8 Controls over humanitarian assistance funding

8.1 Official development assistance (ODA) is government aid that promotes and specifically targets the economic development and welfare of developing countries.[1]

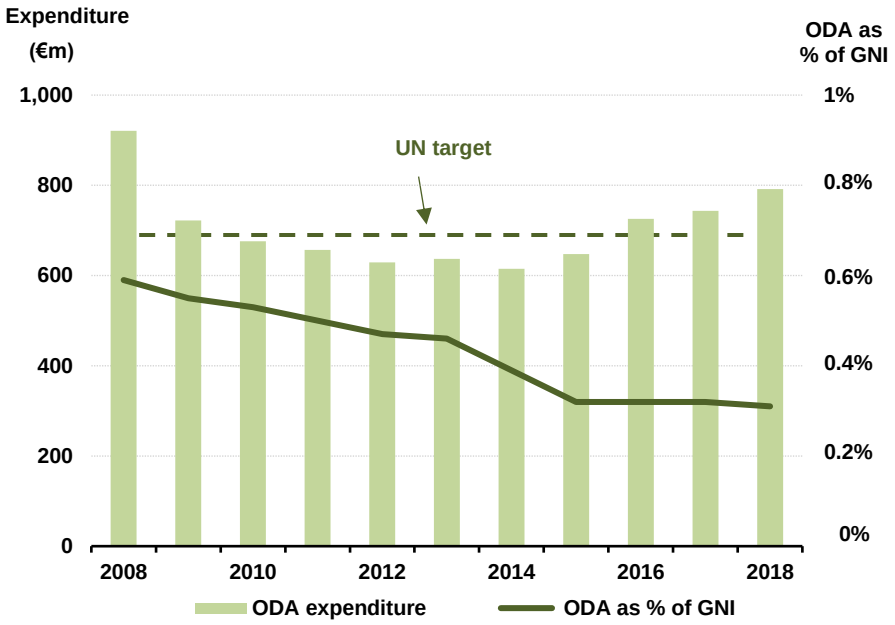
8.2 Irish Aid — funded under Vote 27 International Co-operation — is the Government's main programme for ODA, accounting for about two thirds of the funding provided by Ireland. The programme is managed by the Development Co-operation and Africa Division (DCAD) of the Department of Foreign Affairs and Trade (the Department).

Overall ODA targets

8.3 In 1970, the United Nations (UN) set a target for developed countries to contribute ODA equivalent to 0.7% of their Gross National Income (GNI) each year.[2] In 2005, the EU Council set a specific objective for member states to reach the UN target by 2015.[3] Ireland has since made a commitment to meet the 0.7% of GNI target by 2030.[4]

8.4 Figure 8.1 shows Ireland's annual expenditure on ODA over the last decade. In 2008, ODA totalled €921 million and represented nearly 0.6% of GNI. Between 2009 and 2014, there were consistent decreases in total ODA expenditure, and in ODA as a proportion of GNI. While total ODA expenditure has increased steadily since 2015, expenditure as a proportion of GNI has been relatively static. This is largely due to strong growth in the Irish economy resulting in higher GNI. In 2018, Ireland ranked number 12 (jointly with Iceland) among 29 OECD DAC donors, in terms of the share of its GNI contributed as ODA.[5]

Figure 8.1 Irish official development assistance, 2008 to 2018



Source: Expenditure — Irish Aid annual reports. %GNI — the Organisation for Economic Co-operation and Development. Analysis by the Office of the Comptroller and Auditor General.

1 Defined by the Development Assistance Committee (DAC) of the Organisation for Economic Co-operation and Development. Ireland is subject to regular peer review by the DAC. The next review is due to take place in September 2019.

2 UN General Assembly Resolution 2626 (XXV), 24 October 1970.

3 Council of European Union Meeting No. 2660, External Relations Council, Brussels, 24 May 2005.

4 *2030 Agenda and the Sustainable Development Goals* adopted by world leaders at the UN Summit in New York in September 2015.

5 *Irish Aid (draft) Annual Report 2018*, annex four. The final report is due to be published in October 2019.

8.5 Ireland's annual ODA budget allocation is approved by Government as part of the annual national budget setting process. The Department's annual allocation is discussed and reviewed by relevant divisions within the Department of Foreign Affairs and Trade, the DCAD Director General, the Department's senior management group, the Secretary General and the Minister.

8.6 The Department has stated that the budget allocation process takes account of overall policy objectives, international commitments and ongoing crises. For humanitarian aid, specific international appeals are also considered. An interdepartmental committee meets to review and discuss Ireland's total ODA covering all government departments. The committee members include representatives from the Department of Foreign Affairs and Trade, the Department of Finance and a number of other relevant departments.

