an advisory body that makes an independent review of procurement processes for goods and services exceeding predetermined financial limits. In May 2019, UNICEF HQ increased the CRC thresholds of country offices from US\$ 100,000 to US\$ 200,000. The following was noted.

- The CRC reviewed only three out of the 10 contracts that exceeded the US\$ 20,000 threshold for the period of 1 January 2018 to the end of June 2019.
- The office had not adjusted the terms of reference of the CRC to reflect the increase of the threshold from US\$ 20,000 to US\$ 100,000 in July 2019. At the time of the audit, the office was considering whether the change in the threshold was appropriate in light of the office's risk tolerance.
- A six-month contract was extended to 12 months. However, the extension was not submitted to the CRC for review in compliance with UNICEF policy.

- The office issued four consecutive contracts to the same vendor for a cumulative amount of US\$ 91,000. However, these contracts had not been submitted to the CRC for review though the total value exceeded the threshold of US\$ 20,000. The contract extensions should have been submitted to the CRC when the cumulative value was going to exceed the threshold.

The audit also noted that the deliverables were not well defined in six sampled contracts for services that related to staff-type functions. This increased the risk of not getting good value for money. Also, the staff-related functions described in the contracts could have been executed by the office's staff. The office said it had to contract consultants on a short-term basis instead of recruiting staff on temporary and/or long-term assignment because of funding constraints.

Partnership review committee (PRC): The PRC is responsible for providing a competent, independent and unbiased review of proposals for programme cooperation agreements (PCAs) and small-scale funding agreements (SSFAs). These are the agreements that govern cooperation between a country office and its NGO partners.

From January 2018 to September 2019, nine NGOs supported the implementation of programme activities. The office held one PRC meeting at the end of September 2019 to review the partnership with an NGO that had cumulatively reached US\$ 100,000. The audit noted that the ToRs of the PRC did not specify a financial limit, meaning that any new PCAs or amendments to existing PCAs should be submitted to the PRC for review regardless of their value. In fact, although the threshold was not specified in the ToR, the office said that it had fixed it at US\$ 100,000.

The audit also noted that two programme documents (PDs) defining the NGO partnerships were not presented to the PRC though each exceeded US\$ 100,000. PDs describe a partnership in more depth than a PCA; although the latter is the actual contract, the PD contains the detail that a PRC would need to know to properly assess a proposed collaboration.

UNICEF globally sets guidelines for the threshold at which CRC/PRC review should take place; they are US\$ 200,000 for the CRC and US\$ 100,000 for the PRC. However, these are advisory and can be adjusted for an individual office's circumstances. They may be too high for the Equatorial Guinea office, given the small size of the country programme and the unusual operating environment. If the office opts to maintain the revised UNICEF threshold, it would need to establish compensatory measures to keep the risks within the office's tolerance limits.

Agreed action 4 (medium priority): The office agrees to:

- i. Include the financial threshold in the terms of reference of the partnership review committee.
- ii. Ensure the appropriate financial limits of the CRC and PRC are aligned with the office's risk tolerance.
- iii. Arrange refresher training for CRC/PRC members on the application of control requirements.
- iv. Establish a monitoring mechanism to ensure all contracts and agreements above the thresholds and relevant amendments are submitted to the committees for review.

Responsible staff members: Operations Manager

Date by which action will be taken: 30 June 2020

Programme planning

The office and the Government had entered into a programme of cooperation for the period of 1 January 2019 to 31 December 2023. However, the programme outcomes and outputs⁴ of the six workplans were generally not specific and measurable. The workplans also lacked implementation timelines and the annual output targets.

The workplans were signed during April to June 2019 with the key implementing partners. This was later than the UNICEF standard, which is the end of February of the year of implementation. For instance, the Child-Friendly District workplan was signed in June 2019, and the Health workplan (Component 2) in April 2019. The late signing of the Child-Friendly District workplan effectively led to late implementation, because the signed workplans are the basis for programme disbursements to partners. The audit also found delays in the transfer of funds. Government and NGO partners said the funds were received late from UNICEF due to the late signature of workplans. The office said that delays to their signature were due to lack of availability of the Government partners.

