

Internal Audit of the Turkey Country Office

September 2018

Office of Internal Audit
and Investigations



Report 2018/08

Summary

The Office of Internal Audit and Investigations (OIAI) has conducted an audit of the Turkey Country Office. The audit assessed the office's governance, risk management and internal control. The audit team visited the office from 9 to 27 April 2018, and the review covered the period from 1 January 2017 to 27 April 2018.

The 2016-2020 country programme has four main components: *Equity, social inclusion and resilience building; Quality data, knowledge and advocacy for child rights; Gender equality among children and adolescents; and Expanded partnership for children*. There is also a cross-sectoral component. The total approved budget for the country programme was US\$ 54.8 million, of which US\$ 4.8 million was Regular Resources (RR) and US\$ 50 million was Other Resources (OR). RR are core resources that are not earmarked for a specific purpose. OR are contributions that may have been made for a specific purpose such as a programme, strategic priority or emergency response, and may not always be used for other purposes without the donor's agreement. An office is expected to raise the bulk of the resources it needs for the country programme as OR, up to the approved ceiling. Country offices facing an emergency situation can also seek to raise Other Resources (Emergency), or ORE.

Turkey is an upper middle-income country. Over the past decade, economic reforms have contributed to a growing economy. However, Turkey is currently hosting the largest number of refugees of any country in the world, with more than 3.6 million Syrians living under temporary protected status – approximately half of whom are children. In addition, there are approximately 360,000 citizens of different nationalities seeking international protection. The Turkish Government is committed to responding to the needs of refugees and has invested significant national resources to do so. However, their unprecedented numbers require supplementary international support.

The Syrian emergency response is implemented under the Regional Refugee and Resilience Plan (3RP), which covers five countries.¹ It is coordinated by United Nations High Commission for Refugees and United Nations Development Programme. For 2018-2019, 3RP will focus on assisting the Government of Turkey with the specific needs of the Syrians under temporary protection, as well as helping communities to promote self-reliance and obtain greater access to livelihoods opportunities. The Turkey Country Office is expecting to raise up to US\$ 451.8 million in ORE for the 2018-2019 3RP.

The Turkey Country Office is in Ankara and has one zone office in Gaziantep. As of April 2018, the country office had a total² of 140 posts,³ of which 29 were international professional (IP), 63 were national officer (NO), 43 were general service (GS), and the remaining five were UN Volunteers. In addition, Turkey is the only country that hosts both a UNICEF National Committee and a UNICEF country office. The Turkish National Committee (TNC) was established in 1956.

The audit noted a number of areas of good practice. For example, the office has strengthened its assurance activities by signing a Memorandum of Understanding (MoU) with the national Supreme Audit Institution to conduct scheduled audits of Government partners that receive

¹ Besides Turkey, they are Egypt, Jordan, Lebanon and Syria. See <http://www.3rpsyriacrisis.org>.

² Including 30 positions in Gaziantep (three IP, 12 NO, 10 GS and five UN Volunteers).

³ Posts includes fixed-term (FTs) and temporary appointments (TAs).

cash transfers from UNICEF. The office has also enhanced the accuracy of the data and information it reports by streamlining its data sources and aligning the 3RP and the relevant humanitarian frameworks within the context of the country programme.

Action agreed following the audit

The audit also identified areas where further action was needed to better manage risk to UNICEF's activities. None of these areas were identified by the audit team as high priority. However, in discussion with the audit team, the country office has agreed to take a number of measures to address these risks and issues.

Conclusion

Based on the audit work performed, OIAI concluded at the end of the audit that the country office's governance, risk management and internal controls were generally established and functioning during the period under audit.

The Turkey Country Office, the Europe and Central Asia Regional Office (ECARO), the relevant headquarters divisions and OIAI will work together to monitor implementation of the measures that have been agreed.

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Objectives

The objective of the country office audit is to provide assurance as to whether there are adequate and effective controls, risk-management and governance processes over a number of key areas in the office. In addition to this assurance service, the audit report identifies, as appropriate, noteworthy practices that merit sharing with other UNICEF offices.

This report presents the more important risks and issues found by the audit, the measures agreed with the client to address them, and the timeline and accountabilities for their implementation. It does not include lower-level risks, which have been communicated to the client in the process of the audit.

Audit observations

Integrated development and humanitarian interventions

The 2016-2020 country programme goal is to reduce the equity gaps affecting the most vulnerable children. At the output level, the country programme aims to contribute to the reduction or elimination of the most critical bottlenecks and barriers to realization of children's rights.

