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Assessment of Internal Control and Risk Management Systems in Key Partner Countries

Synthesis Report

EVALUATION AND AUDIT UNIT

February 2014

1. Introduction

This report on the adequacy and reliability of systems and risk management in place for the management of Irish Aid funds at country level has been prepared by the Evaluation and Audit Unit of the Department of Foreign Affairs and Trade and is based on a rigorous assessment of systems in place across eight partner countries as well as South Africa and Zimbabwe. The assessments in the countries took place between March 2013 and January 2014 covering the following countries (2012 expenditure in brackets):

Ethiopia (€25.58m)	Tanzania (€29.68m)
Lesotho (€7.37m)	Uganda (€16.4m)
Malawi (€12.36m)	Vietnam (€12m)
Mozambique (€37m)	Zambia (€14.52m)
South Africa (€3.32m)	Zimbabwe (€3.15m)

An individual report is being prepared for each of the partner countries with appropriate specific recommendations applicable to each country. This synthesis report provides overall conclusions on the appropriateness of systems and recommendations applicable across all countries and Development Co-operation Division (DCD) HQ.

2. Objective

To provide a professional and independent opinion on the appropriateness of the internal controls and risk management systems in operation at missions responsible for managing development aid budgets, that will ensure that there is proper safeguarding of public funds and property under the missions' control and that value for money is achieved.

3. Scope

The assessments examined all areas of programme and embassy management with focus on the following:

(1) Selection of partners and aid modalities
(2) Expenditure commitment – process leading to commitment to spending in programme areas
(3) Appropriateness and completeness of financing agreements and memorandums of understanding underlying agreements to fund partners
(4) Disbursement of grants to partners – the process for checking compliance with conditions prior to grant disbursement
(5) Programme monitoring, management and reporting including tracking of funds post disbursement
(6) Management structures and processes for programme management
(7) Compliance with financial procedures including procurement

(8) Financial reporting to HQ and internally at Embassy
(9) Internal audit
(10) Risk management.

4. Background and Contextual Issues

4.1 Expenditure at Country Level

From total bilateral ODA of €433 million[1] managed by the Department of Foreign Affairs and Trade in 2012, Irish Aid spent €164 million[2] at country level or approx 38% of the total bilateral ODA expenditure. The annual budget for each country is in the first instance proposed as part of a five year strategy (CSP) and thereafter annual allocations to each country are confirmed as part of the annual budget process at HQ and in line with the overall available budget. The management of this annual budget is primarily the responsibility of the mission at country level with oversight from HQ – mainly Finance Unit and Partner Countries Section.

4.2 Role of Evaluation and Audit Unit

The Evaluation and Audit (E&A) Unit has responsibility for the overall internal audit programme in each country and in particular to report on the adequacy of internal controls and risk management systems. As part of its work it has been the practice of the E&A Unit to make regular visits to each country to assess the adequacy of systems in operation. However in 2013, in the light of a perceived heightening of the risk profile, the Secretary General directed the E&A Unit to undertake an assessment of internal controls and management systems across all key partner countries. The rationale for this is that (a) it will enable the Department and in particular the Development Co-operation Division (DCD) to have an up to date position on the appropriateness and functioning of controls in all of our key partner countries (b) allow DCD to consider whether any common weaknesses exist that may be systemic and (c) provide an opportunity for all missions to identify any problem areas and address same.

4.3 Recent Developments in Aid Delivery and Implications for Irish Aid

In the context of the systems assessments it is worth noting that the nature and complexity of aid programmes has changed substantially over the past decade or so. Project type expenditure (directly managed by donors) and the provision of technical assistance are no longer common. There is now a greater emphasis on aid effectiveness and the Aid Effectiveness agenda has meant that there is a much greater focus on results and accountability across donor funded programmes. This drive towards greater harmonisation of aid, the development of new modalities and the increasing channelling of funds through

[1] The total 2012 ODA expenditure for DFAT was €507m of which €433m was bilateral ODA
[2] €164m was spent in key Partner countries as well as Zimbabwe and South Africa

Government systems has changed the risk profile and also the nature of the systems required for the effective management of funds. There is now also greater frequency of donors working together and pooling of funds in various arrangements and with different donors taking lead positions in the management process.

