

DIVISION FOR OVERSIGHT SERVICES

AUDIT OF THE UNFPA PACIFIC SUB-REGIONAL OFFICE IN FIJI

FINAL REPORT N° FIJ101 Issued on 1 November 2013

The additional management response actions document was received from Management on 11 December 2013, with the request for it to be posted alongside the internal audit report for public disclosure.

Actions in support of the Management Response:

Audit of the UNFPA Pacific Sub-Regional Office

01 Jan 2011 – 31 Dec 2012

Context

The DOS Audit of the Pacific Sub-Regional Office 2011-2012 identified significant issues in the areas of **Office Governance** and **Programme Management**. Annual work plan management, national execution, operating fund account management, programme and financial monitoring and inventory management were specific areas requiring prompt management action. Additional issues under **Operations Management** were also identified and have been given priority attention. PSRO Management has developed remedial plans/actions to address key audit findings:

Key Audit Areas & Management Actions

Office Governance

- In order to strengthen the PSRO organizational structure and staffing vis-à-vis the requirements of the Multi-Country Programme (MCP), an *HR Re-profiling Exercise* was completed by DHR in Sept 2013. PSRO awaiting ORD/DHR approval of the recommendations to commence with implementation to ensure organizational structure meets required needs of the MCP delivery and operations management. New Director, Deputy Director and PD Advisor commenced duty in 4th Qtr. (*recommendation 4, 5*)
- Management has undertaken review of PSRO's use of long-term individual consultants in previous MCP to deliver technical assistance, and is currently exploring modality of regional institutional partnerships under new 5th MCP for improved coverage and sustainability of support (*recommendation 2*)
- To enhance annual reporting on results and expenditure linked to development results of the MCP (14 Pacific Island Countries), PSRO has prepared for 2013: i) *Sub-Regional Annual Report (SROAR)* and; ii) *2013 Multi-Country Office Annual Report (COAR)*. This new approach improves on previous year reporting to extend beyond only 3 Pacific Island Countries to reflect all 14 countries under the 5th MCP. *COAR online application to be adjusted to accommodate 2013 Reporting of MCO.* (*recommendation 2*)

Programme Management

- To enhance results-orientation and timely finalization of Annual Work Plans, a *PSRO Programme Monitoring & Management Roadmap* was developed to effectively utilize remaining 4th Qtr to i) follow-up and clear pending OFA; ii) monitor and accelerate

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2013 AWP implementation, conduct spot checks and prepare IPs for 2013 NEX Audit; and (iii) convene IP consultations for Multi-Year AWPs. UNFPA Programme Management Tools were reviewed and tailored to support in-country support missions. (*recommendation 7,8*)

- PSRO Management undertook critical review of all IPs against performance, (implementation) risk, (NEX Audit) and accountability and streamlined from 36 IPs to 21 IPs for the 2014-2015. Drawing lessons from evaluation and audit, Multi-Year 2014-2015 work plans have been developed for more efficient planning with Pacific Island Governments in support of maximum programme effectiveness in coming years. *PSRO Peer Review Validation Workshop 09-11 Dec* to finalize all 2014-2015 Workplans for targeted signing and implementation in 1st Qtr 2014. (*recommendation 6, 9, 10*)
- Programme team working closely with the Operations/Finance team in the process to develop more detailed and accurate programme budgets for Multi-Year 2014-2015 Workplanning. (*recommendations 7,10*)
- PSRO M&E Specialist currently strengthening the data base of key indicators from PICs towards improved baseline for annual work planning and measurement of MCP results (*Recommendation 3*)
- 7 Programme Staff and 1 Finance Staff trained on Results-Based Management (RBM) in 2013 to strengthen capacity for programme monitoring and improved documenting of results.

National Execution -NEX (*recommendations 12, 13, 14, 15*)

- 2012 NEX Audit had 5 qualified IPs under PSRO. Follow-up actions undertaken to address findings and recover UNFPA funds for 4 of the qualified IPs by 07 Dec 2013. Remaining 5th IP on-going to be finalized before year-end closure.
- 2013 NEX Audit Pre-Audit Letters have been sent to all IPs as of 07 Dec 2013 in accordance with confirmed audits through NEXAMS.
- 2013 NEX TOR introduced to 50% of IPs during 4th Qtr programme monitoring missions, including Pre-Audit Spot Review on IP sites to review all financial supporting documents with quarterly FACE forms, all authorized LOUs, AWPs.
- PSRO 2014 calendar of spot checks to be developed by Jan 2014 based on re-prioritized IP list for 2014-2015. Pre-Audit visits of programme/operations staff to be undertaken for high risk IPs and a series of teleconferences scheduled to discuss audit requirements and plans over Jan-Feb 2014.
- Ageing OFA - Financial closure of 6 of 15 old projects has been achieved by 07 Dec 2013 with continued actions underway for remaining in accordance with year-end

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closures. PSRO secured mission support of Finance Associate from FB to assist in the resolution of outstanding financial matters

- PSRO has developed a Financial Monitoring Tool for 2014-2015 to strengthen programme staff management of NEX and Quarterly FACE Forms reconciliation and CDR expenditure.
- PSRO undertaking actions in 4th Qtr to strengthen inventory management and pre-positioning strategies of RH commodities. A new MoU has been developed with Fiji Government to provide UNFPA with warehouse facility for 5th MCP (*final signing pending*) that will be cost-neutral and strengthen inventory controls. PSRO reviewing commodity procurement planning process for 2014 and procurement plan transmitted to PSB. (*recommendation 16, 18, 19, 20*)

Operations Management

- PSRO management has strengthened staff compliance with mandatory training requirements during 4th Qtr. All PSRO staff completed Basic Security Course, and 4 remaining staff to complete Advanced by year-end. Status of PSRO staff additional mandatory courses under review and be addressed through 2014 PAD Phase 1 (*recommendation 21*)
- PSRO management has now institutionalized a regular monthly financial monitoring meeting focusing exclusively on implementation rate involving all programme and operations staff. During this regular meeting responsible officers explain their current implementation rate and bottlenecks are jointly addressed.
- Mission Travel: Status of F10s/Trip Reports has been updated and communicated with all staff in 4th Qtr. All outstanding F10s will be cleared before year-end closure. All Trip Reports are now being e-filed with recommendations drawn and monitored. PSRO Management has instilled the policy and use of Travel Authorization form in the office (*recommendation 9*).
- PSRO has completed the reconciliation and of all staff leave records, and assigned Annual Leave focal point and back-up arrangements in accordance with revised policy (*recommendation 22*)
- PSRO has strengthened controls of valued-added or equivalent taxes reported by implementing partners through IP training during in-country monitoring missions, and communicated formally on organizations policy and procedures. (*recommendation 23*)
- In accordance with timely finalization of Multi-Year 2014-2015 Workplans, PSRO will develop a 2014 Travel Plan to aide timely procurement of air travel tickets as cost-saving measure to ensure accountability of UNFPA resources (*recommendation 25*).