

# Joint Audit of the Rome-Based Agencies' Common Procurement Team

Offices of Internal Audit of the Rome-Based Agencies  
Internal Audit Report AR/15/01





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# Joint Internal Audit of the Rome-Based Agencies’ Common Procurement Team

## I. Executive Summary

### Introduction

1. As part of the annual work plans for 2014, the Offices of Internal Audit of the three Rome-based Agencies, known as the RBAs [Food and Agriculture Organization (FAO), International Fund for Agricultural Development (IFAD), and World Food Programme (WFP)], with the support of KPMG Advisory S.p.A., conducted a joint audit of the Common Procurement Team (CPT), established in 2010 for joint tendering of commonly procured headquarters’ works and services of the three agencies.
2. The audit covered the period of 01 January 2010 to 31 December 2013, focusing on procurement processes overseen or conducted by the CPT for non-food goods and services, from procurement request to completion of the vendor selection and award.
3. The CPT awarded fifteen joint tenders in 2010 (approximately USD 22.5 million), four in 2011 (approximately USD 4.2 million), five in 2012 (approximately USD 10.6 million) and two in 2013 (approximately USD 2.3 million) and two tenders in 2014 (approximately USD 2.3 million).
4. The audit was carried out in conformance with the International Standards for the Professional Practice of Internal Auditing.

### Audit Conclusions

5. Based on the results of the audit, the three Offices of Internal Audit have come to an overall conclusion of **partially satisfactory**. Conclusions on risks are summarised in Table 1 by internal control components:

**Table 1: Summary of conclusions by Internal Control Components**

Internal Control Component	Risks	
1. Internal environment	Low	
2. Risk management	Low	
3. Control activities	Medium	
4. Information and communication	Low	
5. Monitoring	Medium	



## Key Results of the Audit

### Positive practices and initiatives

6. The audit noted some positive practices and initiatives while reviewing the common procurement activities of the CPT, including: completion of 26 joint tenders and numerous piggy back of contracts; provision of a section related to cooperation among UN agencies in the purchasing procedures of three RBAs (e.g. joint solicitation/tenders, use of other UN entity's tender results, adoption of UN-entity contracts or agreements, procurement from another UN agency, and outsourcing to other UN agencies); implementation of the common e-tendering system to facilitate and track the management of tenders, integrated with the United Nations Global Marketplace (UNGM) portal; continuous knowledge sharing and training, among technical units and procurement departments, and with vendors; and the possibility of leveraging on expertise of other agencies.

### Audit observations

7. The audit report contains four medium-risk observations, which are presented in Table 4, and include CPT Staffing and Work Modalities, Common Procurement Planning, Harmonisation of Procurement Processes, and Oversight Body Monitoring.

### Actions agreed

8. Management in the three RBAs, in discussion with their respective Offices of Internal Audit, has agreed to take measures to address the reported observations.

9. The Offices of Internal Audit of the three RBAs would like to thank managers and staff for the assistance and cooperation accorded during the audit.

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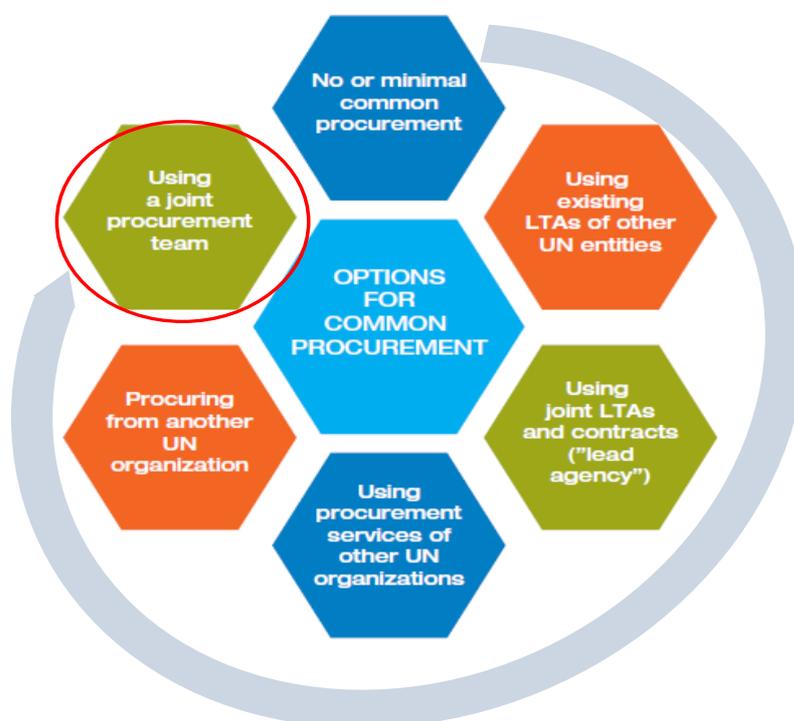
## II. Context and Scope