The country office planned a combination of strategies that required the merging of UNICEF's typical engagement in middle-income countries with one based on humanitarian action. The programme environment in Turkey was such that UNICEF's response to the Syria refugee crisis focused on strengthening the existing national systems to support the needs of the most vulnerable children, including Syrian children. This implied a continuum between humanitarian response and systems strengthening in general and was adopted as a cross-cutting approach in all the country programme components.

The office throughput had increased from US\$ 97.1 million in 2016 to US\$ 151 million in 2017, with a significant amount of these resources being in support of the Syrian crisis. The significant spend in the emergency response led to some perceptions that support for the progressive realization of rights for other children in the country were being crowded out. These perceptions could be caused by the blurring of humanitarian and development activities, as humanitarian activities are more immediately visible whilst the cumulative impact from systems strengthening takes time to demonstrate. This increases the reputational risk for UNICEF. In discussions with a Government partner, the audit team was told that there was need to more clearly distinguish humanitarian assistance from development support.

The audit reviewed whether reports to donors and partners were based on agreed log frames, and that there was sufficient clarity on output indicators and means of verification to enable the office to respond to such misconceptions with verifiable data. In fact, there was a careful distinction between the various categories of children that were considered vulnerable – but this was in UNICEF internal documents. The extent to which it was communicated publicly was not clear, although the office stated that it had emphasized all vulnerable children in different fora.

Agreed action 1 (medium priority): The Turkey Country Office agrees to continue to ensure

that its messages on the impact of interventions on all vulnerable children in Turkey are amplified periodically.

Responsible staff members: Representative

Date by which action will be taken: December 2018

Results chain

UNICEF practices results-based management, and offices, including country offices, are required to plan for results that can be reported against both outputs and outcomes, and can be evidence-based, using defined indicators and baselines. There should be a logical relationship between the outputs, outcomes⁴ and indicators used. The results are uploaded to a Results Assessment Module that allows access to the results across the UNICEF system.

Child Rights Monitoring: As part of Outcome 2 *Quality data, knowledge and advocacy for child rights*, the 2016-2020 country programme includes strengthening Child Rights Monitoring (CRM) systems, a series of mechanisms used in identifying and/or addressing child-rights violations. These include independent redress mechanisms, regulatory and oversight bodies, and civil society organizations. This Outcome includes two outputs. Output 1 was increased capacity to generate and use quality and disaggregated evidence on the situation of children for monitoring, reporting and advocacy. Output 2 was increased capacity to monitor child-rights violations and activate redress actions in line with international standards and good practices. Under output 2, the office supported the capacity building activities of NGOs for evidence generation, including the formation of a child-rights network on children with disabilities and another network on violence against children, to undertake concerted dialogue on child rights and to carry out data collection activities.

There were challenges in making progress on the implementation of planned activities, mainly due to the restricted number of CRM NGOs and limited technical expertise of available CRM NGOs. These reduced opportunities for independent evidence generation for monitoring of, and advocacy for, child rights. However, the office said that although there had been some constraints arising out of the current situation, the impact of these constraints had been minimized by its support to the networks mentioned above.

The audit noted that when the 2016-2020 country programme was being designed in 2015, the office had identified certain challenges in the programming environment beyond the CO's control. In the view of the audit, the fluidity of the prevailing environment called for regular assessments to ensure proactive mitigation of risks encountered during implementation and reviews of the appropriateness of the outputs aimed at achieving the desired outcomes.

Expanded partnerships for children: The 2016-2020 Country Programme Document outlines outcome 4 as "By 2020, relevant national entities share validated good practices with other countries". With the output is stated as "supporting relevant national entities to have increased capacity to validate, document and share good practices with other countries."

⁴ 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, an output might include (say) the construction of a school, but that would not in itself constitute an outcome; however, an improvement in education arising from it would.

The audit's review of the Result Assessment Module noted that, under Outcome 4, that earthquake preparedness is the focus of cooperation with a Government partner. The intention was to provide other countries with the opportunity to learn from Turkey's experience, given the Government's expertise in humanitarian supply and logistics. The office explained that the key strategy in support of the outcome and output was premised on convening partnerships with diverse stakeholders, whilst leveraging Turkey's strong capacities in emergency preparedness and logistics, and its well-developed market infrastructure, to support humanitarian and development activities within and outside the country, using UNICEF's global networks. However, it was unclear how the contribution from these activities would contribute to the achievement of articulated output and outcome.