The 2019-2023 results and resources framework defined key progress indicators, baselines and targets. However, the audit noted that some baselines were missing, and some means of verification were based on outdated data (such as 2011).

The 2019-2023 CPD planned to address inequalities of investments within the social sector by prioritizing the continental region. The intention was to focus on health and education systems strengthening, modelling an integrated approach in selected underserved districts. To select the provinces/districts for its interventions in the new country programme, the office had used an outdated Multiple Overlapping Deprivation Analysis (MoDA) completed in 2014. Although this was the most recent formal analysis, there were more recent, less formal sources that could have been used to map interventions onto the most appropriate areas of intervention. As of the time of the audit, the office had just started mapping and measuring its interventions in the first pilot district. It could thus not yet demonstrate the district coverage of supported interventions and results achieved.

Agreed action 5 (medium priority): The office agrees to:

- i. Ensure programme outputs in the workplans are timebound and measurable.
- ii. Establish up-to-date baselines and means of verification for all indicators.
- iii. Select and document sound, up-to-date verifiable criteria to ensure transparent and objective selection of provinces and districts.
- iv. Complete the mapping of all district activities to demonstrate the district coverage of supported interventions.

⁴ UNICEF programmes plan for results on two levels. An outcome is a planned result of the country programme, against which resources will be allocated. It consists of a change in the situation of children and women. An output is a description of a change in a defined period that will significantly contribute to the achievement of an outcome. Thus (for example) a new clinic would be an output, and an improvement in health the outcome.

Responsible staff members: Representative

Date by which action will be taken: 31 December 2020

Prevention of sexual exploitation and abuse

All UNICEF country offices are expected to implement concrete actions aligned with UN Secretary General's Bulletin related to "Special measures for protection from sexual exploitation and sexual abuse" (ST/SGB/2003/13), and to make staff and implementing partners aware of UNICEF policies and procedures on prevention and for reporting incidences when they occur. The 2019-2023 CPD and the 2019-2023 UNDAF⁵ reported that violence against women and girls were widespread in Equatorial Guinea, with 63 percent of 15-year-old girls having suffered physical violence while 32 percent of women reported having been victims of sexual violence.

All staff had completed mandatory online training on protection from sexual exploitation and abuse (PSEA) and prevention of sexual harassment and abuse of authority (PSHAA) during 2018 and 2019. They had also taken the oath of office and signed the code of conduct. In 2019, the protocols signed with NGOs included UNICEF Protocol on allegations of sexual exploitation and abuse (SEA) involving implementing partners. In 2019, the office initiated several activities to harmonize national Government policies and legislation with the Convention on the Rights of the Child (CRC).

However, the office had not trained Government and NGO partners on PSEA and PSHAA, and how to report instances when they occurred. The office's annual workplan did not include PSEA-related programme activities, such as those required by the UNICEF PSEA Protocol for implementing partners in relevant programmes such as the Child Protection programme. Further, as of the time of the audit, the office had not communicated with the Government regarding the UNICEF Protocol on allegations of SEA involving staff of Government implementing partners.

Agreed action 6 (medium priority): The office agrees to:

- i. Share UNICEF and UN policies, procedures and tools with Government partners and NGOs, advocate their adoption, and provide any support needed to enable it.
- ii. Train Government partners and NGOs on protection from sexual exploitation and abuse and prevention of sexual harassment, and how to report incidences when they occur.
- iii. Ensure its annual workplan includes PSEA-related programme activities in relevant programmes, such as the Child Protection programme.

Responsible staff members: Representative

Date by which action will be taken: June 2020

Programme monitoring and assurance activities

A country office's monitoring activities fall into two broad categories. There is regular programme

⁵ The United Nations Development Assistance Framework (UNDAF) is a broad agreement between the UN as a whole and a national Government, setting out the latter's chosen development path, and how the UN will assist.

monitoring, including field visits and joint reviews with partners. There are also assurance activities to ensure that cash transfers to partners are used as intended. The latter fall under the Harmonized Approach to Cash Transfers (HACT), a risk-based framework used by several UN agencies. The audit noted the following.

