United Nations Population Fund - Delivering a world where every pregnancy is wanted, every childbirth is safe and every young's person potential is fulfilled.

DIVISION FOR OVERSIGHT SERVICES

AUDIT OF THE UNFPA COGNOS REPORTING SYSTEM

FINAL REPORT

N° MIS-104

28 June 2013

TABLE OF CONTENTS

EXECUTIVE SUMMARY

1.   The Division for Oversight Services (DOS) of the United Nations Population Fund (UNFPA) engaged PricewaterhouseCoopers ("PwC" or "Contractor") to perform an internal audit of the internal controls in place over the UNFPA Cognos reporting system from December 2012 to February 2013.

Background

2.   At the time of the audit, UNFPA utilized Cognos BI v 8.4 (Cognos) as its corporate-wide reporting system, providing reporting capabilities in a variety of areas, including programme and fund monitoring, financial reporting, procurement and human resources. Cognos reports are available to all users with access to the UNFPA portal, with the exception of the human resources reports which are restricted solely to users approved by the Division for Human Resources. The data utilized for Cognos reporting is predominantly sourced from Atlas, UNFPA's PeopleSoft-based Enterprise Resource Planning system. The Cognos reporting system is centrally managed by the UNFPA Management Information Services Branch, with input and support from the Data Management unit of the Finance Branch.

Methodology and scope

3.   The internal audit was performed by the Contractor, under Contract UNFPA-PC-12-032, in accordance with the Statements on Standards for Consulting Services, as established by *the American Institute of Certified Public Accountants (AICPA)* and consistent with the applicable guidance and standards included in the *International Professional Practices Framework of the Institute of Internal Auditors*.   No audit opinion or attestation, as defined by the AICPA standards, is provided as a result of the internal audit.

4.   The internal audit included reviewing and analyzing, on a test basis, information appropriate to assess the design and operating effectiveness of key internal controls over UNFPA's Cognos reporting system in the period from 1 January to 21 December 2012. Information provided to the internal audit team was not verified or audited except as considered necessary to complete the internal audit*.*

5.   The scope of the internal audit included the assessment of the controls in place over the extraction, transformation and loading of data into Cognos and the Cognos report development and maintenance process, as well as relevant information technology general controls over the Cognos reporting system in the areas of application administration, user provisioning and administration, user authentication, and configuration management.

6.   *The Contractor's* work was limited to the specific procedures and an analysis described in the report, and was based only on the information available.   Accordingly, changes in circumstances after the date of issuance of this report could affect the findings outlined in the report. This information has been prepared solely for the use and benefit of, and pursuant to a client relationship exclusively with the UNFPA under Contract No. UNFPA-PC-12-032.   The Contractor is not responsible for UNFPA judgments, decisions or actions taken as a result of the analyses, findings or recommendations contained in this report. The Contractor disclaims any contractual or other responsibility to third parties, based on its use and, accordingly, this information may not be relied upon by any party other than UNFPA.

Audit rating

7.   The internal audit assessed the internal controls in place over the Cognos reporting system as **'Partially Satisfactory'**, which means that internal controls, governance and risk management processes were adequately established and functioning well. However, several issues, as identified in the Detailed Findings section of the report, were identified that may negatively affect the achievement of the objectives of effectively managing and controlling the technology environment. Ratings by key audit area are summarized below:

Audit ratings by key audit area		
Data extraction, transformation and loading		*Partially satisfactory*
Report development and maintenance		*Partially satisfactory*
Application information technology general controls		*Satisfactory*

Key findings and recommendations

8.   The audit identified several good practices implemented in the Cognos reporting system that were consistent with expected internal controls. The automated data extraction, transformation and loading (ETL) process between the source systems and Cognos was operating effectively at the time of the audit. The automated nature of the ETL process helps mitigate errors in the process. Access to key Cognos development and administrative functions was restricted to authorized UNFPA personnel at the time of the internal audit. The audit identified no exceptions in the configuration of a sample of four reports assessed with regards to their representing complete and accurate data.