Agreed action 2 (medium priority): Based on the lessons learned from the first two years of the country programme, the Turkey Country Office agrees to:

- i. Undertake a periodic assessment of the activities, strategies and partnerships underpinning Outcome 2, and make any adjustments necessary to ensure measurability and subsequent achievement.
- ii. Review outcome four to ensure that UNICEF's contribution can be assessed at the outcome level.

Responsible staff members: Deputy Representative
Date by which action will be taken: January 2019

Reporting of contributions

UNICEF sets conditions under which OR contributions are accepted. These differ between non-emergency and emergency OR (ORE) contributions. The former is accepted in line with the OR-funded components of the approved country programme; this is specified by Rule 104.1 of the UNICEF Financial Regulations and Rules. However, Rule 104.4 states that ORE contributions are accepted in accordance with UNICEF humanitarian appeals, or inter-agency consolidated appeals in which UNICEF participates. Either way, once a contribution agreement is signed, a grant is created in VISION⁵ with the appropriate coding.

The audit noted that in 2016, the office had received grants aimed at investing in the future for children and young people affected by the Syrian conflict. The donor did not want UNICEF to categorize the contribution as humanitarian, given the significant resilience-building component. However, UNICEF did not have a coding category for resilience-related contributions.

Thus, a temporary solution was found to assist timely release of the contribution. The temporary solution found by Public Partnerships Division (PPD), in consultation with the Division of Financial and Administrative Management (DFAM) and the Office of Emergency Programmes (EMOPS), was to create a new tagging option under the "Fundraising Purpose" in VISION called "Development funds or humanitarian/resilience response". While the contribution would still be coded as ORE or OR, this sub-category allowed for internal tracking of grants of such nature. In line with the donor's request, the grant was created as a regular OR grant, while UNICEF internally was able to track this funding against the activities outlined in the humanitarian appeal.

⁵ VISION is UNICEF's management system (from Virtual Integrated System of Information).

PPD confirmed that many donors considered resilience and system strengthening funding in protracted emergencies as development, while UNICEF associates this type of funding with activities outlined in the humanitarian appeals. The audit team confirmed with DFAM that there had been 257 grants created using this temporary tagging. Given the increase in resilience and system strengthening funding in protracted emergencies, there is a need for UNICEF to look into the current contribution requirements and coding system. This is the more so given that UNICEF's 2018-2021 Strategic Plan and the broader development frameworks (such as the Sustainable Development Goals) all emphasize the importance of the interaction between humanitarian interventions and development. The absence of a mechanism to clearly reflect this within UNICEF's management information systems may result in inaccuracies in reporting UNICEF's focus, while also over-inflating its OR funding status. At the same time the regular OR ceiling was increased to US\$ 60 million even though the funds were specifically for the 3RP.

Agreed action 3 (medium priority): PPD, in coordination with DFAM, EMOPS and other divisions as necessary, agrees to review the current contribution requirements and coding system, and identify a solution that could more accurately code, track and report on the contributions that fall within the humanitarian-development continuum.

Responsible staff members: Deputy Director, Government Partnerships PPD

Date by which action will be taken: 31 March 2019

Collaboration with the Turkish National Committee

The Turkish National Committee (TNC) for UNICEF raises funds for global priorities, regional emergencies and for the Turkey Country Office. The TNC is the only National Committee (NatCom) that co-exists with a UNICEF country office in the same country. As a NatCom, the TNC – in line with other NatComs – raises funds for UNICEF's activities worldwide: its efforts are not solely or specifically directed at funding activities in Turkey. Support to humanitarian operations in Turkey is largely from international appeals and the Government, although the TNC does have close collaboration with the office and is an important partner for UNICEF's activities in-country.

The 2018-2019 office partnerships strategy for resource mobilization⁶ and leveraging (updated in February 2018) noted the advantages of having a NatCom fundraising and undertaking advocacy work within Turkey, but also acknowledged the challenges created by this arrangement; for example, in messaging – the TNC has an overview of UNICEF worldwide, whereas the Turkey Country Office has a national focus. The strategy also noted that funding from the TNC specifically to the Turkey country programme had decreased from US\$ 2.63 million in 2014-2015 to US\$ 1.1 million in 2016-2017.

