

COUNTRY OFFICE AUDIT

INTERNAL AUDIT REPORT  
UN WOMEN COUNTRY OFFICE  
IN UGANDA



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**INDEPENDENT EVALUATION AND AUDIT SERVICES (IEAS)**

Internal Audit Service (IAS)

UN WOMEN

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# EXECUTIVE SUMMARY

## Audit objective and scope

The UN Women Internal Audit Service (IAS) of the Independent Evaluation and Audit Services (IEAS) conducted an internal audit of the UN Women Country Office (CO) in Uganda from June to August 2019, with a mission to the CO from 10 to 21 June 2019. The audit aimed to assess the adequacy and effectiveness of the governance arrangements, risk management practices and control processes relating to the following areas and subareas:

- **Strategic priorities, programmes and project management:** strategic priorities, programme and project management, coordination of gender mainstreaming, advocacy and resource mobilization.
- **Governance, risk management and internal control system:** office structure and delegations of authority, control environment, risk management, internal control system, data quality and implementation of prior audit recommendations.
- **Operations:** implementing partners, human resources, finance, procurement, information and communication technology, travel, and safety and security.

The audit covered the state of governance, risk management and internal controls based on a sample of CO activities from 1 January 2017 to 30 April 2019, and US\$ 13.5 million recorded in expenditure.

IAS followed the *International Standards for the Professional Practice of Internal Auditing* in conducting this audit.

## Audit opinion and overall audit rating

IAS assessed the state of governance, risk management and internal controls in the CO as **Satisfactory** meaning that *“The assessed governance arrangements, risk management practices and controls were adequately established and functioning well. Issues identified by the audit, if any, are unlikely to affect the achievement of the objectives of the audited entity/area”*.

At the same time, IAS identified areas of improvement needed in:

- **Strategic priorities, programmes and project management:** finalizing a coordination strategy for gender mainstreaming, strengthening results-focused project management, programmatic monitoring and reporting arrangements.
- **Governance, risk management and internal control system:** optimizing office capacity and structure, and improving risk management.
- **Operations:** expediting recruitment of vacant posts, adhering to HR and procurement policies and controls, testing/updating disaster recovery and business continuity plans, and safeguarding capital assets by tagging and tracking them in a timely manner.

IAS made 10 recommendations to address the above areas for improvement, one of which was ranked high priority and nine Medium priority.

The High (Critical) priority recommendation means that *“prompt action is required to ensure that UN Women is not exposed to high risks. Failure to take action could result in major negative consequences for UN Women.”* This related to addressing the following issues:

- Ensuring the sustainability of projects is clearly defined in Project Documents; that IPs and government partners are aware of their roles and responsibilities in sustaining results, once UN Women funding is over; and formulating adequate exit strategies to ensure the sustainability of results.

The **nine Medium (Important)** priority recommendations mean that *“action is required to ensure that UN Women is not exposed to risks. Failure to take action could result in negative consequences for UN Women”*. These recommendations focused on improving data collection and validation, aligning programmatic delivery with financial delivery, expediting the recruitment process for high number of vacant posts, improvements in risk management process, implementing partners management, human resources and procurement functions.

## Management comments and action plan

The Representative accepted all recommendations with a few clarifications. The Representative is already in the process of implementing the recommendations.

Low priority issues are not included in this report but were discussed directly with management and actions have been initiated to address them.



Lisa Sutton, Director

**Independent Evaluation and Audit Services**

## ACRONYMS AND ABBREVIATIONS

<b>AWP</b>	<b>Annual Work Plan</b>
<b>BCP</b>	<b>Business Continuity Plan</b>
<b>CO</b>	<b>Country Office</b>
<b>CSO</b>	<b>Civil Society Organization</b>
<b>DRF</b>	<b>Development Results Framework</b>
<b>DRP</b>	<b>Disaster Recovery Plan</b>
<b>DSA</b>	<b>Daily Subsistence Allowance</b>
<b>EVAW</b>	<b>Ending Violence Against Women</b>
<b>IAS</b>	<b>Internal Audit Service</b>
<b>IEAS</b>	<b>Independent Evaluation and Audit Services</b>
<b>IP</b>	<b>Implementing Partner</b>
<b>LTA</b>	<b>Long-Term Agreement</b>
<b>M&amp;E</b>	<b>Monitoring &amp; Evaluation</b>
<b>NDP</b>	<b>National Development Plan</b>
<b>OEEF</b>	<b>Organizational Efficiency and Effectiveness Framework</b>
<b>PPG</b>	<b>Policy, Procedure and Guidance</b>
<b>RFQ</b>	<b>Request For Quotation</b>
<b>RMS</b>	<b>Results Management System</b>
<b>SC</b>	<b>Service Contract</b>
<b>SLA</b>	<b>Service Level Agreement</b>
<b>SN</b>	<b>Strategic Note</b>
<b>SSA</b>	<b>Special Service Agreement</b>
<b>ToR</b>	<b>Terms of Reference</b>
<b>UNCT</b>	<b>United Nations Country Team</b>
<b>UNCT-SWAP</b>	<b>United Nations Country Team System-Wide Action Plan</b>
<b>UNDAF</b>	<b>United Nations Development Assistance Framework</b>
<b>UNDP</b>	<b>United Nations Development Programme</b>

