



INTERNAL AUDIT DIVISION

REPORT 2025/098

Audit of the management and oversight of country-based pooled funds in the Office for the Coordination of Humanitarian Affairs

Overall, management and oversight mechanisms for country-based pooled funds were effective, but they needed strengthening in areas such as private sector fundraising, transparency in partner selection, and project closure

30 December 2025

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Audit of the management and oversight of country-based pooled funds in the Office for the Coordination of Humanitarian Affairs

EXECUTIVE SUMMARY

The Office of Internal Oversight Services (OIOS) conducted an audit of the management and oversight of country-based pooled funds (CBPFs) in the Office for the Coordination of Humanitarian Affairs (OCHA). The objective of the audit was to assess whether the management and oversight mechanisms established by OCHA for CBPFs, particularly at the global level, were effective and provide reasonable assurance on the adequate use of donor funds and achievement of the CBPFs' objectives. The audit covered the period from 1 January 2023 to 31 December 2024 and focused on: (a) governance of CBPFs; (b) resource mobilization; (c) management and oversight of allocations; (d) project management and oversight; (e) reporting to and communication with donors; and (f) performance and effectiveness measurement of CBPFs.

Overall, OCHA's management and oversight mechanisms for CBPFs were effective, particularly through the adoption of the CBPF Global Guidelines and the continuous improvement of OCHA's Grant Management System (OneGMS) and related systems. These mechanisms provide reasonable assurance on the effective use of donor funds and the attainment of CBPF objectives. However, OCHA mobilized minimal funding from the private sector, and there were gaps in ensuring the completeness of documentation supporting some project selections and pre-selections of implementing partners under the reserve allocation modality. Additionally, outdated project records in OneGMS were delaying project closures.

OIOS made six recommendations. To address issues identified in the audit, OCHA needed to:

- Strengthen its strategy and efforts for private sector fundraising.
- Strengthen the Pooled Fund Management Branch's (PFMB) monitoring at Headquarters of partner pre-selections under reserve allocations to ensure transparency.
- Ensure that PFMB strengthens the monitoring of the project selection process and that project selection decisions are recorded or uploaded in OneGMS.
- Prepare an action plan to update outdated project status records in OneGMS to accelerate project closures.
- Ensure that statements of accounts for CBPFs disclose the basis of preparation and direct management costs incurred.
- Finalize the Common Performance Framework module in OneGMS to ensure comprehensive reporting of CBPF performance indicators data in the CBPF Data Hub.

OCHA accepted all recommendations and has initiated action to implement them. Actions required to close the recommendations are indicated in Annex I.

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Audit of the management and oversight of country-based pooled funds in the Office for the Coordination of Humanitarian Affairs

I. BACKGROUND

1. The Office of Internal Oversight Services (OIOS) conducted an audit of the management and oversight of country-based pooled funds (CBPFs or Funds) in the Office for the Coordination of Humanitarian Affairs (OCHA).

2. CBPFs (along with the Central Emergency Response Fund, CERF) are OCHA's primary financing instruments for responding to humanitarian emergencies worldwide. They also include regionally-hosted pooled funds (RHPFs), which aim to bring the benefits of pooled funding to geographical areas, where establishing a fully-fledged CBPF may not be feasible. Their core purpose is to allocate funding to save lives, alleviate suffering, and maintain human dignity based on humanitarian needs and priorities identified at the country level. OCHA's CBPF Global Guidelines (December 2022) guide their management and oversight, while the Common Performance Framework (CPF, March 2017) measures their performance against 20 indicators.

3. OCHA operated 16 CBPFs¹ and 3 RHPFs² in 2023 and 2024. In 2025, another RHPF³ was being established, while four other CBPFs⁴ were at various stages of closure. Donor contributions to the Funds were \$1.16 billion in 2023 and \$1.15 billion in 2024, while Fund allocations to projects were \$1.14 billion (1,287 projects) in 2023 and \$938 million (1,103 projects) in 2024. Approximately 99.7 per cent of donor funds came from governments and 0.3 per cent from the private sector. Among the allocations, 43.2 per cent were granted or sub-granted to international non-governmental organizations (NGOs), 41.9 per cent to national NGOs, 0.5 per cent to Red Cross or Red Crescent societies, and 14.4 per cent to United Nations organizations.⁵

4. At the time of the audit, key responsibilities for global governance and oversight of the Funds were as follows:⁶

- (a) The Emergency Relief Coordinator (ERC) established and closed the Funds and monitored their performance.
- (b) OCHA's Pooled Fund Management Branch (PFMB) in the Financing and Partnership Division (FPD) provided global support, guidance and oversight of the Funds, while the Partnerships and Resource Mobilization Branch (PRMB) negotiated donor contribution agreements and facilitated resource mobilization by humanitarian coordinators and OCHA's regional and country offices.