4.4 Systems in Place to Respond to Changed Environment

This changed aid environment, architecture and risk profile has been recognised by DCD and significant emphasis has been given to the development of management systems, internal controls and overall risk management. A rigorous system is in place for programme appraisal prior to commitment to spend with detailed guidelines in place. The annual budget approval process is also structured and rigorous and follows a similar approach across all countries. In terms of results, a very detailed Results Based Management System was rolled out in 2008 and is in place in all countries.

Processes around the expending and proper accounting for funds are set out in the financial procedures manual[3]. The current financial procedures manual is quite detailed around essential financial controls and financial administration procedures. High level risk management systems have also been developed and there has been a strong emphasis on accountability across the aid programme, including the development of a specialised internal audit function in each partner country.

Programme monitoring and management is primarily the responsibility of management at country level with higher level input and oversight from HQ. While DCD HQ has provided some guidance, systems around in-country programme monitoring and management are largely developed at country level. However there has been a clear and consistent message from HQ on the importance of strong oversight systems; notwithstanding that, formal elaboration of standards for such systems has not been provided up to now.[4] It should be appreciated however, that there can be significant differences between the modalities used across countries and this has mainly dictated the approaches to monitoring and management of the programme.

4.5 Structures at Missions and Role of Head of Mission

The size, nature and complexity of the Aid Budget has grown rapidly and significantly over the past decade. While there have been budget reductions since 2009, there has not been a corresponding reduction in the scope of most partner country programmes and the programmes remain multi-faceted, diverse across countries and, in some areas, quite complex.

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[3] Currently under review and expected to be completed in Quarter 1 2014

[4] The rigorous elaboration of a Results Based Management System in 2008 is noted and is an important component of overall accountability mechanisms.

The complexities and risks around managing an aid programme are recognised and every effort is made to ensure that missions with responsibility for managing aid budgets are staffed with appropriate professional skills. However staff resources both in terms of numbers and available skills have been reduced due in part to cut-backs and this has increased risk. While the staff configuration differs across countries depending on the nature of the programme and budget size all missions have programme managers/advisors, a finance unit, an audit function as well as an administration function. Staffing is a combination of Department officers on postings and locally recruited staff.

The Head of Mission (HOM) in all countries where there is resident diplomatic representation is the sub-accounting officer and as such is responsible for *"proper safeguarding of public funds and property under the mission's control and that value for money is achieved.*[5]" However the nature and size of the budgets in countries with responsibility for managing aid programmes is significantly different from all other types of missions and places considerable additional responsibility for management of risk on the HOM. It is noted that DCD HQ has a key responsibility in assisting HOMs / missions in assessing and responding to risk, especially where management of these risks are shared with HQ, and in prioritising adequate resources appropriate to the agreed risk profile of the particular mission. Thus while the HOM is the sub-accounting officer and formal risk owner, the management of risk must be done in close co-ordination with DCD HQ.

With regard to the appointment of HOMs for countries where management of a large and complex aid budget is part of the responsibility there is a need for greater recognition of the particular additional management requirements especially in relation to continuity and structured training.

5. Findings and Conclusions

A. General

In the absence of formally defined systems for the management of the Programme at country level, this assessment is based on the judgement of the E&A Unit as to the extent to which the systems in place provide reasonable assurance that funds are properly managed and used for the purposes intended and also allow for measurement and reporting on expected results.

While there are variations across countries, the overall conclusion is that systems and controls in place for management of the aid programme are adequate to good across all missions.

Significant emphasis is given to systems and controls and there is a strong culture of accountability and awareness of risks. Financial regulations are complied with and a strong internal audit system is in place including annual audits of Embassies by external audit firms. Heads of Mission apply appropriate oversight of the programme and risk while engagement

[5] Mullarkey Report 2002

by HQ with the programme at country level is strong. While there are weaknesses around the definition and documentation of systems, nevertheless there is strong monitoring of the programme components in all countries.

The main areas of weakness are around formalisation and documentation of systems, risk identification and management of the modalities being used and the partners supported, and management and reporting structures. The lack of formalisation and documentation of existing systems heightens the risk that systems are either not fully understood or are not complied with. Many of the systems and controls have been developed locally in response to the evolution of the aid programme at country level and are not part of an overall Irish Aid programme cycle management system. Absence of standards or formal direction from HQ on monitoring and management of programmes has led to significant variations in systems and approaches across the programme. Structures for programme management, including follow up of issues arising, have scope for formalisation and strengthening in some countries.

Risk management systems at Embassy and overall programme level are in line with the Department's overall risk management system and are well maintained and reported on. Systems for identifying and managing risks of the modalities being used and the partners being supported are uneven. While on-going management and monitoring intuitively considers risk, the risk management system in operation does not sufficiently address risk at partner or programme component level across the programme[6].