There was a Joint Strategic Plan (JSP) that outlined the areas of collaboration and engagement on fundraising and advocacy between the country office, the TNC and UNICEF's Private Fundraising and Partnerships (PFP) Division. The 2017-2018 JSP had been signed by the three parties. In 2017, a new electronic platform was designed to capture and standardize the JSPs between PFP and all National Committees from 2018 onwards. This enabled PFP and the

⁶ While the terms "resource mobilization" and "fundraising" are often used interchangeably, the former is slightly broader; although fundraising is its largest single component, it also includes mobilizing resources in the form of people (volunteers, consultants and seconded personnel), partnerships, or equipment and other in-kind donations.

NatComs to digitally sign the document online. In 2018, the PFP said that 2018-2021 JSP was shared with the CO. However, the Turkey set-up was unique, and the standardized JSP did not capture the varying functions of the TNC and the Turkey Country Office – for example, on advocacy and messaging. This could lead to unclear accountabilities regarding the way in which UNICEF should be presented.

Agreed action 4 (medium priority): Private Fundraising and Partnerships agrees to ensure that the agreement and outline on collaboration modalities, between the Turkey Country Office and the Turkish National Committee, are duly documented in the new JSP platform.

Responsible staff members: Chief Country Relations, PFP

Date by which action will be taken: 31 December 2018

Partnerships

In 2016-2020 country programme document stated that the country programme partnership with NGOs would be expanded, as these partnerships are regarded as key to achieving results for children. In 2017-2018, there were 18 programme documents signed with NGOs, with a financial commitment amounting to approximately US\$ 96 million. For all six PCAs reviewed by the audit team, direct selection⁷ had been chosen and the rationale for the selected approach documented. The audit reviewed the most significant partnerships (in resource terms) and noted the following.

Conditional Cash Transfer for Education: The CCTE Programme for refugees makes targeted cash transfers to refugee families to support some 230,000 children to attend school regularly.⁸ It is a partnership between Ministry of Family and Social Policies (MoFSP), Ministry of National Education (MoNE), the Turkish Red Crescent (TRC) and UNICEF. MoFSP and MoNE have been implementing CCTE since 2003 for Turkish children. The CCTE for refugees was launched in 2017 as an extension of the national programme. The CCTE and the Emergency Social Safety Net (ESSN) Programme (a partnership of MoFSP, Turkish Red Crescent and the World Food Programme) are two complementary cash-transfer programmes that are enhancing the capacity of the Government of Turkey to deliver shock-responsive social protection, while at the same time paving the way for integration of Syrians and other refugees into the national social assistance system.

The two programmes use common operational structures, including common application sites, a common card system for payment (Kizilaykarts), and a shared call centre for queries and complaints. For CCTE beneficiary families, of whom over 80 percent also receive the ESSN, the complementarity of the two programmes promises better outcomes, with ESSN allowing them to cover their basic needs, and the CCTE providing additional amounts if they send their children to school regularly. The complementarity of the programmes, have drawn praise from some sectors in Turkey. The programmes continue to be a learning process, and useful experience is being accrued. This experience could benefit cash transfer programmes supported by other UNICEF offices, and it would be useful to record the key risks and challenges experienced, the lessons learned, and the various tools developed, and operating procedures used.

⁷ An office can select partners either through indirect selection or direct selection. With direct selection, the office will approach a single partner it thinks is appropriate, whereas indirect selection allows all potential partners to respond to an expression of interest.

⁸ For more details on CCTE, see https://www.unicef.org/media/media_95183.html.

The UNICEF zone office in Gaziantep had a clearly-defined role in ensuring monitoring at the sub-national level with three monitors specifically for CCTE. There was room for increased synergies between CCTE and ESSN in the areas of programme monitoring and community-based feedback systems.

Agreed action 5 (medium priority): The Turkey Country Office agrees to:

- i. Together with the regional office and headquarters, document the key risks/challenges, lessons learned, tools and procedures used in the implementation of the CCTE as a short report that can be shared for consideration in defining good practice for similar social cash-transfer activities.
- ii. Explore ways to increase synergies with the ESSN programme on working more closely in monitoring and community-based feedback systems, to optimize efficiency and effectiveness of programming.

Responsible staff members: Deputy Representative

Date by which action will be taken: December 2018

Payments to bodies other than partners

Under the framework of the Regional Refugee and Resilience Plan (3RP), and in line with the *No Lost Generation Initiative*, UNICEF has worked closely with the Ministry of National Education (MoNE) and other partners to support the Government of Turkey through the provision of financial incentives to Syrian volunteer teachers. This programme has been a critical element of UNICEF's and MoNE's joint education personnel management strategy.