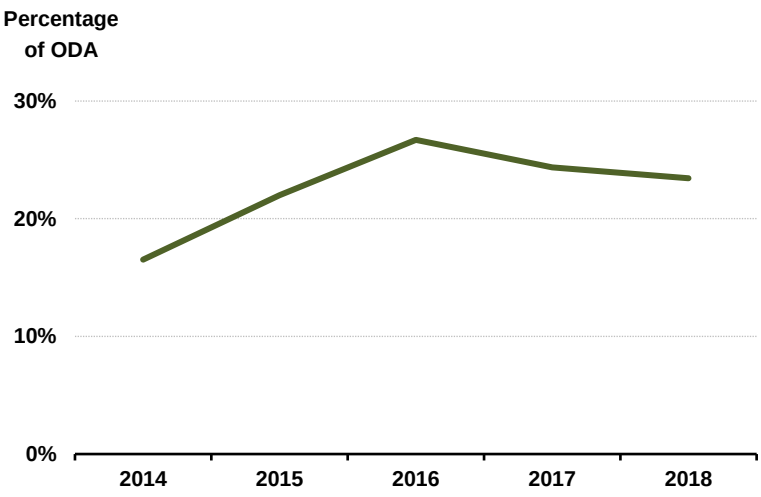
Humanitarian assistance

8.7 Humanitarian assistance is distinct from other development aid in that it is often reactive in nature e.g. in emergency situations, such as earthquakes, droughts, wars or political uncertainty resulting in refugee displacement. Such crises can be protracted and there may be a continuing need for humanitarian assistance over an extended period of time.

8.8 Responding to humanitarian crises is inherently difficult. Securing access to populations in need in areas of conflict can be one of the biggest challenges for humanitarian organisations.[1] Effective distribution of aid in such circumstances is challenging as timely provision of funds must be balanced with ensuring adequate control exists in respect of funds provided.

8.9 Humanitarian assistance currently accounts for almost a quarter of Irish ODA (see Figure 8.2).[2] It is deployed to meet humanitarian needs in many areas, including responses to the current crises in Syria and Yemen, as well as to continuing needs in South Sudan, Somalia, the Sahel and the Democratic Republic of Congo.

Figure 8.2 Humanitarian assistance as a percentage of overall Irish ODA, 2014 to 2018



Source: Department of Foreign Affairs and Trade. Analysis by the Office of the Comptroller and Auditor General.

1 This is particularly difficult in areas controlled by terrorist or non-government groups. In 2017, there were over 1,500 denials of requests for humanitarian access in various conflict zones.

2 Prior to 2015, the humanitarian assistance outturn figure reported by Irish Aid only included direct (i.e. bilateral) assistance provided. The Department has stated that following the adoption of its humanitarian assistance strategy in 2015, it began to more systematically capture and report on humanitarian spending from across the multilateral ODA programme.

Report focus

8.10 This report

- presents an overview of Ireland's expenditure on ODA with a particular focus on humanitarian assistance
- outlines Irish ODA funding since 2012 relating to the humanitarian situation in Syria
- describes the control framework established by the Department with the aim of ensuring that humanitarian funding reaches the intended recipients and is spent for the purposes intended.

8.11 The examination included a site visit to Jordan, to inspect a number of interventions funded by Irish Aid in response to the ongoing humanitarian crisis in Syria. The application of controls by the Department was tested in respect of the projects visited there.

Overview of official development assistance

8.12 About two thirds of Ireland's ODA in 2018 is accounted for through Vote 27. The remainder consists of

- Ireland's share of the EU development co-operation budget
- Ireland's contribution to the World Food Programme, the World Bank and other multilateral organisations
- payments to international bodies by other government departments.[1]

8.13 Irish ODA funding is comprised of two types of assistance.

- **Bilateral assistance** — this involves the provision of direct assistance to a developing country through a variety of channels, including governments of developing countries, non-governmental organisations (NGOs), international agencies, and partnerships with private agencies and missionary societies.
- **Multilateral assistance** — this involves contributions to international agencies, institutions or organisations that pool contributions from their member countries and apply them for development purposes.

8.14 Figure 8.3 provides an overview of how Ireland's ODA was applied in 2018 — a more detailed breakdown of the 2018 ODA outturn is set out in Annex 8A.

Figure 8.3 Ireland's ODA by type of assistance, 2014 to 2018

	2014 €m	2015 €m	2016 €m	2017 €m	2018 €m
Bilateral assistance	393	388	358	409	421
Multilateral assistance	197	230	337	306	342
Programme management and administration costs[a]	25	29	28	28	29
Total	**615**	**648**	**724**	**743**	**792**

Source: Department of Foreign Affairs and Trade

Notes: a Includes salaries of staff at Irish Aid headquarters and in key partner countries, consultancy fees to provide technical expertise and independent evaluation and audits, travel costs and chancery/residence costs.

b Any apparent differences in totals are due to rounding.

1 Contributions to ODA are made by the Department of Finance; the Department of Communications, Climate Action and Environment; the Department of Agriculture, Food and the Marine; among others (accounted for on their respective votes); and repayments by the Revenue Commissioners under the Charitable Donation Scheme in respect of qualifying donations to eligible charities and approved bodies.

Humanitarian assistance strategy

8.15 The objective of humanitarian assistance is to save lives, alleviate suffering and maintain human dignity following conflicts, shocks and natural disasters.