### Rome-based agencies’ Common Procurement Team - Rationale and Mandate

10. UN General Assembly (GA) Resolution 62/208 called for improved UN system-wide cooperation, coordination and information sharing with respect to procurement activities, in order to achieve economies of scale and eliminate duplication of work.

11. Responding to the call of the GA, the Inter Institutional Coordination Committee (IICC) composed of the WFP Deputy Executive Director & Chief Operating Officer, FAO Assistant Director-General Corporate Services, Human Resources and Finance Department, and IFAD Chief Finance and Administration Officer on behalf of the three RBAs endorsed the vision and operating principles of a CPT in 2010 as proposed by the Procurement Units of the RBAs.

12. In 2013, the High Level Committee on Management Procurement Network reinforced the vision for procurement cooperation among organisations of the United Nations system at the field level and issued the guidelines for common procurement in the document “Common UN Procurement at the Country Level”, developed in collaboration with the United Nations Development Group (UNDG). The guidelines, which “promote the harmonisation of business practices and contribute to improving the effectiveness and the efficiency of UN procurement activities”, identified various options for common procurement, while noting use of joint procurement teams as a most advanced and integrated way of common procurement. The options highlighted by these guidelines are illustrated below.



## Common Procurement - Implementation and operating aspects

13. In January 2010, the CPT started its operations on the basis of a preliminary endorsement of the draft Charter by the IICC in December 2009. In June 2010, the IICC formally approved the Charter for CPT identifying CPT objectives, operating principles and implementation plan and modalities. As per the approved Charter, CPT's main responsibility is to manage the "procedures for joint tendering of commonly procured [Headquarters] goods, works and services" up to the award of tender.

14. In particular, the Charter indicates that the CPT is responsible for identifying and planning combined headquarters procurement, through regular meetings and based on each agency's procurement plan/needs, and for executing them working with the requesting units of each agency to define common technical specifications, up to tender awarding.

15. The award of a contract or purchase order remained the responsibility of each agency in accordance with respective policies and procedures for procurement, including Procurement Committee approval.

16. FAO was appointed lead agency for the pilot year and was confirmed as lead agency until July 2013. The CPT consisted of full time procurement professionals and support staff hosted at the lead agency, while non-lead agencies provided staff on an as-needed basis. In 2012-13, due to the lack of ability of the non-lead agencies to contribute sufficient staffing resources to CPT activities, these agencies each contributed USD 10,000 to the lead agency.

## Common Procurement - Results

17. According to the Charter, the CPT was setup to manage joint tenders for an estimated value of USD 25 million in the first year and a potential up to USD 100 million for the following years.

18. In the pilot year (2010), the RBAs conducted 15<sup>1</sup> joint tenders for a value of approximately USD 22.5 million (close to the estimates in Charter). According the self-assessment performed in 2011, these joint tenders contributed to an estimated cost savings of 3 percent of contract value.

19. The number of tenders managed and awarded by the CPT decreased over the years and overall tendered value was lower than estimated potential values in the Charter. The CPT awarded four tenders in 2011 (approximately USD 4.2 million), five in 2012 (approximately USD 10.6 million) and two in 2013 (approximately USD 2.3 million). In 2014, only two tenders were awarded (approximately 2.3 million). Since the implementation of the virtual CPT (July 2013 to date) only three tenders have been awarded by the RBAs. The reduction in the number of joint tenders in the period 2012 – 2014 is based inter alia on the fact that most of the contracts tendered for in the period 2010-2011 are long term contracts which are due to expire in 2015-2016.