¹ CBPFs for Afghanistan, Central African Republic (CAR), Democratic Republic of the Congo (DRC), Ethiopia, Lebanon, Myanmar, Nigeria, Occupied Palestinian Territories, Somalia, South Sudan, Sudan, Syria, Syria cross border programme, Ukraine, Venezuela and Yemen

² RHPFs for Eastern and Southern Africa, Latin America and the Caribbean, and West and Central Africa, benefiting seven countries

³ RHPF for Asia and the Pacific

⁴ CBPFs for Colombia, Iraq, Jordan and Pakistan

⁵ OCHA's CBPF Data Hub <https://cbpf.data.unocha.org> (5 August 2025)

⁶ OCHA's organizational structure changed on 1 September 2025. Organizational units are referred to by the names in force during the period covered by the audit for ease of referencing.

- (c) OCHA’s Executive Office had overall fiduciary responsibility for the Funds, including signing grant agreements, approving waivers to standard procedures, and deciding on cases of partner misconduct.
 - (d) The Pooled Fund Working Group (PFWG), an advisory body to OCHA, informed the strategic direction and management of the Funds. PFWG included representatives of donors, United Nations system organizations and NGOs.
5. The United Nations Multi-Partner Trust Fund Office (MPTFO) served as the administrative agent for six CBPFs⁷ until 2023, when this role was transferred to OCHA. MPTFO is currently finalizing the closure of CBPFs it previously managed.
6. Key responsibilities for governance, management and oversight of each Fund at the country level were as follows:
- (a) The humanitarian coordinator led the CBPF and country-level resource mobilization, chaired the advisory board, and approved allocation strategies⁸ and projects.
 - (b) The advisory board provided advice on CBPF’s strategic vision and allocation strategies and oversaw CBPF performance. Each board comprised representatives from donors, United Nations system organizations, and NGOs.
 - (c) Review committees prioritized project proposals based on criteria in allocation strategies. OCHA’s country offices chaired the committees, which included experts from United Nations system organizations and NGOs.
 - (d) The heads of OCHA’s country offices were responsible for CBPF operations, supporting the humanitarian coordinator and supervising the humanitarian financing unit (HFU) within the office.
 - (e) Led by a Fund manager, HFUs were responsible for daily management and oversight of the CBPF in coordination with PFMB. This included developing overarching strategies and guidance documents, preparing individual allocation strategies, overseeing partnerships, conducting financial and risk management activities, monitoring projects, and facilitating communication and reporting.
 - (f) For RHPFs, OCHA’s regional offices managed the regional HFUs in collaboration with humanitarian coordinators and heads of country offices in the regions.
7. Fund operations and projects were managed through OCHA’s Grant Management System, OneGMS. OCHA also used its internal OCHA Contribution Tracker to track donor contributions, and enterprise information management systems, including Umoja, to manage CBPF funds. OCHA maintained public CBPF and CERF Data Hubs, which comprise programmatic and financial data. In addition to its public and intranet websites, OCHA maintained other public humanitarian websites and data platforms.
8. Comments provided by OCHA are incorporated in italics.

⁷ CBPFs for Afghanistan, CAR, DRC, Somalia, South Sudan and Sudan

⁸ Allocation strategies are issued several times a year and form the basis for inviting project proposals for funding. They outline, among others, the thematic or geographical areas, or partners eligible for funding; key strategic and technical criteria to assess project proposals; and the timeline of the process.

II. AUDIT OBJECTIVE, SCOPE AND METHODOLOGY

9. The objective of the audit was to assess whether the management and oversight mechanisms established by OCHA for CBPFs, particularly at the global level, were effective and provide reasonable assurance on the adequate use of donor funds and achievement of the CBPFs' objectives.

10. This audit was included in the 2024 risk-based work plan of OIOS due to the critical importance and materiality of CBPFs to humanitarian response activities.

11. OIOS conducted this audit from November 2024 to July 2025. The audit covered the period from 1 January 2023 to 31 December 2024. Available data for earlier and later periods were reviewed to reach appropriate conclusions. Based on an activity-level risk assessment, the audit covered: (a) governance of CBPFs; (b) resource mobilization; (c) management and oversight of allocations; (d) project management and oversight; (e) reporting to and communication with donors; and (f) performance and effectiveness measurement of CBPFs.

12. The audit methodology included: (a) interviews with staff and external stakeholders (donors, United Nations system organizations and NGOs); (b) project visits and meetings with local authorities and beneficiaries (as part of an audit planning mission to CAR in December 2024); and (c) review of documents and information management systems data, including relevant audit, evaluation and donor assessment reports and recommendations. In addition to global data analysis, OIOS reviewed samples of: Fund management documents for 5 CBPFs and 2 RHPFs; 33 allocation strategies for 13 CBPFs; 60 projects managed by 16 CBPFs and RHPFs; and 26 projects closed by 13 CBPFs.

13. To assess the reliability of information systems data, OIOS analyzed data consistency across systems, system modules, OCHA organizational units, and reports; reviewed samples and supporting documentation; and sought explanations from OCHA staff. The audit team also relied on the results of other OIOS audits, including the audit of OneGMS completed in 2024 (OIOS audit report 2024/032), of which recommendations remained under implementation at the time of the audit. OIOS established that the data held in the various systems was sufficiently reliable to address audit objectives. However, OIOS identified some data discrepancies, including recurring issues from the previous audit, which are cited in this report.