8.16 The overarching strategy for Irish humanitarian assistance is set by the Government's 2015 foreign policy[1] and its 2019 policy for international development.[2] Furthermore, effective delivery of humanitarian funding is consistent with the aims of the Government's 'Global Ireland 2025' strategy.[3]

8.17 The Department's humanitarian assistance policy, published in 2015, outlines specific objectives and the actions to be taken to achieve them.[4] The objectives include to

- provide predictable and flexible assistance, on a needs basis, in response to sudden onset, protracted and forgotten humanitarian crises
- emphasise actions focussed on gender issues, on protection and on targeting underfunded humanitarian crises
- link humanitarian and development actions so as to prevent, prepare for, support recovery from, and build resilience to man-made crises and natural disasters
- contribute to building an evidence base and improving outcomes through research, innovation, good practice and a focus on effectiveness and results.

8.18 Ireland is also party to a number of international agreements relating to development aid. In 2017, Ireland was one of more than twenty major donors to sign up to an international agreement. This agreement, referred to as the 'Grand Bargain', requires a series of changes to the working practices of donors and aid organisations with the overall aim of improving the predictability, effectiveness and quality of humanitarian funding.[5] The Grand Bargain includes commitments for donors and aid organisations in relation to

- less earmarking of donor funds and more multi-year planning and funding
- increased support for local and national responders, more cash-based schemes, thereby empowering affected people and increased participation, involving aid recipients in decisions affecting their lives
- greater transparency on the use of donor funding, less duplication and lower management costs, and harmonisation and simplification of reporting requirements.

8.19 In addition, the Irish Aid framework for action provides a basis for measuring performance and demonstrating accountability of the Irish Aid programme. It is used to ensure that the structures and systems are in place to provide for the effective delivery of planned results.

8.20 Expected results are outlined for each proposed humanitarian aid project during the assessment conducted as part of the Department's standard approach to grant management, which distinguish where possible between expected outputs and outcomes.

8.21 As part of the Department's standard approach to grant management, proposals for humanitarian funding are assessed against a range of criteria, including how they contribute to the humanitarian assistance policy and the Irish Aid framework for action. For example, one NGO's 2017/2018 programme of work was assessed as contributing to five out of Ireland's ten high level outcomes.

1 *The Global Island: Ireland's Foreign Policy for a Changing World*, Government of Ireland, 2015.

2 *A Better World: Ireland's Policy for International Development*, Government of Ireland, 2019.

3 *Global Ireland: Ireland's Global Footprint to 2025* (Government of Ireland, 2018) is a strategy aimed at doubling the scope and impact of Ireland's global footprint over the period to 2025.

4 *Ireland's Humanitarian Assistance Policy, 2015*. Details of the policy objectives and planned actions by the Department are provided at Annex 8B.

5 The Grand Bargain is an international agreement between large donors and humanitarian aid organisations. The agreement arose from a concept in a report of a high-level panel established by the UN Secretary General, entitled *Too important to fail — addressing the humanitarian financing gap,* January 2016.

Humanitarian assistance funding

8.22 Humanitarian assistance may be provided by the Department in one of three forms.

- ***Earmarked funds*** must be used by the recipient to deliver a specified programme of work agreed with the Department.
- ***Softly earmarked funds*** are restricted but to a lesser degree e.g. funds may be provided to an NGO for use in connection with a specific crisis or to a UN agency for application to a specific sector.
- There are no restrictions on the use of ***unearmarked funding***. Similar to other donors and in accordance with the principles of the Grand Bargain, Ireland has committed to increasing the proportion of humanitarian aid it provides in the form of unearmarked funding.

8.23 Ireland provided nearly €186 million in humanitarian assistance in 2018, of which €109 million (59%) may be categorised as bilateral assistance (see Figure 8.4). The remaining €77 million consisted of core support provided to a number of multilateral organisations.

Figure 8.4 Ireland's humanitarian assistance outturn, 2018

	€m
Bilateral assistance	
Crisis specific appeals	42.2
NGOs emergency response	18.1
Humanitarian assistance implemented through bilateral missions	17.5
Core funding to International Red Cross	11.1
EU facility for refugees in Turkey	6.9
Rapid Response Initiative	3.5
Humanitarian mine action	2.0
Gender and protection	1.5
Other areas	6.1
Sub-total	**108.7**
Core support to multilateral organisations	
UN agencies	47.9
European Union	28.3
Other	0.7
Sub-total	**76.9**
Total humanitarian assistance	**185.6**

Source: Department of Foreign Affairs and Trade

Note: a Any apparent differences in totals are due to rounding.

Figure 8.5 Ireland's key humanitarian partners, 2018

Source: Department of Foreign Affairs and Trade

8.24 In order to meet the most pressing humanitarian needs, and achieve the desired level of geographic and thematic coverage, the Department allocates grant funding to a diverse range of partner organisations, including partner governments, NGOs, UN agencies and multilateral organisations such as the World Bank. The key implementing partners for humanitarian funding are set out in Figure 8.5.

8.25 In addition, the Department recruits, trains, and maintains a roster of humanitarian experts, who can be deployed on short-term assignments of up to six months. Ireland also holds emergency supplies in six UN humanitarian response depots. These can be allocated quickly to partner organisations in the event of a sudden onset crisis.

Ireland's response to the crisis in Syria

8.26 The Department has stated that, prior to the outbreak of the Syria conflict,[1] Ireland's bilateral humanitarian assistance had mainly been focussed on crises in Africa. Over recent years, the civil war in Syria, as well as conflicts in Iraq and Yemen, has led to a significant increase in humanitarian need in the Middle East.