20. Negative trends in achievement of Charter's estimated tender value were mainly due to the following factors:

- majority of tenders performed during the pilot year had an average duration of 3-5 years;
- some of the tenders originally planned as joint procurement were performed by each agency individually or other techniques such as "piggy-backing" on long-term agreements of procurement processes performed by other agencies;
- better understanding from the first years of joint tendering as to what kinds of goods or services might benefit from joint procurement.

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<sup>1</sup> Including one tender planned and executed as joint, but awarded by FAO only.



21. In line with its objectives, the CPT achieved significant results in terms of harmonisation (details are available in Section III) as well as the performance of joint tenders allowed knowledge sharing, both among technical units and procurement departments, and the possibility of leveraging on other agencies' expertise on specific aspects.

## **Objectives and Scope of the Audit**

22. The objective of the audit was to provide an assessment CPT's effectiveness towards achieving the objectives set out for it, level of compliance with the Charter, applicable procurement rules and regulations and reporting obligations.

23. The audit covered the activities of the CPT from its creation on 01 January 2010 to 31 December 2013, focusing on procurement processes overseen or conducted by the CPT for non-food goods and services, from the procurement request to completion of the vendor selection and award.

24. This audit was part of the 2014 annual workplans of the Offices of Internal Audit of the three RBAs (FAO, IFAD, and WFP).

25. The audit was carried out with the support of KPMG Advisory S.p.a, in conformance with the Institute of Internal Auditors' International Standards for the Professional Practice of Internal Auditing.

26. The field work for the audit took place in Rome with the collaboration of three RBAs. The audit was performed through:

- a) Management interviews, including CPT members and supervisors and, representatives of the sampled requesting units involved in the joint procurement process;
- b) Review of process documentation, including both CPT's activity supporting documentation, reports and a sample of relevant procurements.

### III. Results of the Audit

27. In performing the audit, the following positive practices and initiatives were noted:

**Table 2: Positive practices and initiatives**

#### 1. Internal Environment

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- The joint efforts of the CPT and the procurement units of the RBAs towards alignment and harmonisation led to the inclusion of a section related to UN cooperation in the RBAs' procurement procedures or manuals. This provides the authority and framework for different avenues of procurement cooperation within the three UN agencies (e.g. joint solicitation/tenders, use of tender results by other UN agencies, inter-agency adoption of contracts or agreements, procurement from another UN agencies, outsourcing to other UN agencies). The alignment and harmonisation of procurement manuals was later recommended by the Procurement Network for its members in 2011.
- The three agencies implemented a common e-tendering system (In-Tend), which was integrated with the United Nations Global Marketplace portal (UNGM).
- The CPT achieved cost avoidance in terms of administrative expenses by consolidating procurement activities and reducing the overall number of tenders needed. Since inception in 2010, CPT awarded 26 common tenders, which would have been 72 individual tenders if not done jointly.
- The CPT experience fostered knowledge sharing among the procurement units and the requesting units of the three agencies. The lessons learned over time with joint procurement experience proved useful for the further optimisation of the joint procurement process.
- The CPT organised joint procurement training and joint business seminars with vendors.

#### 2. Risk Management

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- The Procurement Charter identifies major CPT risks, as perceived prior to the pilot implementation. At the end of the pilot year (2011), the CPT performed a self-assessment, which highlighted main achievements and lessons learned, including the risk of duplication of award processes and the need to address risks by the development of common terms and conditions and harmonised/streamlined contract review and award procedures.

#### 3. Control Activities

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- The CPT prepared a common procurement work plan for the years 2010 and 2011, identifying common purchases based on each agency's procurement plan/knowledge and /or existing contracts expiry date.