## I. BACKGROUND INFORMATION

### About the Country Office

UN Women has had a Country Office (CO) in Uganda since 2014. Its portfolio increased considerably in 2019 as a result of resource mobilization efforts and receipt of funding to support the CO's Strategic Note (SN). The increase in portfolio contributed significantly to the increase in programming for Ending Violence Against Women (EVAW).

The CO is collocated in the World Food Programme compound in Kampala, Uganda. Suboffices are positioned in Moroto, Gulu and Adjumani.

At the time of the IAS mission in June 2019, the CO employed 37 personnel and listed 21 vacant posts. Seven posts were funded by Institutional Budget (IB), core and extra budgetary funding, while the remaining 51 posts were funded by non-core (project) funds.

At the time of the IAS mission, the CO had 31 projects with a total budget of US\$ 14.8 million. The total delivery as at 2 December 2019 was 7.6 million with a delivery rate of 54 per cent.

The SN for 2016–2020 was developed with the assistance of ESARO and headquarters and focused on six results areas:

- (i) women lead and participate in decisions at all levels;
- (ii) women, especially the poorest and most excluded, are economically empowered and benefit from development;
- (iii) women and girls live a life free from violence;
- (iv) peace and security and humanitarian action are shaped by women's leadership and participation;
- (v) governance and national planning fully reflect accountability for gender equality commitments and priorities; and
- (vi) global normative and policy frameworks for gender equality and women's empowerment are strengthened and implemented.

As at 2 December 2019, the CO's actual budget for 2019 was US\$ 14.16 million, which was more than 200 per cent of the 2018 budget (US\$ 6.42 million).

The CO's budget and delivery are summarized in Table 1 below:

Table 1: Budget and delivery 2018 and 2019, US\$ (millions)

	<b>2018</b>	<b>2019</b>
OEEF budget target	2.1	3.1
OEEF actual budget	1.61	2.39
OEEF delivery	1.19	1.74
DRF budget target	4.7	13.08
DRF actual budget	4.81	11.77
DRF delivery	4.88	5.87

Source: Results Management System (RMS) 2 December 2019.

## II. AUDIT RESULTS

### A. Strategic priorities, programme planning and implementation

The SN for Uganda covered 2016–2020 to align with the United Nations Development Assistance Framework (UNDAF) and National Development Plan (NDP) II. The CO's budget increased considerably during this period. The CO's resource mobilization efforts resulted in it receiving funding for the SN, in addition to non-core funding for various projects.

The CO's programmes and projects were mainly funded by key donors and joint UN programmes. Two donors provided support through funding the SN.

As at 2 December 2019, according to the CO management the CO delivery rate for 2019 was 54 per cent. This appears to suggest that the CO is under pressure to absorb the increased funding received.

Several stakeholders interviewed by IAS confirmed that the CO understood its specific role in the country and addressed their expectations through its advocacy and communications work.

The following areas required some improvement: data collection and validation; and correlation between programmatic and financial delivery. The issues identified include recommendations to: (a) better define data collection and validation processes; and (b) develop well-defined exit strategies for projects.

### KEY ISSUES AND CONCLUSIONS

#### **Issue 1: Formalizing a coordination strategy for gender mainstreaming to consolidate the CO's efforts**

The CO led the coordination of gender mainstreaming in the country through its participation in key thematic groups. It was also actively involved in the UNDAF and NDP II formulation process to ensure that the UNDAF included a dedicated outcome for gender and mainstreamed gender in other outputs. The CO provided support to the government and civil society organizations (CSOs) in developing and implementing the country's gender equality policies, priorities and programmes which were endorsed by key partners.