8.27 Since 2012, Ireland has provided over €118 million[2] in humanitarian assistance towards dealing with the Syria crisis, including €25.5 million in 2018 (see Figure 8.6). This represents Ireland's largest ever response to a single crisis. A large proportion of Ireland's funding to UN and International Red Cross partners in the region is unearmarked and is accordingly available for use by those organisations in accordance with their country and regional plans.

1 The conflict in Syria has caused an estimated 13.5 million people to be in need of humanitarian assistance. It has displaced over 11.5 million people: 6 million within Syria and 5.5 million displaced to neighbouring countries. The UN has classified it as a level 3 emergency, being the most severe category of large scale humanitarian crisis.

2 In addition to funding directly allocated towards the Syria crisis, Ireland provides core funding to many of the multilateral organisations responding to the crisis.

Figure 8.6 Syria crisis humanitarian assistance, 2012 to 2018

Partner	2012	2013	2014	2015	2016	2017	2018
	€m	€m	€m	€m	€m	€m	€m
UN agencies	1.4	8.0	6.5	8.3	7.9	5.5	8.8
Red Cross	0.4	1.5	2.0	1.8	3.5	1.5	2.0
NGOs	0.1	1.7	3.0	3.3	2.8	2.3	2.6
World Food Programme	—	—	1.1	0.7	6.4	6.0	6.0
Other[a]	—	—	2.5	—	4.9	10.2	6.2
Annual totals	**1.9**	**11.2**	**15.1**	**14.1**	**25.4**	**25.5**	**25.5**
					Overall total		**118.6**

Source: Department of Foreign Affairs and Trade

Notes: a Other humanitarian assistance includes Ireland's contributions to a multi-donor European regional development and protection programme and an EU facility for refugees in Turkey.

b Any apparent differences in totals are due to rounding.

8.28 The majority of Ireland's humanitarian assistance to Syria is managed by the Department of Foreign Affairs and Trade. Separately, as part of its annual core contribution to the World Food Programme (WFP), the Department of Agriculture, Food and the Marine has allocated a minimum of €6 million annually, since 2016, to the WFP's Syria Crisis response. All of the 2018 funding was used by the WFP in Lebanon. In December 2018, the Department of Agriculture, Food and the Marine signed a new strategic partnership agreement with the WFP for the period 2019 – 2021.

8.29 Ireland also contributes towards efforts to deal with the Syria crisis through its contributions to the UN Central Emergency Response Fund and to the EU general budget. Since the beginning of the Syria crisis, the European Commission has channelled approximately €1.2 billion to Jordan through humanitarian, development and macro-financial assistance.

8.30 Given the increased funding to the region, and the likelihood that the crisis would be protracted, in 2016, the Department created a new position of regional humanitarian advisor, based in Turkey. The Department has stated that this new role is the main control in which it has invested to protect its humanitarian spend in the region. It stated that the regional advisor undertakes regular site visits across the region, engaging with funding partners, following up on matters arising, engaging with other aid and political stakeholders and enhancing key working relationships. In relation to humanitarian aid in Jordan, the Department stated that the advisor has previously met all of Ireland's partners there and engages with them on an ongoing basis to monitor programme delivery. The advisor's job is to ensure that partners are delivering on agreed objectives. The regional advisor also sits on the advisory boards of three UN pooled funds in which Ireland invests.[1]

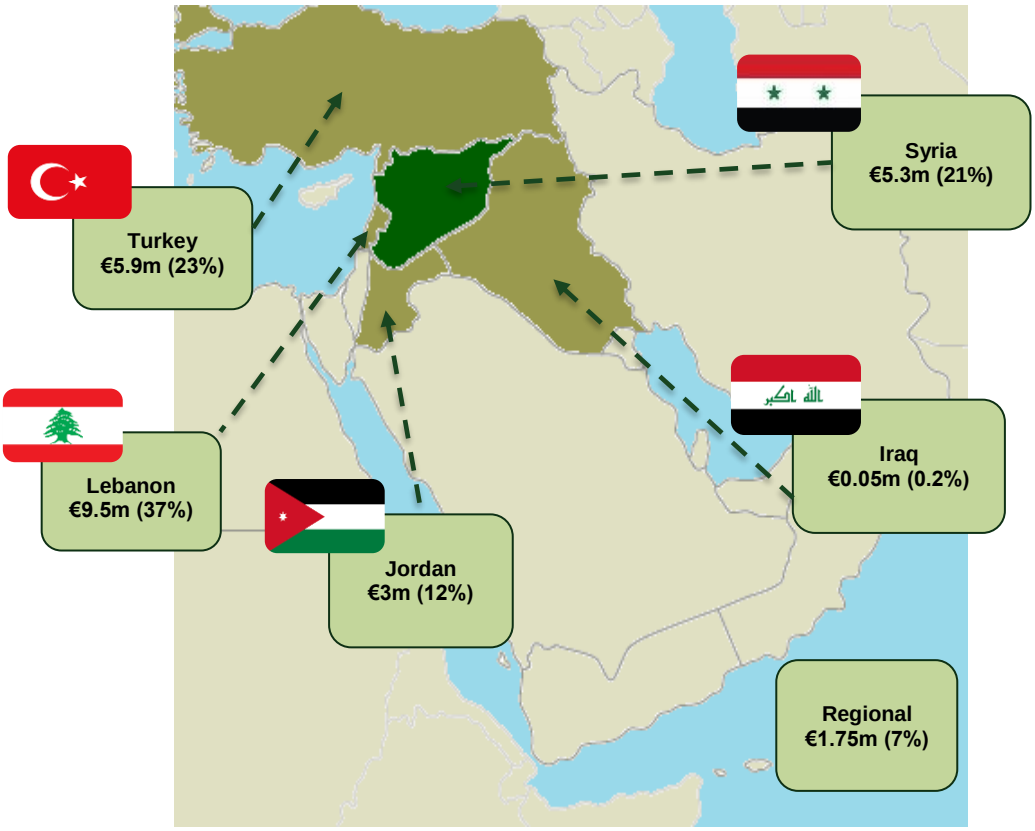
1 The Lebanon, Jordan and Turkey humanitarian funds.