14. The audit was conducted in accordance with the Global Internal Audit Standards.

III. AUDIT RESULTS

A. Governance of country-based pooled funds

Overall, global and country-level governance arrangements for the Funds were effective

15. According to the Global Guidelines, global governance arrangements for the Funds primarily include the roles of the ERC and PFWG. At the country level, they mainly consist of the roles of the humanitarian coordinators and advisory boards. OIOS noted the following:

- (a) The ERC established the Funds and monitored their performance through reports from PFMB. In November 2024, the ERC initiated an Efficiency Project to address bureaucracy in the humanitarian sector, which also affected CBPFs. From March 2025, amid the funding crisis affecting the United Nations system, the project transitioned to the Humanitarian Reset and OCHA Reset initiatives to determine the best humanitarian response within available resources. This resulted in, among other

things, a revised OCHA organizational structure with a reduced staff count, which took effect on 1 October 2025.

- (b) PFWG met five times in 2023 and 2024 to provide guidance on a broad range of governance issues raised by its members and OCHA (e.g., the Global Guidelines, OneGMS, transition of MPTFO role, localization of funding for local partners, and role of RHPFs). PFWG focused more on programming of the Funds' activities, with limited emphasis on monitoring their performance. Some performance aspects were covered through presentations on specific Funds, but not all areas in the Common Performance Framework were included. PFMB explained that the Funds' performance was reported through the CBPF Data Hub and the CBPF annual reports (discussed in sections E and F of the report).
- (c) OIOS noted humanitarian coordinators' roles in approving vision papers, operational manuals, resource mobilization strategies, risk management frameworks, allocation strategies, and individual projects of Funds under their responsibilities.
- (d) Advisory boards for most reviewed Funds met regularly, advised OCHA on strategic issues and represented all constituencies with periodic rotation of most members. The rotation of some board members was limited in Nigeria, South Sudan, and Sudan. The Sudan HFU explained that the ongoing crisis made it difficult to rotate national NGO members. PFMB indicated that this issue was being addressed in all countries through HFU monitoring.

16. Most interviewed external stakeholders confirmed good collaboration with OCHA and CBPF structures. Donors characterized CBPFs as performing, reliable, and flexible funding mechanisms.

B. Resource mobilization

Responsibilities and guidance for resource mobilization were clearly defined, with mobilization plans established for most Funds

17. Resource mobilization responsibilities were assigned to humanitarian coordinators, supported by OCHA field offices and Headquarters, particularly the Donor Relations Section in PRMB. The Section regularly updated its donor outreach guidance and sent weekly partnership engagement updates to OCHA offices.

18. Resource mobilization action plans were comprehensive for four⁹ of the five CBPFs reviewed by OIOS. For Sudan CBPF, only the Humanitarian Coordinator's vision paper was available. As stated by the HFU, developing the plan was difficult due to the ongoing country crisis. Resource mobilization strategies were being developed for the three new RHPFs established in 2024 and 2025.

While the Funds continued to attract donors, fundraising targets often could not be achieved, and did not include fundraising from the private sector

19. OCHA was on track to meet its goal of sustaining the funding base for CBPFs, as indicated in the Partnership Strategy for Resource Mobilization 2023-26, as the number of Member State donors increased from 37 to 45 between 2022 and 2024.¹⁰ However, the target to raise CBPF revenue by 6-12 per cent by 2026 was unlikely to be met, as revenue has been in decline since 2023.

⁹ CBPFs for Afghanistan, CAR, Nigeria and Somalia

¹⁰ Including European Commission and sub-national governments as donors

20. The Secretary-General's 2016 Agenda for Humanity and the Global Guidelines advise each Fund to mobilize 15 per cent of the funding that was secured in the previous year for the entire humanitarian response plan (HRP) in the country. While this uniform target was adopted by humanitarian coordinators for most Funds, it was met only by the CBPF for the Occupied Palestinian Territories in 2023 and by the Sudan CBPF in 2024. While other Funds mobilized between 2.5 and 14.3 per cent of the HRP funding secured in the previous year, OCHA commented that the continued emphasis on the 15 per cent target served to encourage donors to sustain and expand their investments in pooled funds as catalysts for change within the humanitarian system.

21. On the other hand, there was no target set for private sector contributions to CBPFs, and they remained very low at 0.2 per cent of all resources in 2023 and 0.4 per cent in 2024. These private funding levels were substantially lower than in various other United Nations system organizations. According to OCHA, this was mainly due to its smaller workforce for resource mobilization compared to other organizations. In OIOS view, considering OCHA's current funding environment, some of its resources could be reassigned to private sector fundraising efforts at both global and local levels.

(1) OCHA should strengthen its strategy and efforts for private sector fundraising.