In 2014, a Memorandum of Understanding (MoU) was signed between the Post and Telegraph Organization (PTT), MoNE and UNICEF to operationalize the programme and regulate the methods of payment. The mechanism allowed 13,200 Syrian volunteers to receive a monthly stipend. All payments were made through UNICEF direct cash transfers PTT totaling approximately US\$ 116 million from 2016 to the time of the audit.

The signed MoU clarified that although the workplan was signed between MoNE and UNICEF, PTT will be used to make payments to listed volunteers. A review of sample of transactions showed that MoNE and PTT were recorded as two separate implementing partners in VISION. As such, the system did not reflect the fact that payments to PTT were on behalf of MoNE, which signed and submitted the Funding Authorization Certificate of Expenditure (FACE) forms⁹ to UNICEF to request and report the use of funds. This means that, if care was not taken, an amount already paid to PTT could continue to be reflect in VISION as a liability and therefore paid to MoNE.

DFAM confirmed to the audit team that payments to an alternate party (i.e. PTT), for DCT transactions, were allowed under a 'permitted payee' option. This occurs when a specific payment must be made to authorized party on behalf of the implementing partner. However, at the time of the audit, there was no specific guidance or accounting procedure in place for such payments.

Agreed action 6 (medium priority): The Division of Financial and Administrative Management

⁹ The FACE forms also reflect the workplans, which set out the activities for which funds are being requested, or on which they have been spent.

(DFAM) agrees to:

- i. Update DFAM procedures on DCTs, incorporating requirements on payments made through bodies other than implementing partners and their being set up as permitted payees.
- ii. Work with the country office in order to put this mechanism in place in Turkey.

Responsible staff members: Chief Accounts, Financial Reporting and Grant Management

Date by which action will be taken: 31 December 2018

Supply distribution

The office had a workflow for procurement and payment of supplies and institutional services. It also had 26 long-term arrangements and had 12 service providers that were also used by other UN agencies. In 2017, and 2018 up to 10 April, the total value of goods and services procured amounted to US\$ 27.6 million. The office workplans identified supply inputs, and supply plans were drawn up.

In general, supplies were procured in timely manner. However, the audit noted some issues in the distribution of certain supplies, arising from delays in provision of the necessary distribution plans by the Government partner. For example, in 2017 the procurement of school bags and stationery kits amounted to US\$ 4 million – but the materials were distributed one to two and a half months after the start of the school year. These delays had occurred consistently over the last two years.

The office said that there had been ongoing discussions about this with MoNE. However, the system was such that distribution lists were collected from various locations all over the country and sent to MoNE for validation before being shared with UNICEF for action. This process took time and delayed distribution. During a field visit, the audit team noted that similar school items were being procured and distributed by the Government – so there might be potential to combine the two processes and work through the national systems to enable a more decentralized, faster and more efficient distribution process.

Agreed action 7 (medium priority): The Turkey Country Office agrees to work closely with the Government partner to enhance planning, and/or consider reviewing the current process to enable timely and efficient distribution.

Responsible staff members: Chief Education

Date by which action will be taken: October 2018

Accountability to affected populations

Humanitarian work is coordinated through the Inter-Agency Standing Committee (IASC), a forum involving the key UN and non-UN humanitarian partners. UNICEF adheres to the IASC's Accountability to Affected Populations (AAP) framework, which summarizes the key concepts for making programming at field level more accountable to affected populations.¹⁰ UNICEF globally requires that in situations of stability as well as in crisis, efforts to increase

¹⁰ The IASC defines this accountability as “an active commitment to use power responsibly by taking account of, giving account to, and being held to account by the people humanitarian organizations seek to assist.”

accountability should be implemented systematically and across sectors. Whilst UNICEF had yet to provide additional standards and guidance to country offices for implementation of this, the 3RP clearly required embedding AAP measures in in sector plans and procedures.

In this regard, the audit sought to assess whether the office had addressed AAP in programme design and monitoring, and established channels for feedback and complaints. The audit's review of a sample of proposals and workplans and the monitoring framework noted that AAP feedback mechanisms had been embedded in only some workplans, whilst the other workplans made no reference to AAP. There was no clear AAP feedback or complaints mechanisms in the proposals. Where there were feedback and complaints mechanisms, there was a lack of detail on how the responses to the feedback would be managed. Finally, there was nothing specifically related to community feedback mechanisms in the monitoring framework.