8.31 In 2019, the Department opened a new embassy in Amman, Jordan, on foot of a decision made in 2017. The Department has stated that a key part of the embassy's mission is to provide additional oversight and monitoring of humanitarian aid in Jordan and the wider region, in a context where many of the UN and other international bodies have their regional humanitarian headquarters in Amman. The Department noted that the ambassador's significant development experience enables him to support its control function. The Department views the appointment of the advisor and the establishment of the embassy as significant investments in an enhanced control environment.

8.32 Humanitarian access to affected people in Syria is complicated by ongoing conflict, shifting frontlines, administrative and bureaucratic hurdles and violence along access routes. Departmental funding has focussed on supporting partnerships and programmes based in Syria and neighbouring countries such as Jordan and Lebanon, supporting Syrian refugees and host communities.

8.33 As illustrated in Figure 8.7, most of the Department's humanitarian support in 2018 was spent in neighbouring countries, rather than in Syria itself.

Figure 8.7 Breakdown by country of Irish Aid support to Syrian crisis, 2018



Source: Analysis by Office of the Comptroller and Auditor General

Note: a Any apparent differences in totals are due to rounding.

Grant management and control

8.34 In 2018, the Department rolled out a new standard approach to grant management (see the key stages at Figure 8.8) in response to the findings of an internal audit review of internal control and risk management systems.[1] The review had noted variations in the processes around disbursement of funds and in the monitoring and management of programmes across Department missions.

8.35 The Department states that all ODA funding is now allocated, monitored and evaluated using the standard approach, which has been applied to manage humanitarian assistance funding since 2018.

8.36 The Department's guidance material for the common grant management procedure specifies actions to be taken and the information and documentation to be available for each stage of the grant management cycle. It includes supporting templates and prompts managers and decision-makers to consider all potential projects, partners and funding decisions from the perspective of risk, results and financial accountability.

Figure 8.8 Key elements of the Department's grant management procedure

Stage	Key elements
Identification of projects and partners	▪ Consideration of the relevance of expected results, the suitability of the prospective partner and the Department's capacity (in terms of the available financial and human resources) to manage the grant.
Design and development	▪ Department supports partner to prepare a sound project/programme. ▪ Grant manager develops an understanding of the project/programme, the budget and the partner organisation and its performance history.
Appraisal and recommendation	▪ Manager documents assessment of the project/programme, the partner and associated risk. ▪ Grant manager issues recommendation on whether a grant should be awarded and, where relevant, sets out any conditions that should be included in the grant agreement and/or monitoring of the grant.
Approval	▪ Grant recommendation considered by budget holder and approved at an appropriate level.
Implementation	▪ Involves entering into a written agreement with the relevant partner organisation, processing grant payments and monitoring performance.
Completion and learning	▪ Involves accounting for and closing a grant file, noting results achieved and useful lessons learned.

Source: Department of Foreign Affairs and Trade

1 *The Assessment of Internal Control and Risk Management Systems in Key Partner Countries Synthesis Report,* February 2014.

Controls and assurance structures

8.37 Figure 8.9 provides an overview of the Department's control and assurance regime in place in respect of humanitarian assistance, distinguishing between earmarked funding and funding provided on a softly earmarked or unearmarked basis. Some of the controls and tests are common to all funding bases, while others are tailored to reflect the nature of the funding.

Figure 8.9 Overview of humanitarian assistance controls on earmarked and softly/unearmarked funds