#### 4. Information and Communication

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- In 2010, the CPT created an online repository for joint tender documents which was hosted at IFAD and each agency had secure access through the use of ID and passwords.
  - The common procurement was successfully carried out using a common IT platform (In-Tend), linked to UNGM.
  - The CPT presented the concept and the results of the CPT model to several Stakeholders (HLCM-Procurement Network, Contracts Review Committees, US Government Accountability Office, Chambers of Commerce and Vendors, etc.).
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## 5. Monitoring

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- In 2010, CPT members developed a set of Pilot Key Performance Indicators (KPIs) - 16 basic indicators grouped into eight KPIs and one consolidated index.
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28. Having evaluated and tested the controls in place, the three Offices of Internal Audit have come to the following conclusions on the residual risk related to the processes:

**Table 3: Conclusions on risk, by internal control component and business process**

Internal Control Component/ Business Process	Risk
1. Internal environment	
Mandate	Low
2. Risk management	
Risk management	Low
3. Control activities	
Common procurement planning	Medium
CPT staffing and working modalities	Medium
Harmonisation	Medium
Common procurement execution	Low
4. Information and communication	
Internal communication	Low
Information technology	Low
5. Monitoring	
Oversight body monitoring	Medium

29. Based on the results of the audit, the Offices of Internal Audit of the three RBAs have come to an overall conclusion of **partially satisfactory**<sup>2</sup>.

30. The audit report makes four medium-risk observations, which are presented in Table 4.

### Action agreed

31. Management in the three RBAs, in discussion with their Offices of Internal Audit, has agreed to take measures to address the reported observations.

<sup>2</sup> See Annex A for definitions of audit terms.

**Table 4: Medium-risk observations**

Observation	Agreed action	Risk categories	Underlying cause category	Owner
<b>Control Activities</b>				
<p>1 <b>CPT staffing and working modalities</b> – Structural evolution of CPT: The CPT decided beginning July 2013 to change its operating modalities from one agency acting as lead for all the joint procurement on a bi-annual rotational basis with a physical CPT office, to a virtual unit where one agency takes the lead on each joint tender and most of the procurement work is done with fewer face-to-face meetings and no physical location for the CPT. The change has not yet been submitted for approval by the IICC nor reflected in the charter because its effectiveness was still being assessed by the CPT at the time of audit.</p> <p>The role of the CPT was to facilitate and conduct joint procurement. In practice it was mostly up to the procuring units to identify the opportunities for joint procurement by alignment or flexibility in the procurement specifications. Although common procurement was successfully undertaken on several occasions even with differences in procurement specifications or strategies, it remained a challenge in bringing more tenders under joint procurement approach. There were also indications that over time the procuring units have gradually been less pro-active in identifying common procurement opportunities requiring the need to reinforce organisational commitment in relation to using the CPT and conduct common procurement.</p>	<p>The Directors/Chiefs of Administration/Procurement will:</p> <p>a) Individually or collectively assess the effectiveness of the new structure and virtual working modalities of the team and present the results for consideration of their management (IICC/RBA Deputies).</p> <p>b) Propose issuance of a Joint directive by the IICC/RBA Deputies for common procurement and CPT charter to promote and revive organisation-wide support and awareness.</p>	<p>Compliance</p> <p>Processes &amp; Systems</p> <p>Institutional</p>	Guidelines	IICC
<p>2 <b>Common procurement planning</b> - Planning of activities and resources: While detailed common procurement plans were created in 2010 and 2011, work plans have not been formally prepared by the CPT since that time. This lack of formalisation was in part due to the low number of joint procurement activities in recent years; however, a</p>	<p>The RBAs Procurement Units will:</p> <p>a) Review the expiring contracts and gather information from user departments to formulate an annual and forward-looking work plan. The plans will be reported to the IICC/RBA</p>	<p>Operational</p> <p>Processes &amp; Systems</p> <p>Institutional</p>	Resources	RBAs Procurement Units