OCHA accepted recommendation 1 and stated that it was increasing resources for private sector fundraising despite budget and staffing constraints. OCHA's new organizational structure, adopted on 1 October 2025, established a dedicated private sector team attached to the Partnerships Branch. OCHA had also reserved \$50,000 for advertisements in 2026 and will articulate a 2026 private sector strategy, including a fundraising plan for CBPFs. OCHA will report annually on the progress of private fundraising efforts against the key performance indicators listed in the 2026 strategy.

C. Management and oversight of allocations

Programming principles were reflected in Fund programming

22. The Global Guidelines included several programming principles to be systemically incorporated in humanitarian operations, such as accountability to affected people, centrality of protection, responding to gender-based violence and inequality, and disability inclusion. Most of the sampled 33 allocation strategies outlined these principles. The principles were also incorporated into the OneGMS project proposal templates and followed throughout project development.

A large share of funds was allocated through the reserve modality, where partner pre-selection was not always fully documented

23. The Global Guidelines provide humanitarian coordinators with two modalities to allocate funds to humanitarian partners and projects: standard and reserve allocations. Standard allocations are used to support the humanitarian response when an allocation is less time sensitive. They are based on the HRP or equivalent humanitarian plan, and project selections follow a competitive process, including a call for proposals against the allocation strategy. The reserve allocation is intended primarily to respond to rapid-onset and unforeseen circumstances when a standard allocation is considered infeasible. Funding applications under a reserve allocation are received from a limited number of pre-selected, eligible partners by invitation, identified according to explicit criteria.

24. Globally, 58 per cent of funds (\$661 million) in 2023 and 56 per cent of funds (\$521 million) in 2024 were awarded under reserve allocations. This included five CBPFs in 2023 and three CBPFs in 2024 that used reserve allocations for 75-100 per cent of their awards.

25. However, reserve allocations limit the number of eligible partners that can participate, and the pre-selection practices varied by Fund and sometimes lacked transparency. Among 15 reserve allocations reviewed, 5 followed a limited competitive selection of pre-selected partners, while the remaining 10 allocations used a single-sourced partner for each project. The basis for the single-source pre-selection was justified for five of these allocations, using project scorecards or other tools, but it was not documented for the other five, even though the reserve allocation strategy for three of them included some partner selection criteria. Since 2025, PFMB has reviewed the quality of HFU allocation strategies prior to finalization, including partner selection criteria for reserve allocations. However, it did not review whether HFUs consistently documented justifications for partner pre-selections under reserve allocations, especially for single-sourced partners. In addition, HFUs and PFMB did not always save allocation strategies in the CBPF Data Hub repository, as required.

(2) OCHA should ensure the Pooled Fund Management Branch: (a) strengthens the monitoring of the partner pre-selection process under reserve allocations, to ensure transparency; and (b) ensures that all allocation strategies are documented and stored centrally.

OCHA accepted recommendation 2 and stated that it applied several controls to ensure transparency and consistency in allocation processes, including on partner eligibility, technical project review, and allocation strategy documentation. OCHA will continue to strengthen its monitoring to ensure consistent application of partner pre-selection criteria and introduce a feature in OneGMS to ensure regular upload of allocation strategies to the CBPF Data Hub.

There has been steady progress in localization efforts

26. One of the key goals of CBPFs is advancing localization through the amount and quality of funding, capacity development, participation of local and national actors in Fund governance and processes and showcasing their contributions. Since the 2016 Grand Bargain agreement among humanitarian donors, localization efforts have shown steady progress. All Funds prioritized localization through allocation strategies unless crisis situations required alternative measures. Some Funds had special initiatives, such as capacity-building projects for national NGOs. The global share of allocations (including sub-grants) to national NGOs increased every year from 36 per cent in 2022 (\$439 million) to 46 per cent in 2024 (\$426 million).

27. Several donors and stakeholders recognized the potential for more projects involving consortia of local partners, which may strengthen civil society networks and permit more partners to participate. For example, Sudan CBPF prioritized consortia, especially under reserve allocations. Some donors and NGOs also expressed interest in more multi-year projects (including anticipatory actions) to reduce administrative burden and increase project efficiency and impact. Between 2022 and 2024, only 12 per cent of projects globally were longer than 12 months, often due to the limited predictability of donor funding. However, more than 25 per cent of projects in Myanmar, Ukraine, Venezuela and Yemen were longer than 12 months.

28. OCHA noted these observations and indicated that lessons learned on localization were systematically discussed at PFWG and advisory boards meetings.

D. Project management and oversight

PFMB needed to strengthen oversight of project management activities

29. The Funds approved 1,287 projects (\$1.14 billion) in 2023 and 1,103 projects (\$938 million) in 2024. Country and regional offices and their HFUs were responsible for ‘first line’ activities in managing

the operations and risks related to the Funds and their projects, within the scope of their delegated authority. PFMB was primarily in charge of the ‘second line’ roles related to oversight, support, and guidance of the first line. These included final reviews of project proposals and budgets, reviewing partner financial reports and project audit reports, and handling cases of potential partner misconduct. In 2025, OCHA established a separate Oversight and Compliance Section within PFMB to strengthen these roles. Most project management processes and templates were integrated in OneGMS, supported by various dashboards and reports, including for partner risk management.