Stage	Earmarked funds	Softly/unearmarked funds
Identification of projects and partners	▪ Assess potential contribution of project to objectives of humanitarian aid policy and Irish Aid framework for action.	▪ Assess fit between partner organisation's activity and objectives of humanitarian aid policy and Irish Aid framework for action.
	▪ Partners must declare any conflicts of interest and comply with relevant legislation and financial obligations, including avoidance of fraud and corruption. ▪ Assess partner's capacity for managing risk.	
	▪ Select partners with proven track record in similar types of crisis.	▪ Assess partner organisation's track record in effectively delivering aid, examine internal audit and other relevant published reports. ▪ Seek analysis and observations from Irish embassy (if any) in target country.
Design and development	▪ Develop an understanding of the project.	▪ Develop an understanding of the programme area.
Appraisal, recommendation and approval	▪ Document manager's assessment and recommendation. ▪ Record grant decision and, where relevant, set out any conditions that should be included in the grant agreement and/or monitoring of the grant.	
Implementation	▪ Written agreement in place, including any relevant conditions. ▪ Obtain receipts for funds transferred. ▪ Periodic progress reports/audits from partner organisations are reviewed by grant managers and may be supplemented by periodic monitoring visits.	
	▪ Expected outputs and outcomes specified in written agreement.	▪ For UN agencies, Ireland may participate in field visits organised for donors.
	▪ Department entitled to audit original documentation at offices of partner organisation.	▪ Department retains the right to conduct an evaluation on the activities funded out of its contributions.
Completion and learning	▪ Partner provides a final report/statement showing how funding has been applied and the outcome achieved. ▪ Closure note (documenting results, learning and risk) completed by the grant manager and signed off by the budget holder.	

Source: Department of Foreign Affairs and Trade

Site visit to Jordan

8.38 Jordan currently hosts more than 1.3 million Syrian nationals, including over 670,000 registered refugees, who face increasing vulnerability as their savings, assets and resources become exhausted. Individuals and families displaced from Syria now constitute 10% of the total population of Jordan. Jordan is also currently hosting over 90,000 refugees from other countries as well as over 2.1 million long-term registered Palestinian refugees. The World Bank estimates that hosting of registered refugees costs Jordan around €2.25 billion per year.

8.39 The examination team travelled to Jordan in April 2019 to inspect a number of humanitarian interventions funded by Irish Aid in response to the Syria crisis. The review encompassed examples of each of the three types of funding intervention used by Irish Aid in 2018. These related to

- Unearmarked — €750,000 in humanitarian funding to a UN agency supporting Syrian refugees in Jordan
- Softly earmarked — €500,000 provided to another UN agency for education projects for Syrian refugees in Jordan
- Earmarked — €233,000 for an NGO assisting conflict-affected children in a community education facility in Amman.

Unearmarked funding

8.40 The Office of the United Nations High Commissioner for Refugees (UNHCR) leads the refugee response in Jordan, coordinating and providing assistance in line with the Jordan Response Plan.[1] Irish Aid provided the UNHCR with total funding of €13.2 million in 2018, of which the agency applied €750,000 as humanitarian funding for Syrian refugees.

8.41 UNHCR operates a number of services in the Zaatari refugee camp in North Jordan, which is home to nearly 80,000 refugees. The supports provided in Zaatari Camp include education facilities and schools, a water and sanitation facility and a 12.9-megawatt solar power plant, the largest ever built for a refugee settlement. It also operates a refugee registration centre in Amman, the largest such facility in the Middle East. It relies on a biometric identification system which is used to distribute cash payments to refugees from enabled ATMs.

Softly earmarked funding

8.42 The United Nations International Children's Emergency Fund (UNICEF) is one of the largest recipients of Irish ODA funding. In addition to annual core funding of over €7 million, Irish Aid funds specific UNICEF humanitarian operations on a case-by-case basis. In 2018, Irish Aid provided a grant of €500,000 to UNICEF, softly earmarked for education projects for Syrian refugees in Jordan. One of the programmes supported provides financial incentives to keep children of refugees in the schooling system.

1 The *Jordan Response Plan to the Syria Crisis (2016 – 2018)* represents a three-year programme of high priority interventions to enable the Kingdom of Jordan to respond to the effects of the Syria crisis without jeopardising its own development trajectory.

Earmarked funding

8.43 NGO 1 aims to assist conflict-affected children and to support access to education for women and girls. It supports a community education facility in Amman, providing early childhood care and development for 3–5 year olds and informal education for adolescents. The facility is funded jointly by NGO 1 and a Jordan-based NGO. Since 2016, Irish Aid has provided grant funding of €576,000 to NGO 1, earmarked for projects in the community education facility in Amman.

Control observations from site visit to Jordan

8.44 The evaluation team assessed the extent to which key controls were applied by the Department in respect of the funding interventions inspected in Jordan. Figure 8.10 (over) summarises the results of that assessment.

8.45 It was found that the majority of controls had been appropriately applied by the Department in respect of the three funding interventions examined.

8.46 In relation to the softly earmarked grant, documentation retained by the Department in relation to the implementing partner (a UN agency) included a report on the Jordan country office conducted by the UN's Office of Internal Audit and Investigations in December 2017. The report identified two cases where subcontractors of the implementing partner had infringed labour market rules in Jordan. In response, the partner committed to ensuring that its subcontractors are aware of the rules and to strengthening its monitoring of contract compliance. Following the report, the partner provided the Department with a copy of its updated policy and details of related workshops that it had implemented. However, the examination team did not find evidence of the Department verifying that the partner had fully implemented the agreed actions arising from the December 2017 report, prior to awarding the grant in September 2018. Ireland, represented by Irish Aid, was a member of the implementing partner's executive board in 2017.

8.47 In relation to the earmarked funding, the examination found that the Department's appraisal documentation had noted, in 2016, potential operational issues in relation to the prospective partner's planned operations, as a result of the partner's inexperience in dealing with refugees in Jordan. While there is evidence that staffing matters were raised by the Department in a bilateral meeting with the prospective partner in June 2016, there is no documentary evidence of any specific assurance received by the Department in relation to the potential operational issues noted.