With regard to management and reporting structures there is scope for strengthening in some countries especially around decision-making and follow up. Clear standards and guidelines from HQ are necessary.

B. Specific

5.1 Decisions to Spend/Partner Engagement

The Country Strategy Paper (CSP) and the process leading up to it (i.e. preparation and approval) is the most important part of the ex-ante assessment process in each country. This is a rigorous process with clear guidelines in place for all steps. As its name implies, the CSP is a strategy and sets out in broad terms the areas that will be funded, the modalities that will be used and the proposed results to be achieved. It is generally not specific as to which implementing partners will be used, and budgets tend to be allocated to outputs rather than to specific partners. Decisions on the selection of partners and budget allocations are a matter for management to subsequently take.

Most countries have a good process in place for assessment and consideration of new partners. Normally this is a Partner Organisational Capacity Assessment Tool (OCAT) or some variation of this. The OCAT process is well established and is a suitable tool for

[6] Some countries are addressing this issue in a comprehensive manner.

assessing the capacity and suitability of potential partners both from a technical and management perspective. While the OCAT tool is considered reliable there is a need for care when using it particularly in the updating of assessments of long standing partners. Some variations in approaches to the use of OCATs were noted across countries and systematic follow up assessments at regular intervals are not standard. This is an issue to be addressed in the programme cycle management (PCM) guidelines as recommended in this report.

Initial selection of partners follows an appropriately transparent process but the absence of adequate guidelines and standards around this leaves open the possibility of retaining long standing partners without regular consideration of alternatives.

5.2 Ongoing Monitoring of Partners and Partnership Agreements

Some form of contractual agreement, either a Memorandum of Understanding (MOU) or financing agreement, is in place with all partners in receipt of grant funding. These agreements set out the commitments from both sides in respect of funding, reporting, provision of audit reports, etc. The nature of the agreement depends on the nature of the modality, who the partner is and what other donors are involved. For relatively small bilateral grants with NGOs, the MOU will be prepared by Irish Aid and follows a reasonably standard approach and format across all countries. For funding provided to Governments, this is normally done in conjunction with other donors and here the MOU or equivalent will be prepared by the donors and eventually signed after agreement with the recipient Government. The nature of these agreements can vary but the process does allow for individual donors to have their own areas of priority or concern reflected in the MOU.

There is a wide variation of systems in place for programme monitoring. To some extent this depends on the nature of the programme, available skills and practices developed at each mission. All country programmes have elaborated clear results frameworks which are used as monitoring tools on a quarterly basis. Most of the monitoring systems combine regular receipt of reports, meetings with partner organisations and field visits. While systems are mostly adequate/good and in some instances very good, the absence of a formal and regularly maintained monitoring matrix, capturing all relevant clauses in agreements and reviewed by Senior Management at the mission, is a significant weakness at some missions. The flow of funds from grant disbursement to end user is also not always clearly elaborated and understood by all involved in the management of programmes. Some modalities have quite complex funds flow and oversight arrangements and these need to be clearly outlined as part of the programme documentation so that (a) it is clearly understood and (b) that any modifications can be clearly identified. (See 5.4 below)

5.3 Grant Disbursement Process (All Stages to Payment)

This covers all of the processes in place to ensure that provisions set out in agreements are fully complied with prior to disbursement of funds. There is a wide variation of systems and processes in place that combines documentation and sign off and consultation. Some are exceptionally thorough and combine documented systems with specific meetings where issues are discussed prior to any disbursement. Disbursement checklists are in place at most missions but there is significant variation in the level of detail and in the processes around disbursement. A sharing of best practice across countries would address deficiencies in this area as some countries have very strong grant disbursement systems in place.

5.4 Tracking of Funds – post Disbursement

The complexity of many of the modalities used by Irish Aid can make it difficult to pinpoint how funds eventually reach the ultimate intended beneficiaries of funds and the accountability mechanisms at different stages of the system. This applies especially when working with Government partners or in arrangements where a large number of donors are providing funding. While programme staff that work on a day by day basis on the particular area of the programme may understand the flow of funds it is possible that other management staff may not be fully conversant with all aspects of the modality and attendant risks. The overall finding is that there are weaknesses in this area with insufficient elaboration of the flow of funds and structures around the management of complex modalities.