9.   The internal audit identified three issues requiring management attention, which relate to the need to: (i) retain copies of the data required to reconcile Cognos and PeopleSoft (Atlas) commitment control module data; (ii) formalize the Cognos report development and maintenance process; and (iii) enhance the Cognos report usage guidance and policy. Six recommendations, all of them rated as medium risk, have been provided to help management address these matters.

Management response

10.   *The MIS Branch agrees with the findings and recommendations included in this report and will take action to implement them.*

11.   The internal audit team would like to thank the management and staff of the Management Information Systems Branch, particularly its Cognos support team, and of the Finance Branch, for their cooperation and assistance throughout the internal audit.

I. OBJECTIVES, SCOPE AND METHODOLOGY

1.   The internal audit assessed the internal controls in place over the UNFPA Cognos reporting system in the period from 1 January to 21 December 2012. The internal audit was performed by the Contractor, under Contract UNFPA-PC-12-032, in accordance with the Statements on Standards for Consulting Services, as established by the *American Institute of Certified Public Accountants (AICPA)* and consistent with the applicable guidance and standards included in the *International Professional Practices Framework of the Institute of Internal Auditors*. No audit opinion or attestation, as defined by the AICPA, is provided as a result of the internal audit.

2.   The objective of the internal audit was to assess the design and operating effectiveness of the Cognos reporting system internal controls in the following areas:

   a) Data extraction, transformation and loading (ETL);

   b) Report development and maintenance; and

   c) Application information technology general controls in the areas of application administration, user provisioning and administration, user authentication and configuration management.

3.   The internal audit procedures included: (a) interviews with personnel responsible for key Cognos internal controls; (b) the review of available Cognos reporting policies, procedures and control documentation (c) the assessment of the end-to-end reporting process to determine control design and operating effectiveness; (d) the review of key Cognos control and security configurations; and (e) detailed testing of the completeness and accuracy of a sample of Cognos reports. Information provided to the internal audit team was not verified or audited except as considered necessary to complete the internal audit. The work was conducted at UNFPA headquarters in New York, United States.

4.   The internal audit team comprised Contractor professionals with subject matter knowledge of Cognos, assisted by DOS staff. The engagement started on 10 December 2012, with fieldwork taking place through 17 January 2013. The findings and recommendations resulting from the fieldwork phase were initially discussed with the Cognos support team and Management at an exit meeting held on 18 January 2013 and reflected in a first draft report submitted to UNFPA on 25 February 2013. Following additional verifications and clarifications provided by Management, revised draft reports were issued on 22 April 2013 and 23 May 2013, and a management response received on 26 June 2013.

II. BACKGROUND

5.	At the time of the audit, UNFPA used Cognos BI version 8.4 (Cognos) as its corporate reporting system. An upgrade to Cognos BI version 10.2 took place subsequent to the completion of the audit. Cognos runs on a Microsoft Windows server environment, hosted at UNFPA, utilizing an Informix version 9 database, migrated to version 11 after the audit was completed (operating system, database security and computer operations controls were not within the scope of the internal audit). UNFPA's Cognos reporting environment includes the following Cognos tools:

a)	Cognos Report Studio: this tool allows the creation and formatting of reports using either the professional or express authoring modes. Most reports at UNFPA are created by Cognos subject matter experts in the Management Information Systems (MIS) Branch using the professional authoring mode of this utility;

b)	Cognos Query Studio: this tool allows users without the skills of a professional MIS report writer to create simple queries from the data stored in the data warehouse. This functionality is primarily used by staff from the Finance Branch (FB). Reports generated from this utility were not included in the scope of this internal audit, as they are not available to the broader UNFPA community and are treated as ad-hoc queries by the FB, subject to specific end-user reconciliation and validation controls; and

c)	Cognos Analysis Studio: this tool allows the preparation of more sophisticated analysis, including: "drill-down" and "slice and dice" analysis; statistical functions; context filters, etc. This tool is only accessible to Cognos MIS Branch staff.