8.48 In cases where it provides earmarked funding, the Department reserves the right to conduct audits of original documentation at the offices of the partner organisation. It was noted that no such audits have taken place in Jordan. The Department informed the examination team that no such audits were carried out by the Humanitarian Unit during 2018 in respect of any projects. The Department stated that such audits are carried out on a risk basis, in cases where it has indications of potential issues.

Figure 8.10 Application by Department of key controls for sample projects, 2018

	Partner organisations		
	UNHCR	**UNICEF**	**NGO 1**
Irish Aid funding in 2018	**€750,000**	**€500,000**	**€233,067**
Funding basis	**Unearmarked**	**Softly earmarked**	**Earmarked**
Identification of projects and partners			
Clear link between project and Department's trategic objectives	n/a	n/a	●
Partner selection process	●	●	●
Evidence of Department's consideration of relevant findings from UN internal audit reports	●	●	n/a
Evidence of risk assessment undertaken	●	●	●
Appraisal, recommendation and approval			
Record of grant decision made	●	●	●
Grant approved at appropriate level	●	●	●
Implementation			
Written grant agreement in place	●	●	●
Expected project results specified	n/a	n/a	●
Payment receipts on file	●	●	●
Progress reports received from partner organisation as per agreement	n/a	n/a	●
Completion and learning			
Final report received from partner organisation as per agreement	n/a[a]	n/a[a]	●

Source: Analysis by the Office of the Comptroller and Auditor General

Notes:
a In accordance with the grant agreements, final financial statements are not yet due from the partner organisations.
b ● Control applied
● Minor control issue noted
● Significant control issued noted

Conclusions and recommendations

8.49 Given the level of humanitarian assistance expenditure, as well as the acute needs of intended beneficiaries, robust control and assurance procedures are key to ensuring that funds are used for the purposes intended and that positive results are achieved. In 2018, the Department completed the rollout of a new standard procedure for grant management in order to ensure a common approach across its different programmes and locations.

8.50 The critical controls over unearmarked and softly earmarked funding are those applied at the partner identification stage. Once such grants have been awarded, the Department does not control how the funding is used by the recipient. It will receive a retrospective financial statement showing how the funding was applied, but this may be some time after completion of the programme activity period. As unearmarked and softly earmarked funding is generally applied by partner organisations to large programmes already in operation, it is often not possible to directly attribute results (e.g. beneficiary numbers or specific outcomes) to the Irish Aid contribution.

8.51 For earmarked funding, the Department is in a position to exercise more control at project implementation stage and it is easier to evaluate whether expected project outcomes are actually being achieved.

8.52 The examination team found that the majority of controls had been appropriately applied by the Department in respect of the three funding interventions inspected in Jordan.

8.53 Where earmarked funds are provided, the Department reserves the right to carry out an audit of original documentation in support of grant requests, held at the offices of the implementing partner. The Department has procedures in place for monitoring financial statements submitted by partner organisations. Audits in funded agencies are only conducted in circumstances where this analysis highlights problems or there are other indicators of concern.

Recommendation 8.1

The Department should undertake a limited number of planned audits each year, to verify information reported by selected humanitarian assistance partners in receipt of earmarked funding and to check original documentation supporting financial returns.

Accounting Officer's response

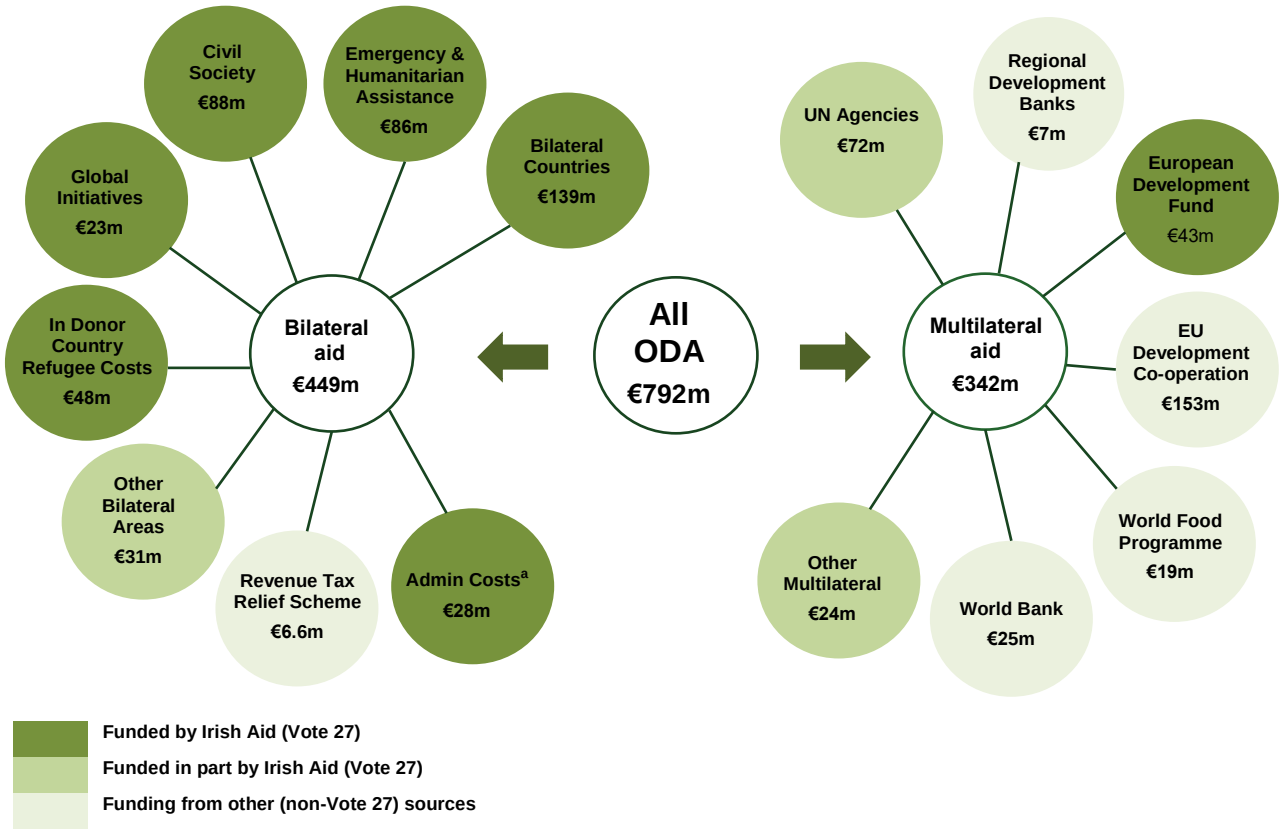
The recommendation is partly accepted.