Programme monitoring: The office's annual review conducted with Government and NGO partners adequately assessed the results achieved, the constraints encountered and lessons learned, and identified priorities for the next planning year. The office also conducted internal mid-year reviews during July and August 2019. The Bata Zone Office regularly monitored programme activities in the continental region jointly with the Government and NGO partners.

The audit reviewed a sample of field-monitoring trip reports and found they were adequate. They included relevant action points arising from the visits.

Assurance activities: HACT requires an assessment of the risk involved in working with a particular partner; the type and number of assurance activities will be set accordingly. They include spot checks, audits, and programmatic visits; the latter ensure that the interventions are proceeding as intended, and identify any bottlenecks.

In 2018, eight out of the office's 15 implementing partners were rated high risk, and two were rated as significant risks. The 2018 assurance plan was risk-based and correctly identified the minimum assurance activities required by HACT procedures to obtain reasonable assurance that funds were used for intended purposes. It included 16 programmatic visits, four spot checks and two scheduled audits.

The audit took a sample of four partners and reviewed five assurance activities performed with them (two spot checks, two scheduled audits and one programmatic visit). The cash transfers disbursed to the four selected partners represented 70 percent of the total cash transfers disbursed in 2018 and 2019. The spot checks and audits were conducted by an audit firm.

There were some recurrent weaknesses in these spot checks and audits. The findings had not been addressed by the partners, although they included lack of accounting procedures or monthly bank reconciliations – which are red flags for potential irregularities. These weaknesses had also been identified in prior years during micro-assessments and assurance activities of these partners. The sampled partners had in fact accepted all the recommended action points, but did not submit action plans to correct the weaknesses, and the office did not follow up the status of implementation of all the recommendations.

The audit noted that UNICEF has been rolling out eTools, a suite of applications designed to make regular administrative functions in UNICEF easier. They include facilities to assist planning and follow-up of assurance activities, and might be helpful in this case.

Agreed action 7 (medium priority): The office agrees to use UNICEF eTools to monitor recommendations stemming from various assurance activities, to ensure that significant control weaknesses that put UNICEF funds at risk are promptly corrected and sustained.

Responsible staff members: Operations Manager

Date by which action will be taken: December 2019

Programme evaluation

Programme evaluation determines the extent to which planned results are achieved. It also provides credible evidence-based information, recommendations and lessons to improve future programming and decision-making. The audit reviewed the controls over programme evaluations from 1 January 2018 to the end of the audit in September 2019.

In 2018, the office conducted an evaluation of the Prevention of Mother-to-Child Transmission programme in Equatorial Guinea from 2015-2018. This was the only evaluation for the duration of the country programme. It was of good quality. The evaluation report included eight recommendations; five were addressed to UNICEF and three to the Ministry of Health and Well Being (MoHWP). The office prepared an action plan for the five recommendations addressed to UNICEF and uploaded it in the UNICEF database to monitor implementation. All five recommendations were implemented.

However, it did not receive an action plan for the three recommendations addressed to the MoHWP, together with planned completion date and responsible person at the Ministry. The office had not requested or received a status report from the MoHWP, and had not therefore uploaded the status of implementation to the UNICEF evaluation database. The office commented that the shortage of technical experts and restricted funds constrained Government capacity to implement the recommendations.

Agreed action 8 (medium priority): The office agrees to:

- i. Assist the Ministry of Health and Well Being (MoHWP) in development of an action plan with planned completion dates and responsible persons, and support MoHWP in the implementation of the evaluation recommendations.
- ii. Monitor the implementation of recommendations addressed to the MoHWP and upload the information to the UNICEF database.

Responsible staff members: Representative

Date by which action will be taken: June 2020

Salary advance and self-certification

Four out of the 16 national staff in the office submitted requests for salary advances during the period covered by the audit. These requests were processed by the UNICEF Global Shared Service Centre (GSSC) and salary advances were paid to the staff based on self-certification of their accuracy. Self-certification is a statement by staff that the information provided is accurate and an acknowledgment that if it is not, they may be subject to a disciplinary process.