6.	Data utilized for Cognos reporting is predominantly sourced from Atlas, UNFPA's PeopleSoft-based Enterprise Resource Planning system using SQL routines. Additional fund and donor information is sourced to Cognos from the Donor Agreement and Report Tracking System (DARTS). The Atlas environment provides several separate feeds of data to Cognos. One feed is from the Atlas general ledger (GL) model, which contains traditional financial data by accounting period. Another data feed is from the Atlas commitment control (KK) model, which contains year-to-date information including detailed fund and project financial data.

7.	The Cognos reporting system provides reporting capabilities for finance, programme management, procurement, and human resources. Reports generated from the Cognos Report and Analysis studios are centrally developed and maintained by UNFPA MIS Branch Cognos subject matter experts, with approximately 100 shared reports in production at any given time. The broader UNFPA user community is provided access to the Cognos reporting system through the UNFPA portal. All UNFPA staff members who are provisioned with access to the UNFPA portal have access to the Cognos reports within the Applications Tab on their portal home page. Human resources reports are, however, restricted to users approved by the Division for Human Resources (DHR). One of the most significant corporate priorities for Cognos is the continued build-out of the automated reporting process developed to support the preparation of IPSAS (International Public Sector Financial Accounting Standards) compliant financial statements (which will continue through 2014) and fulfilling additional fund and programme management reporting requests.

III. DETAILED FINDINGS

A. DATA EXTRACTION, TRANSFORMATION AND LOADING (ETL)	PARTIALLY SATISFACTORY

8.   Work performed in this area focused on controls implemented to ensure that data is accurately and completely transferred from Atlas into Cognos, and included the assessment of the design and operating effectiveness of controls in the following areas:

a) Restricted access to the ETL program;

b) Maintenance procedures over the ETL program;

c) Data mappings from Atlas into Cognos and related maintenance procedures;

d) Data reconciliation and related monitoring controls; and

e) Scheduling and processing of ETL programs between Atlas and Cognos, and related monitoring controls.

Good practices identified

9.   The internal audit identified the following controls operating effectively:

a) The ability to maintain or alter the ETL program is limited and restricted to authorized members of the MIS team;

b) Exception monitoring reports are used to monitor data mappings and the transfer of data from Atlas to Cognos. These reports are reviewed and exceptions resolved by the Data Management unit of the FB;

c) Data reconciliation capabilities between Atlas GL and Cognos exist. GL data is reconciled twice a year by the Data Management Unit of the FB. The semi-annual frequency is considered appropriate as the risk associated with the completeness and accuracy of this data transfer is reduced due to the automation of the ETL process, along with the restricted access controls over the ETL program. Additionally, there are detective controls in place that would detect if the ETL process did not operate effectively; and

d) An automated ETL process from Atlas to Cognos has been designed and implemented by the MIS team.

Need to retain data to perform reconciliations between Cognos and Atlas commitment control data

10.   The internal audit determined that data reconciliation controls do not exist for the Atlas commitment control (KK) to Cognos data transfer, due to the year-to-date nature of the KK data. This data model has transactions posted against fund and project codes constantly. Additionally, there is no process to have monthly or quarterly periods "locked" in the KK data model to provide and retain a static perspective of the data at a point in time. The only point at which the Atlas KK data is synchronized with Cognos data is at the moment it is transferred to Cognos. As such, management is unable to perform regular reconciliations between Atlas KK and Cognos, should these be required to confirm the completeness and accuracy of data transferred between systems.

IMPACT   *Without the ability to reconcile Cognos reports back to the Atlas KK source data, accuracy and completeness of these reports cannot be confirmed.*

ROOT CAUSE   *Resources (lack of or insufficient technical resources).*

CATEGORY   *Reporting.*

RECOMMENDATION 1	PRIORITY: MEDIUM

Implement a process to save a copy of the Atlas KK data extract at least at the end of each calendar quarter and maintain it available for reconciliation of Cognos Fund and Project related data, as needed.

RESPONSIBLE MANAGER: *Chief, Business Support, MIS Branch*   STATUS*: Agree*

MANAGEMENT ACTION PLAN: DUE DATE: *September 30, 2013*

The Reporting Team will build a Cognos report that produces a copy of the raw KK extract data in an Excel spreadsheet. This report will be scheduled to run on March 31, June 30, September 30 and December 31. Finance or other business users can retrieve the Excel files and perform reconciliations, as and when required. The spreadsheets will be kept on the Cognos Server for a maximum of 2 years. It should be noted that MIS will not be performing the reconciliation, but rather only providing the data to do so.