On an overall basis, the Department will consider conducting some audits of partners in receipt of earmarked funding. This consideration will be informed by the Department's ongoing risk assessment. That risk assessment will be informed in large part by the ongoing monitoring arrangements which the Department has put in place, including the deployment of a full time regional humanitarian advisor.

The Department will continue to actively manage the process of assessing the adequacy of partners' own systems of oversight and assurance, including internal and external audit. This includes amending procedures as required to ensure that necessary assurance regarding partners' management and execution of Irish Aid funding is received, including clear flow of funds for given earmarked grants.

Annex 8A

Figure 8A.1 Overview of Ireland's ODA in 2018



Source: Department of Foreign Affairs and Trade

Notes:
a Vote 27 administration costs include salaries of staff at Irish Aid HQ and in key partner countries, consultancy fees to provide technical expertise and independent evaluation, travel costs and chancery/residence costs.
b Any apparent differences in totals are due to rounding.

Annex 8B

Figure 8B.1 Ireland's humanitarian assistance policy objectives, 2015

Policy objectives	What the Department will do
To provide needs-based humanitarian assistance in a way that is predictable and flexible to respond to sudden onset, protracted and forgotten humanitarian crises	▪ Channel funding through trusted partners ▪ Categorise needs to inform decisions ▪ Pay attention to forgotten/neglected crises ▪ Support local capacities ▪ Ensure accountability to affected communities ▪ Focus on vulnerable groups ▪ Increase funds aimed at preventing sexual violence ▪ Support rapid response corps ▪ Continue to stockpile relief material ▪ Provide pre-positioned funding
To demonstrate Ireland's leadership and partnership for effective international humanitarian action with a particular emphasis on gender, protection and on targeting forgotten and underfunded humanitarian crises	▪ Follow good humanitarian donor principles ▪ Promote principled humanitarian action ▪ Support the European Consensus on Humanitarian Aid ▪ Advance commitment to gender and protection ▪ Support the transformative agenda ▪ Work to improve donor coordination and financing mechanisms ▪ Fulfil commitments under the National Action Plan on Women, Peace and Security ▪ Contribute to global emergency response ▪ Review stockpiled materials
To link Ireland's humanitarian and development approaches so as to prevent, prepare for, support recovery from, and build resilience to, man-made crises and natural disasters	▪ Ensure complementarity between humanitarian and development efforts ▪ Tackle root causes of vulnerability ▪ Adopt a disaster risk reduction, early recovery and resilience approach where appropriate ▪ Support the implementation of the EU's Action Plan for Resilience in Crisis Prone Countries ▪ Deliver on the objectives of the Rapid Response Initiative ▪ Support early warning systems linked to early response ▪ Support joint humanitarian and development of context specific analysis ▪ Provide flexible funding ▪ Ensure disaster risk reduction is a core element of development programming

Policy objectives	What the Department will do
To contribute to building a humanitarian evidence base and improving humanitarian response through research, innovation, good practice and a focus on effectiveness and results	▪ Base funding decisions on evidence based analytical processes of need ▪ Funding decisions will be informed by a robust appraisal mechanism ▪ Support research and innovation ▪ Promote and invest in humanitarian standards ▪ Support research and good practice in protection of women and girls ▪ Track and communicate results ▪ Use evidence to inform international policy dialogue ▪ Work with parliamentarians to shape international humanitarian policy ▪ Use of the World Humanitarian Summit to produce a coordinated Irish response

Source: Department of Foreign Affairs and Trade, Humanitarian Assistance Policy, 2015