A detailed flow of funds diagram for each grant / partner is recommended that tracks funds from the initial disbursement through the various stages, including decision making processes, to final recipient/beneficiary that will allow for clear identification of areas of risk and will pinpoint how funds should be accounted for at each stage. This should also clearly indicate the role which Irish Aid plays within the structure.

5.5 Staffing Issues including Clarification of Roles and Responsibilities and Training

The nature of Irish Aid's Development Programme and in particular the partner country component is such that appropriate staffing is a key component of any system. This has been recognised by DCD management and considerable effort has been made to develop specialised development expertise across a number of disciplines at both HQ and at partner country level. However reduced resources at HQ and an increasingly competitive environment for qualified professionals in partner countries has made it more difficult to achieve the optimum staffing complement in terms of numbers and skills. Some countries have undergone significant levels of staff turnover and consequent vacancies for considerable periods. Key positions have remained unfilled with consequent heightening of risk. While management have attempted to be imaginative and innovative around addressing staff issues efforts have in some instances been hampered by administration procedures and possible misunderstanding of roles and inadequate devolution of decision-making to local level.

While day to day management of programmes is the responsibility of staff at country level there is considerable input from HQ at various and appropriate levels. Partner Countries Section interacts regularly with programmes especially in key areas of oversight, budget management, emerging risks and administration issues. Other sections of DCD such as Policy Planning and Effectiveness, Thematic and Special Programmes, Multi-Lateral, Development Education and Civil Society, etc also have quite regular interaction with management at country level. Finance, HR and Corporate Development Division also play active roles in decision making and support. While this works reasonably well there is need for clarification of roles and responsibilities and in particular clarification around what decisions can be taken at mission level without recourse to HQ.

Training for staff that are posted to the missions managing aid programmes is not significantly different from the training provided for staff posted to other missions. In particular specific training on programme and risk management is not provided in a structured manner. The nature of the Aid programme, the size of budgets and the different risk profile require that more specific training, especially in relation to programme and risk management, needs to be provided.

5.6 Role of Internal Audit

One of the features of the structures of the Irish Aid programme is the existence of the post of internal auditor at mission level. This is not a common feature with other donors[7] and is evidence of a strong focus on accountability by DCD management. Internal auditors at country level are locally recruited and all have relevant professional qualifications. These internal auditors primarily report at local level directly to the Head of Mission but also report on their work to the Evaluation and Audit Unit at HQ.

The work programme of the internal auditor is approved by both Head of Mission and E&A Unit. In recent years and in line with the evolution of the Aid Programme the internal auditor's work has included involvement in Public Financial Management (PFM) issues including systems review, participation in working groups addressing PFM reforms, and as advisor on risks around modalities that involve use of country systems. This extended role has sometimes developed in an unstructured way and the role of the internal auditor in relation to PFM responsibility often lacks clarity. This needs to be addressed. Two further areas for attention in relation to internal audit are:

- The reporting structures for the internal auditor both to HOM, HOD and E&A Unit need to be strengthened and more formal.
- Evaluation and Audit input and oversight of the work programme of the internal auditor needs to be more substantial.

[7] Most donors cover internal audit from HQ

5.7 Risk Management

The Department of Foreign Affairs and Trade has given considerable attention to the development of appropriate risk management systems in recent years, including the designation of a member of the Management Advisory Committee as Chief Risk Officer in early 2013. DCD as the largest spending Division in the Department has recognised the importance of appropriate risk management systems and has been carrying out work on the development of risk management systems appropriate to the particularities of Aid Delivery and has made considerable progress. However work to date has been more focused on higher level risks and risks at programme component or partner level need to be captured in a more structured way. Some countries are working on this and there has been sharing of concepts and approaches. Nevertheless further work needs to be done so that a more appropriate risk management and risk reporting system is in place at country level with particular emphasis on identifying the controls or risk mitigation strategies in place that are designed to manage the risk.

6. Recommendations

Recommendations in respect of each country are contained in the individual country assessments. Some of the recommendations are country specific and are addressed to management at country level. Others are applicable both to country and DCD management and these are summarised as follows:

1. Formal management systems, including monitoring and tracking systems need to be more fully established and better documented across all countries. To the extent possible, best practices from individual countries should be drawn upon.

2. Risk identification and reporting at programme component or partner level should be formalised within a common system and reporting structure. This should be aligned with the overall Department's risk management system and should address the recommendation on establishment of a risk dashboard system contained in the 2012 report of the C&AG. Particular emphasis needs to be given to clearly identifying ownership of risk, the internal controls in place, and ensuring that these controls are sufficient to manage the risks at different levels.