B. REPORT DEVELOPMENT AND MAINTENANCE	PARTIALLY SATISFACTORY

11.   Work performed in this area focused on controls implemented to ensure the completeness and accuracy of Cognos reports, and included the assessment of the design and operating effectiveness of controls in the following areas:

a) Appropriateness of staff members with the ability to alter report configurations based on assigned job responsibilities;

b) Procedures to request, build and deploy reports or changes to the configuration of existing reports;

c) Segregation of the responsibility to build and modify report configurations from the ability to deploy reports into production;

d) Procedures to monitor and identify when changes were made to report configurations; and

e) Governance practices in place to maintain the integrity of reports once generated.

12.   In addition to the above, detailed substantive testing was performed to independently validate the completeness and accuracy of a sample of four key reports. The reports tested were: (i) *2012 Drill by Fund*; (ii) *2012 Project Monitoring*; (iii) *OFA Aging – third quarter 2012*; and (iv) *Monthly Procurement– September 2012*.

Good practices identified

13.   The internal audit confirmed that the following controls were operating effectively:

a)   Access to Cognos report development functions is restricted to authorized users; and

b)   Requests for report creation and modification were recorded and monitored through Cognos report requests and prioritization status reports maintained by the MIS Branch team.

14.   The internal audit determined that overall, the four reports tested were complete and accurate based on the re-performance procedures executed. However, the following issues were noted that require management attention.

Need to implement a formal Cognos report portfolio management process

15.   In response to the internal audit team inquiries, Management indicated that requests for reports are managed within the MIS Branch team supporting the Cognos reporting system, based on specifications provided by the requesting unit.   While in some instances other departments were consulted during the development of new reports, there is no formal protocol for when this should occur.

16.   Overall visibility into the existing Cognos reports' usage plans and purposes is limited to initial development requests. Also, formal oversight of the development process to ensure that new report requests are in alignment with UNFPA reporting strategies can be enhanced. Lastly, the process of identifying when a report should be decommissioned is informal.

IMPACT	*Cognos reports could create conflicting analyses views and/or results.*
ROOT CAUSE	*Guidelines (absence of written procedures to guide staff in performing their functions).*
CATEGORY	*Strategic.*

RECOMMENDATION 2	PRIORITY: MEDIUM

Implement a process to, inter alia: (i) provide strategic leadership and guidance around the generation and use of financial, programmatic and operational reports from Cognos or other reporting sources; (ii) approve new report requests to ensure they are relevant and aligned to UNFPA's reporting needs; and (iii) periodically review the report portfolio.

RESPONSIBLE MANAGER: *Deputy Executive Director, Management*   STATUS*: Agree*

MANAGEMENT ACTION PLAN: DUE DATE: *December 31, 2013*

DED Management will set up a process and a structure to provide leadership on the generation and use of UNFPA corporate data and reports. DED Management will designate a set of business owners, covering the spectrum of UNFPA reporting and data management needs, to be a part of this leadership group.

Need to formalize the Cognos report maintenance process

17.   Maintenance and support procedures for the Cognos reporting system have not been formally established and documented. A formal historical record of the development life cycle for each report in production is not consistently available. An informal change management process is in place while a report is being created. However, the process is neither formally defined nor documented in a procedure or policy available to the MIS Cognos development team. Once a report is in the production environment, there is no further tracking or documentation maintained for it.

18.   Further, the MIS Cognos development team that supports maintenance of the Cognos reporting system consists of three team members (including consultants). There is heavy reliance on the knowledge retained by each individual team member to ensure an effective process. The small support team, along with minimal formal documentation, creates two risks for UNFPA: (i) loss of process knowledge in the event any key team member is no longer available to support this environment; and (ii) all members of the team have the ability to make and deploy changes into production throughout the Cognos environment, creating the potential for erroneous or unauthorized changes.