Table 4: Medium-risk observations

Observation	Agreed action	Risk categories	Underlying cause category	Owner
<p>majority of contracts awarded in 2010 are reaching expiry in 2015 and decisions on how to manage these tenders (jointly or individually) were not yet made at the time of the audit.</p> <p>Upon initial creation of the CPT no estimate was made of the potential CPT workload and resources required to meet that workload. The actual workload was tracked in 2011 in order to agree on a supporting staff cost contribution, but no assessment as to the adequacy of resources in terms of volume, skill requirements or distribution was made. As a result there was no basis to ensure adequate resources were allocated to the CPT to achieve CPT objectives.</p>	<p>Deputies at regular agreed upon intervals.</p> <p>b) Estimate CPT resource requirements based on forward work plan and decisions regarding working modalities, and report for achievement of CPT plans.</p> <p>c) Encourage requesting divisions to jointly agree on common requirements to facilitate joint procurement activities.</p>			
<p>3 <b>Harmonisation</b> - Harmonisation of procurement process: Despite much progress made, some aspects of harmonisation of processes and activities required by the charter and the self-assessment performed in 2011 are still on-going. Indeed, during the first two years of the CPT were focussed on conducting the many joint procurement tenders, the process harmonisation took priority later. The areas where efforts to align are still in progress include:</p> <p><b>Procurement Committee:</b> The CPT Charter required that "for tenders and decision awards emanating from the CPT, the composition of the FAO HQPC will be augmented by two to three members from each RBA". This requirement in the Charter for a joint procurement review committee has not been achieved due to continued discussions involving also the agencies' legal departments regarding the role of the procurement review committee.</p> <p><b>General terms and conditions:</b> As different legal entities, the three RBA's have different general terms and conditions for contracts. This can pose a challenge to vendors to agree with and comply with three sets of terms and conditions and a significant effort was made to</p>	<p>The RBAs Procurement Units will:</p> <p>a) Report the remaining procedural differences between the RBAs' procurement rules and processes and the consequent impact of these differences on the conduct of common procurement and report these to IICC for appropriate harmonisation and adaptation for CPT's working procedures.</p> <p>b) Engage with their respective legal divisions to review the legal instruments and decide if harmonization of contractual instruments is possible for the three agencies.</p>	<p>Compliance</p> <p>Processes &amp; Systems</p> <p>Institutional</p>	<p>Compliance</p>	<p>RBAs Procurement Units</p>

**Table 4: Medium-risk observations**

Observation	Agreed action	Risk categories	Underlying cause category	Owner
<p>align these. In 2014, FAO largely aligned its terms and conditions for tenders and contracts (with few exceptions) with WFP and rest of the UN, while IFAD was in the process of reviewing its terms and conditions. There was still room for further alignment and the review process was still on-going.</p> <p><b>Timing of contract signing:</b> Awarded contracts for jointly procured goods/services have been signed on different dates, resulting in timing differences in the contract expiration and consequently the timing for re-tendering.</p>				
<b>Monitoring</b>				
<p>4 <b>Oversight body monitoring - Reporting:</b> The CPT did not fully comply with the requirements of its charter in terms of oversight and performance reporting to IICC on periodic basis. In 2010 the CPT identified a set of Pilot KPIs, which the charter required to be calculated on a quarterly basis. Management informed the audit that these KPIs were presented to the IICC on two occasions in 2010. However, KPIs were not calculated after 2010. In 2012, the KPIs were re-designed in order to be more effective, but they were never calculated.</p> <p>According to the charter, the reporting to IICC should also include differences in the RBAs' organisational structures; management information systems; processes, procedures and specifications, which, although not impeding, may impact on the complexity and cost benefit of common procurement. The CPT did not maintain a log and formally report to IICC on issues of disagreement and/or differences on common specifications among the requesting units from the three RBAs that hindered common procurement. The CPT reported to the IICC on the results of the self-assessment exercise which took place at the end of the pilot year. However a periodic report on CPT results and activities performed, including savings, harmonisation, was not provided to the IICC, as was required by the Charter.</p>	<p>The RBAs Procurement Units will:</p> <p>a) Review and establish a coherent set of periodic reports for Procurement Directors and for the IICC including:</p> <ul style="list-style-type: none"> <li>i. a final set of agreed KPIs;</li> <li>ii. a calculation of benefits and savings resulting from common procurement; and,</li> <li>iii. a log of issues or differences negatively impacting achievement of joint procurement and respective action plans.</li> </ul> <p>b) Define responsibilities, frequency and information to be reported to CPT regarding contract status after tender has been awarded. Elements for this type of reporting might include contract sign off, further negotiation and contract variations, lesson learned to be considered in future tenders, estimated versus actual analysis, savings.</p>	<p>Reporting</p> <p>Processes &amp; Systems</p> <p>Institutional</p>	<p>Compliance</p>	<p>RBAs Procurement Units</p>