3. A diagrammatic flow of funds for all grants to partners should be prepared at country level that will clearly illustrate the flow of funds from initial disbursement to final beneficiary with the role(s) played by Irish Aid in any processes clearly explained. This will facilitate the clearer identification of risks and the necessary internal controls.

4. Contractual agreements with partners, including MOUs, need to be standardised to the greatest extent possible across the programme. Appropriate training for staff on the preparation and management of such agreements needs to be provided.

5. A review of the appropriate staffing complements should be carried out as part of the preparation of each CSP with clear identification of the skills required. While this is part of current CSP guidelines it needs a greater degree of prioritisation and detail within the CSP preparation process. Processes for selection of key senior mission staff should take account of the particular skills needed for management of significant budgets and risk, and appropriate training programmes as recommended at 7 below should be in place.

6. Policies in respect of replacement of staff that leave should be reviewed to minimise the length of time that vacancies exist. Policies in respect of salary levels for locally recruited professional staff need to be reviewed in the light of market realities in different partner countries.

7. Formal structured management training should be put in place for all staff that are designated for posting to countries managing aid programmes. This should be designed around the management systems that are recommended at 1 above,

8. Roles and responsibilities across different sections of DCD and missions relevant to the management and implementation of the Aid Programme need to be clarified with particular emphasis on decision making.

9. Internal Audit approach and work programmes at country level should be reviewed with a view to better definition of the work of the internal auditor, improving reporting structures and clearer links with the overall work programme of the E&A Unit.

Synthesis Report on Assessment of Internal Control and Risk Management Systems
Management Response

The recommendations in this synthesis report on the assessment of internal control and risk management systems are accepted by the Department of Foreign Affairs and Trade (DFAT). They build on those presented in each of the country reports while focusing on the Departmental requirements to enhance internal control and risk management systems. Implementation of the recommendations is included as a priority output in the DFAT Development Cooperation Division (DCD) 2014 Business Plan as well in the Business Plans from the Missions in Key Partner Countries (KPCs). While different business units across the Department will be required to lead on and provide input to implementing different recommendations a cross divisional task team will be established including representation from Missions to ensure that the recommendations are implemented coherently.

No	Recommendation	Management Response	Timeframe	Responsibility
1	**Management Systems** Formal management systems, including monitoring and tracking systems need to be more fully established and better documented across all countries. To the extent possible, best practices from individual countries should be drawn upon.	**Accepted**. DCD is initiating a process to establish more formal and structured management systems and standards. The cross divisional task team chaired by the Director of Partner Countries Section and including representation from Missions and from across the Department will set out the scope of work and implement a work plan to have more formal and structured management systems and standards established and better documented. The task team will draw on best practice from individual countries and will report on progress to the Senior Management Group (SMG) on a quarterly basis.	Task team in place and work plan (with overall timeframe) agreed by end of Q1 2014	DCD Director of Partner Countries Section, DCD Missions, SMG, Finance Division
2	**Risk Management** Risk identification and reporting at programme component or partner level should be formalised within a common system and reporting structure. This should be aligned with the overall Department's risk management system and should address the recommendation on establishment of a risk dashboard	**Accepted**. DCD is actively contributing to work already underway to strengthen risk management systems (including the development of a risk dashboard system) across the Department. Further efforts are being made to make risk management a more active part of business planning and senior management have committed to regularly	On-going	DCD, Strategy and Performance Division, Finance Division, Evaluation and Audit Unit and