IMPACT	*Cognos environment knowledge loss should key MIS team members be no longer available. Increased risk of unauthorized or inaccurate report changes.*
ROOT CAUSE	*Guidelines (Inadequate risk management processes).*
CATEGORY	*Operational.*

RECOMMENDATION 3	PRIORITY: MEDIUM

Create and maintain a Cognos reporting log, documenting all activities undertaken for developing and maintaining Cognos reports, as well as an inventory of all reports created. Update the inventory with additions, modifications, and deletions to provide an audit trail of the reports' lifecycle.

RESPONSIBLE MANAGER: *Chief, Business Support, MIS Branch*   STATUS*: Agree*

MANAGEMENT ACTION PLAN: DUE DATE: *June 30, 2014*

Recommendations No. 3 and 4 will be addressed by the MIS Branch using the Change Request and Change Management processes of an ITIL compliant change management tool to be implemented. This tool will be used to keep a record of the user's request (all requests for new reports, or changes to existing reports, will need to be logged by the user) as well as a record of the changes or new development performed (this will be logged manually by the reports developer) and, finally, the approval of the report development or changes and authorization to move the report into production, again entered by the user. It should be noted that this will add some overhead to the development process, thereby slowing it down, as well as requiring users to fill out formal requests and migration approvals for all changes. While we expect to have a better audit trail of how report changes are requested, implemented and approved, we are also expecting a slow-down in the overall development process, based on our experience with other systems with a more controlled change management and approval process.

RECOMMENDATION 4	PRIORITY: MEDIUM

Design and implement a formal Cognos change control process.

RESPONSIBLE MANAGER: *Chief, Business Support, MIS Branch*   STATUS: *Agree*

MANAGEMENT ACTION PLAN: DUE DATE: *June 30, 2014*

See response to recommendation No. 3.

Need to develop Cognos reports usage guidance and policy

19.   The internal audit team gained an understanding of the guidance provided to end users in terms of usage of the Cognos reporting system and noted that online documentation detailing the intent of different Cognos reports and how the data contained therein should be interpreted was not consistently available for all reports released into production. The audit also noted that reports that appeared to be related in concept and were linked by the system did not necessarily reconcile to one another, or included calculations and metrics that differ between reports.

20.   As an example, the data reported in the "*Drill by Fund*" report and the related (i.e., accessed through a system link) "*Project Monitoring*" reports, is not comparable. Both Cognos reports are found in the same report library folder (i.e., the "spending limits, budgets, and expenditures" folder). After viewing the "*Drill by Fund*" report, an end-user can generate the related "*Project Monitoring*" report utilizing an automated system link. The audit noted that the reports do not necessarily reconcile, for instance, because fund codes may receive charges that do not have a project code assigned. In addition, the "*Drill by Fund*" report presents the fund's implementation rate (calculated as the ratio of actual expenditures charged to a fund to budget), whereas the "*Project Monitoring*" report presents the projects budget utilization rate.

21.   The internal audit noted that, through the end of 2011, the "*Project Monitoring*" report also reflected the project's implementation rate. The report was amended in 2012, as part of a package of IPSAS-related system changes requested by the FB, to reflect a budget utilization rate instead, calculated as the ratio of expenditures, pre-encumbrances and encumbrances to budget. The two different metrics utilized (i.e., implementation and budget utilization rates) were not clearly explained to end-users within the existing on-line report documentation (accessible through a link at the top of the reports). The internal audit also noted that the changes made to the "*Project implementation*" report were not clearly communicated to the report's end-users (i.e., project officers and field office management).

22.   The lack of clear guidance on the content of the report and/or inconsistencies between reports may create uncertainty in the user community regarding the accuracy of the reports' information. In addition, in the specific case of the "*Project implementation*" report, the use of the budget utilization rate in lieu of the project's utilization rate could create confusion among the report's end-users and management about the actual level of project implementation.

23.   The audit also noted that the end-users of the Cognos reporting system have the ability to download reports to MS Excel for the purpose of further data transformation and analysis. While this capability is required to allow the user to combine Cognos data with other data

currently unavailable in that system, add additional and/or calculated data and perform ad-hoc analyses, it introduces the risk of data being modified from its original Atlas and Cognos values and/or that incomplete or inaccurate data may be used for reporting or decision making purposes.