30. OIOS reviewed 60 projects in OneGMS and noted that project proposals were comprehensive, and project budgets were clear, with detailed reviews conducted by HFUs and PFMB for nearly all projects. Generally, partners submitted narrative and financial reports, although some reports were submitted late. HFUs carried out monitoring field visits and financial spot checks for most projects and uploaded monitoring reports to OneGMS. However, PFMB oversight of some project management aspects was inconsistent, and OIOS noted gaps as detailed below:

(a) Project selection

31. Some HFUs did not fully utilize the OneGMS Project Scoring module or document the project selection process adopted by the review committees. Among the 60 projects reviewed, 35 were selected under standard allocations and 25 under reserve allocations. Project scorecards or alternative project selection documents were missing for 2 standard allocation projects and 11 reserve allocation projects. OCHA indicated that project scorecards were not mandatory under reserve allocations, in which partners are pre-selected based on criteria outlined in the reserve allocation strategy. However, as mentioned in section C of this report, their pre-selection process was not always transparent.

32. There were also some mismatches between project scores awarded by the review committees and partners recommended for selection, without documented justification. This reduced transparency in how donor funds were awarded to partners. Similar gaps were also reported in the OIOS audit of OneGMS. PFMB was still working to address these issues within its resources.

(3) OCHA should ensure the Pooled Fund Management Branch strengthens the monitoring of the project selection process to ensure transparency and that project selection decisions are recorded or uploaded in OneGMS.

OCHA accepted recommendation 3 and stated that it had several controls to ensure transparency and consistency in the project selection process, including documentation of decisions and systems use. OCHA will further strengthen this process through a feature in OneGMS that ensures the consistent upload of mandatory project scorecards prior to projects being recommended for funding.

(b) Project status updates and closure

33. There were significant delays in updating project status in OneGMS and, consequently, closing projects. According to the Global Guidelines, projects should be closed upon OCHA’s clearance of the final reports from the partner, completion and clearance of the project audit, and receipt of any refunds due from the partner. These steps should be completed within 270 days from the project completion date, assuming no delays by the partner or audit firm. Overdue reports or refunds by the partner are subject to the non-compliance measures set out in the Global Guidelines.

34. As of November 2025, 3,938 projects launched between 2016¹¹ and 2023 were at various stages of closure in OneGMS, as shown in table 1. This represents 35 per cent of the projects launched during the period.

Table 1: Analysis of projects launched between 2016 and 2023 not yet closed as of November 2025

Period launched	No. of projects	Not yet closed	Project status in OneGMS			
			Under implementation/ reporting	Under audit	Under refund	Under closure
2016-2021	8,209	1,668	189	837	405	237
2022-2023	3,139	2,270	225	1,697	246	102
Total	11,348	3,938	414	2,534	651	339

Source: CBPF Data Hub and OneGMS (28 November 2025)

35. Delayed project closures were attributable to: (a) partner delays in submitting reports or making refunds; (b) delays in completing audits; (c) gaps in follow-ups with partners or delays in OneGMS updates by HFUs and PFMB; (d) delays in matching partner refunds in Umoja to OneGMS (an issue reported in the OIOS audit of OneGMS); (e) outstanding decisions on old and potentially irrecoverable refunds; and (f) projects under review for fraud and compliance reasons. OIOS noted that among the 2,534 projects in table 1 with the status ‘under audit,’ 456 have been audited, but their status in OneGMS had not been updated. Delayed project closures resulted in unclear final commitments of the Funds.

(4) OCHA should prepare an action plan to review and update outdated project status records in OneGMS to accelerate project closures.

OCHA accepted recommendation 4 and stated that it would formulate an action plan to review, monitor and update status records of outdated projects in OneGMS.

Procedures for managing partner non-compliance and misconduct were being further strengthened

36. OCHA had detailed procedures for managing partner non-compliance scenarios, along with suggested measures to enforce compliance, some of which were automated in OneGMS.

37. Procedures to manage suspected partner fraud and other misconduct were also in place, including obligations to report and to conduct preliminary assessments, inquiries, and investigations of suspected cases; safeguarding measures; and settlement and closure of cases. PFMB also managed a database of suspected and confirmed fraud cases and provided required updates to the Board of Auditors (BoA), relevant donors, and PFWG. Guidance to partners on the prevention, reporting, and handling of misconduct was also in place. However, the Secretariat, including OCHA, did not have a formal procedure for sanctioning partners, nor a procedure for sharing information on non-performing/compliant partners with other United Nations system organizations. In 2024, the BoA recommended that the Secretariat strengthen such information sharing. OCHA, with other Secretariat entities, was working on such arrangements.

38. To improve local capacity and due process in handling non-compliance and misconduct cases and strengthen preventive measures with partners, OCHA established compliance officer positions in the HFUs of 12 CBPFs and 1 RHPF.

¹¹ Full implementation of OneGMS (earlier named ‘GMS’) started in 2016.