The office subsequently found that the requests were not supported by sufficient appropriate documentation. The audit team also found the basis for these requests to be incorrect; therefore, the advances were not justified and should not in fact have been given. At the time of the audit, the four advances had not been fully reimbursed by staff members.

GSSC has established a self-certification process for salary advances. It has issued a standard operating procedures (SOPs) for the purpose that reference UNICEF Financial and Administrative Policy 5: *Cash Disbursements*. However, Policy 5 covers only the accounting for a salary advance and does not define the requirements to justify it. These requirements were defined in a DHR policy on salary advances in 2001.

The audit found that the GSSC SOPs, related forms and self-certification process were not aligned with the DHR policy on salary advances. For instance, DHR policy requires independent certification and approval, while GSSC processes transactions based on self-certification. This misalignment means that a staff member can self-certify a salary advance when that advance is not in fact justified under the DHR policy. This has increased the risk of errors, irregularities and fraud – especially since salary advances are also prevalent in other offices. For instance, from June to September 2019, GSSC processed 141 salary advance transactions submitted by staff from 21 country offices.

At the time of the audit, the DHR policy, including the rationale for salary advances, was being revised, and GSSC and the Division of Human Resources (DHR) were planning to revisit the self-certification approach.

Agreed action 9 (medium priority): DHR, together with the Global Shared Services Centre (GSSC) and DFAM, agrees to ensure the DHR policy on salary advances and GSSC standard operating procedures for the processing of salary advances are aligned to mitigate the risks of irregularities, errors and/or fraud related to salary advances to staff.

Responsible staff members: HR Policy and Law Section, DHR; and Chief, Analytics and Operations, DHR

Date by which action will be taken: End of September 2020

Annex A: Methodology, and definition of priorities and conclusions

The audit team used a combination of methods, including interviews, document reviews, and testing samples of transactions. The audit compared actual controls, governance and risk management practices found in the office against UNICEF policies, procedures and contractual arrangements.

OIAI is firmly committed to working with auditees and helping them to strengthen their internal controls, governance and risk management practices in the way that is most practical for them. With support from the relevant regional office, the regional office reviews and comments upon a draft report. The Representative and their staff then work with the audit team on agreed action plans to address the observations. These plans are presented in the report together with the observations they address. OIAI follows up on these actions and reports quarterly to management on the extent to which they have been implemented. When appropriate, OIAI may agree an action with, or address a recommendation to, an office other than the auditee's (for example, a regional office or HQ division).

The audit looks for areas where internal controls can be strengthened to reduce exposure to fraud or irregularities. It is not looking for fraud itself. This is consistent with normal practices. However, UNICEF's auditors will consider any suspected fraud or mismanagement reported before or during an audit and will ensure that the relevant bodies are informed. This may include asking the Investigations section to take action if appropriate.

The audit was conducted in accordance with the International Standards for the Professional Practice of Internal Auditing of the Institute of Internal Auditors. OIAI also followed the reporting standards of International Organization of Supreme Audit Institutions.

Priorities attached to agreed actions

High: Action is considered imperative to ensure that the audited entity is not exposed to high risks. Failure to take action could result in major consequences and issues.

Medium: Action is considered necessary to avoid exposure to significant risks. Failure to take action could result in significant consequences.

Low: Action is considered desirable and should result in enhanced control or better value for money. Low-priority actions, if any, are agreed with the regional-office management but are not included in the final report.

Conclusions

The overall conclusion presented in the summary falls into one of four categories:

[Unqualified (satisfactory) conclusion]

Based on the audit work performed, OIAI concluded at the end of the audit that the control processes over the office were generally established and functioning during the period under audit.

[Qualified conclusion, moderate]

Based on the audit work performed, OIAI concluded at the end of the audit that, subject to implementation of the agreed actions described, the controls and processes over the office were generally established and functioning during the period under audit.

[Qualified conclusion, strong]

Based on the audit work performed, OIAI concluded that the controls and processes over the office needed improvement to be adequately established and functioning.

[Adverse conclusion]

Based on the audit work performed, OIAI concluded that the controls and processes over the office needed significant improvement to be adequately established and functioning.