IMPACT	*Data included in Cognos reports may be misinterpreted or create conflicting analyses views and/or results. Inaccurate or incomplete data could be produced and used for reporting or decision making purposes.*
ROOT CAUSE	*Guidelines (Lack of or inadequate corporate policies and procedures).*
CATEGORY	*Operational.*

RECOMMENDATION 5	PRIORITY: MEDIUM

Incorporate mandatory steps and approvals in the future Cognos change management process to ensure that reports are released to production only after relevant and accurate guidance has been provided by the report owner regarding: (i) the intent of the reports and the data reflected therein; (ii) the calculations within the reports; and (iii) how related reports should be reconciled to one another based on the underlying accounting methods and/or calculations. Provide the technical functionality to ensure that the guidance is prominently displayed, for the benefit of the end-user community, every time a report is generated.

RESPONSIBLE MANAGER: *Chief, Business Support, MIS Branch*   STATUS*: Agree*

MANAGEMENT ACTION PLAN: DUE DATE: *December 31, 2013*

MIS will set up a facility that will allow the report owners (those requesting either new reports or report changes) to enter a description of the report, its intended use, calculation methods, and any other details the report owners would like to provide. This information will be displayed either on the launch page of the report, as a footnote, or as a link on the report (the best placement of this information will still be determined). The responsibility for completeness and accuracy of that information will rest with the owners of the reports.

RECOMMENDATION 6	PRIORITY: MEDIUM

Develop an acceptable use policy to educate the Cognos report user community about the risks of modifying or transforming report data outside of the source systems and provide guidance on the controls required to maintain the relevance, accuracy and completeness of any reports modified outside of Cognos, including required reconciliations to Cognos report and other source data.

RESPONSIBLE MANAGER: *Chief, Business Support, MIS Branch*   STATUS*: Agree*

MANAGEMENT ACTION PLAN: DUE DATE: *September 30, 2013*

The MIS Branch will develop a policy on acceptable use of Cognos data, and will promulgate the policy throughout UNFPA. The MIS Branch, however, is in no position to enforce the policy, given the nature of the issue.

C.	COGNOS APPLICATION IT GENERAL CONTROLS	SATISFACTORY

24.   Work performed in this area focused on controls implemented to ensure the integrity of the Cognos reporting environment and included the assessment of the design and operating effectiveness of controls in the following areas:

a) Appropriateness of access to Cognos application administration functions based on assigned job responsibilities;

b) User provisioning controls for the addition, modification and revocation of user access rights to the Cognos application;

c) Procedures performed by management to periodically review and validate user access rights commensurate with job responsibilities;

d) User authentication procedures and compliance with the information security policy; and

e) Procedures followed to maintain the Cognos application, specifically understanding application configurations that impact management reports.

Good practices identified

25.   No issues were identified based on the work performed in this area. The internal audit noted the following controls which were operating effectively at the time of the audit

a) A small number of authorized resources have administrative capabilities within the Cognos reporting system;

b) Cognos end users are granted access to the system through the UNFPA portal user administration process. No Cognos user access is provided without this portal access based on UNFPA policy. As such, the MIS Branch team managing the portal retains responsibility for periodic review of users for maintaining access to Cognos, and for removal of access rights; and

c) Regular interaction between the FB and the MIS Branch Cognos report development team provides a channel for detecting required changes in Cognos access rights and Cognos application configurations.

26.   Access to the Cognos reporting system is provided through the UNFPA portal. The portal controls both access rights and authentication for the Cognos reporting system. The UNFPA portal is managed by the MIS Application Development group, separate from the Cognos MIS report development team.   Provisioning of users to the UNFPA portal is a responsibility distributed across UNFPA Offices to Directory Focal Points (DFP), who maintain user-specific information such as contract end-dates. At the time of the audit, the portal's authentication policy was configured to require appropriate password parameters, but no requirement was in place to require periodic password changes or to remember password history. The internal audit team was informed that a new password policy is being developed which will include periodic password change requirements. The policy is planned to be implemented during the summer of 2013. No recommendation is therefore provided with regards to this issue.