E. Reporting to and communication with donors

OCHA issued annual reports and maintained a comprehensive CBPF Data Hub

39. OCHA issued global ‘CBPF Year in Review’ reports and annual reports for each Fund. The reports provided a quantitative and qualitative overview of donor contributions and allocations, the humanitarian context and programming, key results, the number of people assisted, and risk management. OCHA also maintained an interactive CBPF Data Hub, featuring comprehensive data and visualizations on donor contributions, allocations, and the beneficiaries reached. The Data Hub also included results on CBPFs’ performance against 20 indicators in the CPF (see section F).

40. Interviewed donors confirmed overall satisfactory communication and reporting by OCHA and found the Data Hub very valuable. Some field offices also shared information with donors upon request.

CBPF statements of accounts did not consistently clarify the basis of preparation or disclose direct management costs

41. PFMB prepared annual statements of accounts for each CBPF and RHPF country envelope for distribution to donors. The statements outlined: (a) income, consisting of paid and unpaid pledged contributions for the current and prior years, and investment income (generated and returned by partners); (b) expenditures; and (c) fund balances (adjusted for any budget transfers). While the OIOS review of the 2023 statements noted that they adhered to the financial reporting template included in DMSPC guidelines,¹² there were some substantial modifications:

- (a) Operational expenditures were recognized on an accrual basis and generally matched Umoja data. In contrast, income was recognized on a modified cash-basis, including cash receipts and unpaid pledges. This approach was taken to keep donors informed about their progress in fulfilling commitments. However, this led to significant discrepancies between the reported income and the opening and closing fund balances based on Umoja. No explanation was provided in the statements for these differences or for the departure from the accounting standards applied by the United Nations, IPSAS.¹³
- (b) Indirect management costs, also known as support costs, were generally aligned with Umoja data. However, the direct management costs incurred by HFUs were not included in the CBPF expenditure records, as these costs were charged to separate grants (dedicated to HFU direct management costs). In the statements for some Funds, budget transfers from the Fund to a separate grant (for HFU direct management costs) were disclosed. For other Funds, there were no disclosures of such transfers. In OIOS view, the CBPF statements of accounts did not clearly outline the direct management costs incurred.
- (c) Exchange gains or losses were not disclosed in statements for most Funds, as income or fund balances were adjusted instead. However, they were disclosed for certain Funds (e.g., for Pakistan and Sudan). This approach was not consistent.

(5) OCHA should implement measures to ensure that statements of accounts for country-based pooled funds consistently disclose the basis of preparation and direct management costs incurred and explain any deviations from the Secretariat’s guidelines.

¹² Department of Management Strategy, Policy and Compliance’s Guidelines for the Acceptance of Voluntary Contributions (July 2022)

¹³ International Public Sector Accounting Standards

OCHA accepted recommendation 5 and stated that it would ensure that all future certified statements of accounts disclose the basis of preparation and direct management costs incurred.

OCHA implemented a tracking mechanism to meet the requirements of some donors regarding the use of investment income

42. In 2023 and 2024, a total of \$109.5 million was credited as investment income to OCHA trust fund account 32DDN, of which approximately \$84 million, based on OIOS estimate, related to CBPFs. OCHA transferred all such income to a cash reserve account, which was used to temporarily pre-finance other OCHA project costs.

43. Contribution agreements for two donors with significant contributions stipulated that investment income from their contributions must be used only for activities related to the specific CBPFs to which they were contributing. As donor contributions were pooled, OCHA implemented a tracking mechanism and prioritized utilization of funds with restrictions to minimize the accrual of interest. OCHA stated that negotiations were underway to review various provisions in the standard contribution agreement of one of the donors.

F. Performance and effectiveness measurement

Data capture and reporting arrangements for the Common Performance Framework were under transition

44. OCHA established a CPF to measure the performance of CBPFs using 20 indicators across five key areas: inclusiveness, flexibility, timeliness, efficiency, and risk management. Until 2022, data for each indicator was reported in the annual reports of each Fund. For 2023 and 2024, it was reported through the CBPF Data Hub, with some references to the annual reports. While data was available on the Data Hub for most indicators, it was incomplete for a few indicators.¹⁴ For such indicators, references to the annual reports were made, although some were missing.

45. In March 2024, PFMB had prepared a technical update to the CPF, refining each indicator, data sources, verification methods, benchmarks, and suggested targets. Among its competing priorities and within its resources, PFMB was also in the process of developing a CPF module in OneGMS to track targets and results for each indicator.

(6) OCHA should finalize its Common Performance Framework module in OneGMS to ensure comprehensive data collation and reporting of all Framework indicators in the Data Hub.

OCHA accepted recommendation 6 and stated that it would complete the CPF module in OneGMS and publish corresponding information on the CBPF Data Hub.

Cost-effectiveness was reasonable

46. OIOS analyzed direct and indirect management costs incurred by OCHA and other entities and found them reasonable, as explained below:

- (a) Programme support costs (i.e., indirect management costs) were retained by the United Nations at 3 per cent of disbursements to partners. This revenue was distributed by the Controller to various

¹⁴ For example, indicators on inclusive programming and response, efficient management, and risk management of funding and partners for certain countries

Secretariat departments that support trust fund activities, with the majority allocated to OCHA's support functions.