**Table 4: Medium-risk observations**

Observation	Agreed action	Risk categories	Underlying cause category	Owner
<p>In addition, the CPT manages tenders up to awarding and CPT members may not be aware of contract management and further contract amendments. In particular:</p> <ul style="list-style-type: none"> <li>- Information regarding amendments made to contracts by the RBAs may not flow back to the CPT and be shared with the other agencies, which may create inefficiencies and/or deficiencies;</li> <li>- A standard/periodic analysis of global (RBAs) spending related to the CPT long-term agreements (LTA) is not performed and/or communicated to the CPT, resulting in a lack of control and information on the effective use of LTAs and actual reasons (poor performance, changes in needs of the agencies, use of different contracts with different vendors, etc.) which could be useful for other agencies using the LTA.</li> </ul>	<p>c) Define the relative frequency and responsibilities within the CPT for preparing and presenting such reports (i.e. official representative etc.).</p>			

## Annex A – Definition of Audit Terms

### 1. Internal Control Framework (ICF)

A 1. The Internal Control Framework applied for the audit follows principles from the Committee of Sponsoring Organizations of the Treadway Commission's (COSO) Integrated Internal Control Framework.

A 2. Internal control is defined as a process designed to provide reasonable assurance regarding the achievement of objectives relating to (a) effectiveness and efficiency of operations; (b) reliability of reporting; and (c) compliance with applicable rules and regulations. There are five interrelated components (ICF components) of internal control, which need to be in place and integrated for it to be effective across the above three areas of internal control objectives. The five ICF components are (i) Internal Environment, (ii) Risk Management, (iii) Control Activities, (iv) Information and Communication, and (v) Monitoring.

### 2. Risk categories

A 3. In the process of evaluating internal controls, governance and risk management processes risk is categorized according to the Internal Control Framework structure, and both Management Results and Risk Management dimensions. These categories are defined as follows:

**Table A.1: Categories of risk – based on COSO frameworks<sup>3</sup> and the Standards of the Institute of Internal Auditors**

1	Strategic:	Achievement of the organisation's strategic objectives.
2	Operational:	Effectiveness and efficiency of operations and programmes including safeguarding of assets.
3	Compliance:	Compliance with laws, regulations, policies, procedures and contracts.
4	Reporting:	Reliability and integrity of financial and operational information.

**Table A.2.1: Categories of risk – Management Results Dimensions**

1	People:	Effective staff learning and skill development – Engaged workforce supported by capable leaders promoting a culture of commitment, communication & accountability – Appropriately planned workforce – Effective talent acquisition and management.
2	Partnerships:	Strategic and operational partnerships fostered – Partnership objectives achieved – UN system coherence and effectiveness improved – Effective governance of WFP is facilitated.
3	Processes & Systems:	High quality programme design and timely approval – Cost efficient supply chain enable timely delivery of food assistance – Streamlined and effective business processes and systems – Conducive platforms for learning, sharing and innovation.
4	Programmes:	Appropriate and evidence based programme responses – Alignment with Government priorities and strengthened national capacities – Lessons learned and innovations mainstreamed – Effective communication of programme results and advocacy.
5	Accountability & Funding:	Predictable, timely and flexible resources obtained – Strategic transparent and efficient allocation of resources – Accountability frameworks utilised – Effective management of resources demonstrated.

<sup>3</sup> Committee of Sponsoring Organizations of the Treadway Commission.

**Table A.2.2: Categories of risk – Risk Management Framework**

1	Contextual:	External: political, economic, environmental, state failure, conflict and humanitarian crisis.
2	Programmatic:	Failure to meet programme objectives and/or potential harm caused to others through interventions.
3	Institutional:	Internal: fiduciary failure, reputational loss and financial loss through corruption.