ANNEX 1

Definition of Audit Terms

A. **AUDIT RATINGS**

Effective 1 January 2010, the internal audit services of UNDP, UNFPA, UNICEF, UNOPS and WFP use revised harmonized audit rating definitions, as described below:

▪ **Satisfactory** - Internal controls, governance and risk management processes were adequately established and functioning well. No issues were identified that would significantly affect the achievement of the objectives of the audited entity.

▪ **Partially Satisfactory** - Internal controls, governance and risk management processes were adequately established and functioning well. One or several issues were identified that may negatively affect the achievement of the objectives of the audited entity.

▪ **Unsatisfactory -** Internal controls, governance and risk management processes were either not established or functioning well. The issues were such that the achievement of the objectives of the audited entity could be seriously compromised.

B. **CATEGORIES OF ROOT CAUSES AND AUDIT ISSUES**

▪ **Guidelines**: absence of written procedures to guide staff in performing their functions:

  ▪ Lack of or inadequate corporate policies or procedures

  ▪ Lack of or inadequate Regional and/or Country Office policies or procedures

  ▪ Inadequate planning

  ▪ Inadequate risk management processes

  ▪ Inadequate management structure

▪ **Guidance**: inadequate or lack of supervision by supervisors:

  ▪ Lack of or inadequate guidance or supervision at the Headquarters and/or Regional and Country Office level

  ▪ Inadequate oversight by Headquarters

▪ **Resources**: insufficient resources (funds, skills, staff) to carry out an activity or function:

  ▪ Lack of or insufficient resources: financial, human, or technical resources

  ▪ Inadequate training

▪ **Human error**: Un-intentional mistakes committed by staff entrusted to perform assigned functions.

▪ **Intentional**: intentional overriding of internal controls.

▪ **Other**: Factors beyond the control of UNFPA.

C. PRIORITIES OF AUDIT RECOMMENDATIONS

Audit recommendations are categorized according to their priority, as a further guide to management in addressing the related issues in a timely manner. The following categories of priorities are used:

- **High**: Prompt action is considered imperative to ensure that UNFPA is not exposed to high risks (that is, where failure to take action could result in critical or major consequences for the organization);

- **Medium**: Action is considered necessary to avoid exposure to significant risks (that is, where failure to take action could result in significant consequences);

- **Low**: Action is desirable and should result in enhanced control or better value for money. Low priority recommendations, if any, are discussed by the internal audit team directly with the management of the audited entity during the course of the audit or through a separate memorandum upon issued upon completion of fieldwork, and not included in the audit report.

D. CATEGORIES OF ACHIEVEMENT OF OBJECTIVES

These categories are based on the COSO framework and derived from the INTOSAI GOV-9100 Guide for Internal Control Framework in the Public Sector and INTOSAI GOV-9130 ERM in the Public Sector.

- **Strategic**: High level goals, aligned with and supporting the entity's mission.

- **Operational**: Executing orderly, ethical, economical, efficient and effective operations and safeguarding resources against loss, misuse and damage.

- **Reporting**: Reliability of reporting, including fulfilling accountability obligations.

- **Compliance**: Compliance with prescribed UNFPA regulations, rules and procedures, including acting in accordance with Government Body decisions, as well as agreement specific provisions.

GLOSSARY

DOS   Division for Oversight Services
ETL   Extraction, Transformation, and Loading (data)
GL   Data extracted from PeopleSoft (Atlas) General Ledger
KK   Data extracted from PeopleSoft (Atlas) Commitment Control
ICT   Information and Communication Technology
IPSAS   International Public Sector Accounting Standards
MIS   Management Information Services
DFP   Directory Focal Point
UNFPA   United Nations Population Fund
UNDP   United Nations Development Programme
MS Excel   Microsoft Excel
FB   Finance Branch
DARTS   Donor Agreement and Report Tracking System
SQL   Structure Query Language
DHR   Department of Human Resources