- (b) Direct management costs were incurred by all HFUs and varied based on each Fund's life cycle, size, and local conditions. On average, they amounted to 2.9 per cent and 3.1 per cent of donor contributions in 2023 and 2024, respectively, and were considered within the normal range. In 2025, due to a decline in donor contributions, OCHA began reducing the cost plans for HFUs and explored merging some Funds.
- (c) For six CBPFs in transition from MPTFO to OCHA, MPTFO charged administrative agent fees at 1 per cent of donor contributions received. These fees have been phased out as the MPTFO role has been fully transferred to OCHA.

IV. ACKNOWLEDGEMENT

47. OIOS wishes to express its appreciation to OCHA management and staff for the assistance and cooperation extended to the auditors during this assignment.

Internal Audit Division
Office of Internal Oversight Services

STATUS OF AUDIT RECOMMENDATIONS

Audit of the management and oversight of country-based pooled funds in the Office for the Coordination of Humanitarian Affairs

Rec. no.	Recommendation	Critical ¹⁵ / Important ¹⁶	C/ O ¹⁷	Actions needed to close recommendation	Implementation date ¹⁸
1	OCHA should strengthen its strategy and efforts for private sector fundraising.	Important	O	Receipt of the strategy and targets for private sector fundraising	30 June 2026
2	OCHA should ensure the Pooled Fund Management Branch: (a) strengthens the monitoring of the partner pre-selection process under reserve allocations, to ensure transparency; and (b) ensures that all allocation strategies are documented and stored centrally.	Important	O	Receipt of evidence of actions taken by PFMB to strengthen its monitoring, ensuring that justifications for partner pre-selections under reserve allocations are documented, and that all allocation strategies are documented and stored centrally	31 December 2026
3	OCHA should ensure the Pooled Fund Management Branch strengthens the monitoring of the project selection process to ensure transparency and that project selection decisions are recorded or uploaded in OneGMS.	Important	O	Receipt of evidence of strengthening of PFMB monitoring of the project selection process	30 June 2027
4	OCHA should prepare an action plan to review and update outdated project status records in OneGMS to accelerate project closures.	Important	O	Receipt of the action plan to update OneGMS with outstanding project status information	31 December 2026
5	OCHA should implement measures to ensure that statements of accounts for country-based pooled funds consistently disclose the basis of preparation and direct management costs incurred and explain any deviations from the Secretariat's guidelines.	Important	O	Receipt of evidence of preparation of the next statements of accounts in line with the recommendation	31 August 2026
6	OCHA should finalize its Common Performance Framework module in OneGMS to ensure	Important	O	Receipt of evidence of completion of the CPF module in OneGMS	31 December 2027

¹⁵ Critical recommendations address those risk issues that require immediate management attention. Failure to take action could have a critical or significant adverse impact on the Organization.

¹⁶ Important recommendations address those risk issues that require timely management attention. Failure to take action could have a high or moderate adverse impact on the Organization.

¹⁷ Please note the value C denotes closed recommendations whereas O refers to open recommendations.

¹⁸ Date provided by OCHA in response to recommendations.

STATUS OF AUDIT RECOMMENDATIONS

Audit of the management and oversight of country-based pooled funds in the Office for the Coordination of Humanitarian Affairs

Rec. no.	Recommendation	Critical ¹⁵ / Important ¹⁶	C/ O ¹⁷	Actions needed to close recommendation	Implementation date ¹⁸
	comprehensive data collation and reporting of all Framework indicators in the Data Hub.				

APPENDIX I

Management Response

Management Response

Audit of the management and oversight of country-based pooled funds in the Office for the Coordination of Humanitarian Affairs

Rec. no.	Recommendation	Critical ¹ / Important ²	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
1	OCHA should strengthen its strategy and efforts for private sector fundraising.	Important	Yes	Head of Private Sector Unit, Partnerships Branch, Financing and Outreach Division (FOD)	30 Jun. 2026	<p>OCHA accepts the recommendation and is taking steps to increase the human and technical resources available to support private sector fundraising for the CBPFs in the context of ongoing budget reductions and staff restructuring.</p> <p>On 1 October 2025, OCHA adopted a new organizational structure that established a dedicated private sector team in the form of a Private Sector Unit with three posts (P4, P3, P2) attached to the Partnerships Branch. This team is responsible for OCHA's global private sector engagement and fundraising. Internal reorganization is continuing as of this writing, but we expect the new Private Sector Unit team to be fully in place by the end of Q1 2026.</p> <p>OCHA is also operating with a very small advertising budget for fundraising. Following the recommendations of this audit, OCHA has reserved \$50,000 for fundraising ads in 2026.</p>

¹ Critical recommendations address those risk issues that require immediate management attention. Failure to take action could have a critical or significant adverse impact on the Organization.

² Important recommendations address those risk issues that require timely management attention. Failure to take action could have a high or moderate adverse impact on the Organization.