	system contained in the 2013 report of the C&AG. Particular emphasis needs to be given to clearly identifying ownership of risk, the internal controls in place, and ensuring that these controls are sufficient to manage the risks at different levels	reviewing budgets, business plans and risk registers. DCD Mission risk registers feed into DCD's risk register which feeds into the high level Management Advisory Committee (MAC) risk register. The good practice identified in some of the KPCs assessments in developing risk profiles at organisational, programme modality and partner levels will be used to inform the work on strengthening risk management systems.		DCD Missions
3	**Flow of funds** A diagrammatic flow of funds for all grants to partners should be prepared at country level that will clearly illustrate the flow of funds from initial disbursement to final beneficiary with the role(s) played by Irish Aid in any processes clearly explained. This will facilitate the clearer identification of risks and the necessary internal controls.	**Accepted**. This recommendation is already being implemented across all Partner Countries with involvement from HQ to ensure clarity on the flow of funds and assurance that the necessary accountability mechanisms are in place. Based on experience and in developing standardised management practices guidance will be provided on what should be included in the flow of funds such as information required, governance arrangements, regularity of review, etc.	Mid 2014	Finance Division, DCD Missions and DCD Partner Countries Section
4	**Financing Agreements and MOUs** Contractual agreements with partners, including MOUs, need to be standardised to the greatest extent possible across the programme. Appropriate training for staff on the preparation and management of such agreements needs to be provided.	**Accepted**. Standard clauses for MOUs, annual financial and contractual agreements will be developed based on a review of current practice and templates and with involvement from the Department's Legal Division to ensure that what is put in place meets requirements while taking into consideration country contextual issues. Training on the preparation, management and monitoring of such agreements will be incorporated into the management training recommended in 7 below.	End 2014	Legal Division, Finance Division, DCD Partner Countries Section

5	**Staffing** A review of the appropriate staffing complements should be carried out as part of the preparation of each CSP with clear identification of the skills required. While this is part of current CSP guidelines it needs a greater degree of prioritisation and detail within the CSP preparation process. Processes for selection of key senior mission staff should take account of the particular skills needed for management of significant budgets and risk, and appropriate training programmes as recommended at 7 below should be in place.	**Accepted**. The review of capacity and skills required to implement Country Strategy Papers (CSPs) will be prioritised further as was done in the recently approved CSP for Ethiopia and will be applied in the forthcoming mid-term reviews of country programmes in Tanzania and Mozambique. In addition further emphasis will be given to this in the review of CSP guidelines which will be aligned with the timing in recommendation 1 above. The skills and experience of officers, including their ability to manage significant budgets and risk, is a key factor in decisions on their suitability for specific posts. Those assigned to DCD Missions where they will be responsible for managing significant budgets and risk will be provided with a structured management training programme as per recommendation 7 below as part of their pre-posting training.		DCD Missions, DCD Partner Country and Policy, Planning and Effectiveness Sections DFAT Corporate Services Division, Finance Division and DCD Corporate Services and Partner Countries Sections
6	**Staffing** Policies in respect of replacement of staff that leave should be reviewed to minimise the length of time that vacancies exist. Policies in respect of salary levels for locally recruited professional staff need to be reviewed in the light of market realities in different partner countries.	**Accepted**. A review of Partner Countries local staffing levels, available and desirable skills mix and retention issues (including salary levels) will be undertaken to identify if and what changes are required and to ensure consistency in approach across partner countries. A comprehensive new standard local staff employment contract will also be finalised and introduced	By end 2014 End Q1 2014	DFAT Corporate Services Division, DCD Corporate Services and Partner Countries Sections, DCD Missions

7	**Management Training** Formal structured management training should be put in place for all staff that are designated for posting to countries managing aid programmes. This should be designed around the management systems that are recommended at 1 above,	**Accepted**. A structured management training programme will be developed based on the standardised management systems in recommendation 1 above and building on a management training programme piloted for Heads of Development posted in 2013. This training programme will be made available for staff who are posted to DCD Missions where they will be involved in managing aid programmes. In addition DCD will liaise with SPD to ensure that a risk management training programme is rolled out for relevant staff (in particular management staff) across the DCD missions.	To start in 2014 and form part of overall training package offered for staff going on postings to KPCs	DFAT Training Unit, Finance Division, DCD Corporate Services, Policy, Planning and Effectiveness and Partner Countries Sections
8	**Roles and Responsibilities** Roles and responsibilities across different sections of DCD and missions relevant to the management and implementation of the Aid Programme need to be clarified with particular emphasis on decision making.	**Accepted**. Clarity on decision making processes along with the broader management responsibilities of different sections within DCD and Missions and the roles of positions within each Section / Mission will be further clarified as the Action Plan for the Department's new international development policy and the Foreign Policy Review are finalised.	End 2014	DCD SMG
9	**Internal Audit** Internal Audit approach and work programmes at country level should be reviewed with a view to better definition of the work of internal auditor, improving reporting structures and clearer links with overall work programme of the E&A unit.	**Accepted**. The work of the internal auditor at Mission level and the work of the internal auditor in reporting to HQ will be more closely aligned including improved reporting structures and will be reflected in business plans and role profiles for 2014.	Q1 2014 and Q1 annually thereafter	DCD Heads of Mission, Evaluation and Audit Unit, and DCD Partner Countries Section