For example, the Turkish Red Crescent call centre, which specifically related to the Emergency Social Safety Net (ESSN) and Conditional Cash Transfer for Education (CCTE), was well set up for regular analysis of the number of contacts made and the category of enquiries. However, the audit team did not see how this information was used for programme input. The Winterization programme did have a process by which complaints would be followed up by monitoring visits, while for municipalities there was support for strengthening hotlines dealing with issues related to child marriages. However, the audit saw no evidence of processes for follow-up and response for any complaints/data generated from these mechanisms. Further, as most channels available were either programme-specific through a Government or Government-related entity, the data may not be necessarily available to UNICEF/UN for further analysis. Despite this, there was no clear view as to whether these avenues were adequate or needed to be supplemented with other mechanisms. The audit also noted that, while multiple channels provide targeted communities more opportunities to provide input, the best practice would be able to put all the information together to analyze trends that may have an impact on the programming.

Agreed action 8 (medium priority): The Turkey Country Office, with support from the Regional Office and the Emergency Operations division, agrees to:

- i. Analyze community feedback, focused on key programmes, in consultation with relevant headquarters divisions; and use the results to assess whether it is necessary to institute additional feedback and complaints mechanisms.
- ii. Integrate activities related to the agreed priority AAP collaborations in the Annual Management Plan and formulate appropriate indicators to regularly assess the uptake of feedback and complaints mechanisms.
- iii. Include funding for such activities in proposals and, at the interagency level, advocate data exchange and analysis on beneficiary feedback mechanisms.

Responsible staff members: Deputy Representative

Date by which action will be taken: January 2019

Protection from sexual exploitation and abuse (PSEA)

UNICEF's mandate gives it a special responsibility to serve and protect children. Sexual exploitation and abuse constitute acts of serious misconduct. In 2003, the Secretary-General issued a Bulletin (ST/SGB/2003/13) applicable to all UN staff, which set out special measures

for protection from sexual exploitation and sexual abuse.

UNICEF's Core Commitments for Children¹¹ requires the formulation of separate procedures for Sexual Exploitation and Abuse (SEA), as does the 3RP, which requires the promotion of appropriate mechanisms to address concerns and complaints, including on SEA. The audit looked at how the country office had responded to PSEA in the Turkey context.

At the time of the audit, all Turkey Country Office staff had completed the mandatory UNICEF training on PSEA. Two other UN agencies interviewed said there had been a recent initiative to work together on PSEA, but no specific collaborative actions had been formulated yet. The UNICEF office provided the audit team with copies of reminders it had written to partners at the end of March 2018 on their obligations on child safeguarding and offering to assist the partners if required. The office had also obtained the safeguarding policies or codes of conduct for their major NGO partners. However, the audit team did not see evidence of distinct PSEA procedures (such as an appropriate adaptation of AAP mechanisms) particularly for community-based outreach and feedback.

Agreed action 9 (medium priority): The Turkey Country Office agrees to further strengthen its approach to PSEA by:

- I. Analyzing the existing PSEA mechanisms in-country, with support from the regional office and HQ, and instituting additional mechanisms in response to any gaps identified during that exercise.
- II. Seeking agreement on and adoption of priority areas of collaboration on PSEA within the United Nations Country Team, particularly relating to data, outreach and community-based mechanisms.

Responsible staff members: Representative/Deputy Representative

Date by which action will be taken: January 2019

¹¹ The Core Commitments for Children in Humanitarian Action constitute UNICEF's central policy on how to uphold the rights of children affected by humanitarian crises. The text can be downloaded from http://www.unicef.org/publications/index_21835.html.

Annex A: Methodology, and definitions of priorities and conclusions

The audit team used a combination of methods, including interviews, document reviews, testing samples of transactions. The audit team visited UNICEF locations and supported programme activities. 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 its clients 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 country office reviews and comments upon a draft report before the departure of the audit team. 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 client's (for example, a regional office or Headquarters 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 the 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 country office management but are not included in this final report.)

Conclusions

The conclusions presented in the report summary fall into four categories:

[Unqualified (satisfactory) conclusion]

Based on the audit work performed, OIAI concluded at the end of the audit that the office's governance, risk management and internal controls 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, the office's governance, risk management and internal controls were generally established and functioning during the period under audit.

[Qualified conclusion, strong]

Based on the audit work performed, OIAI concluded that the office's governance, risk management and internal controls needed improvement to be adequately established and functioning.

[Adverse conclusion]

Based on the audit work performed, OIAI concluded that the office's governance, risk management and internal controls needed **significant** improvement to be adequately established and functioning.