Management Response

Audit of the management and oversight of country-based pooled funds in the Office for the Coordination of Humanitarian Affairs

Rec. no.	Recommendation	Critical ¹ / Important ₂	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
						<p>While the report finds that OCHA funding levels “were substantially lower than in various other United Nations system organizations,” these organizations are able to deploy significantly greater fundraising resources including annual fundraising budgets of over \$5 million per year. UNICEF’s private sector fundraising team consists of 721 posts worldwide with an annual budget of over \$257 million (see E/ICEF/2025/AB/L.1, para. 64).</p> <p>Despite these limitations, OCHA has committed to the articulation of a private sector strategy for 2026, including a dedicated strategy on private fundraising for the CBPFs. This strategy is expected to be adopted by OCHA leadership by the end of Q2 2026.</p> <p>Going forward, OCHA will report annually on the progress of our private fundraising efforts against the KPIs listed in our 2026 strategy.</p>
2	OCHA should ensure the Pooled Fund Management Branch: (a) strengthens the monitoring of the partner pre-selection process under reserve allocations, to ensure transparency; and (b) ensures that all allocation strategies are documented and stored centrally.	Important	Yes	Chief of Country Funds Section (CFS), Pooled Funds	31 Dec. 2026	<p>OCHA applies several controls to ensure transparency and consistency in allocation processes:</p> <ul style="list-style-type: none"> • Partner Eligibility: Only partners that have passed the due diligence review and capacity assessment can submit proposals. This ensures that all pre-selected partners meet

Management Response

Audit of the management and oversight of country-based pooled funds in the Office for the Coordination of Humanitarian Affairs

Rec. no.	Recommendation	Critical ¹ / Important ₂	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
				Branch (PFB), FOD		<p>minimum compliance and capacity standards.</p> <ul style="list-style-type: none"> • Technical Project Review: Reserve allocation project proposals are reviewed by technical experts and OCHA to ensure quality design and budget. • Allocation Strategy Documentation: Reserve allocation strategies are drafted for each allocation including pre-identified partners where appropriate and shared with Humanitarian Coordinators and Advisory Boards for endorsement. • OCHA will continue to strengthen its monitoring of the process to ensure consistent application of pre-selection criteria to support the list of pre-selected partners. <p>OCHA will also introduce a feature in OneGMS to ensure allocation strategies are consistently uploaded on Datahub.</p>
3	OCHA should ensure the Pooled Fund Management Branch strengthens the monitoring of the project selection process to ensure transparency and that project selection decisions are recorded or uploaded in OneGMS.	Important	Yes	Chief of CFS, PFB, FOD	30 Jun. 2027	<p>OCHA applies several controls to ensure transparency and consistency in the project selection process.</p> <ul style="list-style-type: none"> • Eligibility and Compliance: Only partners that have passed the

Management Response

Audit of the management and oversight of country-based pooled funds in the Office for the Coordination of Humanitarian Affairs

Rec. no.	Recommendation	Critical ¹ / Important ₂	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
						<p>due diligence review and capacity assessment can submit proposals, ensuring they meet minimum compliance and capacity standards.</p> <ul style="list-style-type: none"> • Project Selection Process: All project proposals undergo a rigorous assessment prior to recommendation for funding. This involves Strategic Review Committees (SRCs), which include OCHA, cluster coordinators, and other relevant stakeholders, and ensures impartiality and alignment with humanitarian priorities. • Documentation of Decisions: Projects recommended for funding are reviewed and approved by Humanitarian Coordinators. Funding decisions are documented and shared with Advisory Boards. Records are maintained in local repositories. • System Use: OneGMS is used for project proposal submission, review, and

Management Response

Audit of the management and oversight of country-based pooled funds in the Office for the Coordination of Humanitarian Affairs

Rec. no.	Recommendation	Critical ¹ / Important ₂	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
						approval though pre-established workflows that reflect funding decisions. OCHA will further strengthen its project selection process by introducing a feature in OneGMS to ensure mandatory project scorecards are consistently uploaded prior to projects being recommended for funding.
4	OCHA should prepare an action plan to review and update outdated project status records in OneGMS to accelerate project closures.	Important	Yes	Chief of CFS, PFB, FOD	31 Dec. 2026	OCHA will formulate an action plan to review, monitor and update the status records for the outdated projects in OneGMS.
5	OCHA should implement measures to ensure that statements of accounts for country-based pooled funds consistently disclose the basis of preparation and direct management costs incurred and explain any deviations from the Secretariat's guidelines.	Important	Yes	Chief of CFS, PFB, FOD	31 Aug. 2026	OCHA will ensure all future certified statements of accounts disclose the basis of preparation and direct management of costs incurred.
6	OCHA should finalize its Common Performance Framework module in OneGMS to ensure comprehensive data collation and reporting of all Framework indicators in the Data Hub.	Important	Yes	Chief of CFS, PFB, FOD	31 Dec. 2027	OCHA will complete the CPF module in OneGMS and publish corresponding information on Datahub.