**3. Causes or sources of audit observations**

A 4. The observations were broken down into categories based on causes or sources:

**Table A.3: Categories of causes or sources**

1	Compliance	Requirement to comply with prescribed WFP regulations, rules and procedures.
2	Guidelines	Need for improvement in written policies, procedures or tools to guide staff in the performance of their functions.
3	Guidance	Need for better supervision and management oversight.
4	Resources	Need for more resources (funds, skills, staff, etc.) to carry out an activity or function.
5	Human error	Mistakes committed by staff entrusted to perform assigned functions.
6	Best practice	Opportunity to improve in order to reach recognised best practice.

**4. Risk categorisation of audit observations**

A 5. The audit observations were categorised by impact or importance (high, medium or low risk) as shown in Table A.4 below. Typically audit observations can be viewed on two levels. (1) Observations that are specific to an office, unit or division and (2) observations that may relate to a broader policy, process or corporate decision and may have broad impact.<sup>4</sup>

**Table A.4: Categorisation of observations by impact or importance**

High risk	<p>Issues or areas arising relating to important matters that are material to the system of internal control.</p> <p>The matters observed might be the cause of non-achievement of a corporate objective, or result in exposure to unmitigated risk that could highly impact corporate objectives.</p>
Medium risk	<p>Issues or areas arising related to issues that significantly affect controls but may not require immediate action.</p> <p>The matters observed may cause the non-achievement of a business objective, or result in exposure to unmitigated risk that could have an impact on the objectives of the business unit.</p>
Low risk	<p>Issues or areas arising that would, if corrected, improve internal controls in general.</p> <p>The observations identified are for best practices as opposed to weaknesses that prevent the meeting of systems and business objectives.</p>

<sup>4</sup> An audit observation of high risk to the audited entity may be of low risk to organisation as a whole; conversely, an observation of critical importance to organisation may have a low impact on a specific entity, but have a high impact globally.

A 6. Low risk observations, if any, are communicated by the audit team directly to management, and are not included in this report.

## 5. Monitoring the implementation of agreed actions

A 7. The Office of Internal Audit of each of the Rome-based agencies tracks all medium and high-risk observations. Implementation of agreed actions will be verified through the respective Office of Internal Audit's system for the monitoring of the implementation of agreed actions. The purpose of this monitoring system is to ensure management actions are effectively implemented within the agreed timeframe so as to manage and mitigate the associated risks identified, thereby contributing to the improvement of operations.

## 6. Rating system

A 8. Internal control components and processes are rated according to the severity of their risk. These ratings are part of the system of evaluating the adequacy of risk management, control and governance processes. A rating of satisfactory, partially satisfactory and unsatisfactory is reported in each audit. These categories are defined as follows:

**Table A.5: Rating system**

Engagement rating	Definition	Assurance level
Satisfactory	Internal controls, governance and risk management practices are adequately established and functioning well.  No issues were identified that would significantly affect the achievement of the objectives of the audited entity.	Reasonable assurance can be provided.
Partially Satisfactory	Internal controls, governance and risk management practices are generally established and functioning, but need improvement.  One or several issues were identified that may negatively affect the achievement of the objectives of the audited entity.	Reasonable assurance is at risk.
Unsatisfactory	Internal controls, governance and risk management practices are either not established or not functioning well.  The issues identified were such that the achievement of the overall objectives of the audited entity could be seriously compromised.	Reasonable assurance cannot be provided.



## Annex B – Acronyms

COSO	Committee of Sponsoring Organizations of the Treadway Commission
CPT	Common Procurement Team
IFAD	International Fund for Agricultural Development
IICC	Inter Institutional Coordination Committee
FAO	Food and Agriculture Organization
GA	UN General Assembly
HQPC	Head Quarter Procurement Committee
LTA	Long-term Agreement
RBA	Rome Based Agencies
UN	United Nations
UNGM	United Nations Global Marketplace
UNOPS	United Nations Office for Project Services
WFP	World Food Programme