The CO led the Gender and Human Rights Thematic Group and was secretariat of the Gender Development Partners Group and an active member of the government's Social Development Sector Group. Both the UN Gender Thematic Group and UN Gender Advisory Group's workplans for 2019 included detailed activities and budget.

The CO had made attempts to achieve gender parity in the office: at the time of audit, the number of female staff was greater than male staff. Overall, IAS observed that the CO had met or exceeded most of the United Nations Country Team System-Wide Action Plan (UNCT-SWAP) Gender Equality Scorecard requirements.

While the UNCT in Uganda had not begun to assess the requirements in the UNCT-SWAP Scorecard, it planned to assess the requirements with the new United Nations System Development Cooperation Framework (UNSDCF) and NDP III to be rolled out in 2021. IAS encourages the CO to lead the UNCT-SWAP Scorecard assessment as part of its role in the Gender Thematic Group and include this initiative in the workplan for the gender group.

As part of the new UNSDCF UN Women conducted sectoral studies and engaged with relevant actors to facilitate the Common Country Assessment. The CO conducted a gender training session for UN Agencies focal points involved in the process.

IAS encourages the CO to continue with proactive coordination efforts while noting that the CO had yet to formalize its gender coordination strategy to consolidate its current efforts and ensure its sustainability and proper resourcing.

*IAS advises the Representative to consolidate the CO's ongoing efforts into a gender coordination strategy and lead the UNCT-SWAP scorecard assessment as planned.*

#### **Issue 2: Improving management of projects funded through the SN**

The 2016–2020 SN was in line with the UNDAF and NAP II, the Sustainable Development Goals and the



Annual Work Plan (AWP) for the year. The UNDAF and NAP II were developed during the same timeframe and the Deputy Representative participated in both working groups in order to align the SN with the UNDAF.

In Uganda, some donors were funding the CO's SN and outcomes of the Development Results Framework (DRF) and Organizational Efficiency and Effectiveness Framework (OEEF). The CO used these funds to implement projects which ultimately supported SN outcomes and priorities. In the absence of specific corporate guidelines on how to use unearmarked funds in such a situation, the CO used the SN as a Project Document for these projects instead of developing individual Project Documents with agreed donor results and resource frameworks. As raised in one of the stakeholder interviews, use of resources for these projects were not sufficiently covered in the certified financial reports. Moreover, IAS observed that some of the targets in the SN/AWPs seemed ambitious considering the financial allocation against outputs. This was also observed by the mid-term evaluation of the SN, which recommended that robust and SMART indicators should be established to adequately measure performance and to efficiently articulate achievements and lessons learned into programme feedback and improvements. The CO recruited a Monitoring and Evaluation (M&E) Specialist to address this recommendation.

*IAS has already raised a corporate recommendation with UN Women headquarters on developing guidance for situations where COs receive unearmarked funding for their SN (IAS Report 2019/001) and therefore makes no further recommendation in this report.*

### **Issue 3: Improving data collection and validation**

CO management was making reasonable progress in (a) implementing the SN and AWP; and (b) reporting results against both the SN and AWP in the Quarterly and Annual Reports and UN Women's Strategic Planning in the relevant corporate systems.

The CO primarily worked through implementing partners (IPs) and relied on data collected from IPs for reporting purposes. IAS observed that the CO did not always have a strong data collection and validation process to ensure the accuracy and robustness of the data. This was in part due to the absence of an M&E Specialist during 2018 and the number and geographical spread of IPs. External stakeholders interviewed raised some concerns about data collection and validation, stating that programmatic reporting was more activity based than results-focused

and financial monitoring of IPs could be improved.

The need for more structured and formalized programmatic and monitoring of IPs is discussed later in this report.

### **Recommendation 1 (Medium):**

The Representative, in consultation with the M&E Specialist, to develop a process for data collection and validation to ensure that data is accurate and adequate. The M&E Specialist, as an independent function from project managers, should validate data through monitoring missions or other supporting evidence.

### **Issue 4: Lack of a well-defined exit strategy in project design**

The projects sampled as part of the audit had well designed Project Documents, except for projects funded at SN level (see Issue 2) where the SN 2016–2020 served as the project document. However, the projects reviewed did not always have a well-defined exit strategy to ensure that the planned results were sustainable after project closure. IAS noted that although project designs had a standard provision for sustainability, it was often not clearly defined to include the roles, responsibilities, resources and planned actions during the project closure and transition of its results.

The CO commented that it was not always possible to guarantee commitment to continue projects once funding from UN Women had stopped, even though the CO had synchronized its SN and related workplans with the government's five-year plan. This challenge, however, was not elaborated as a project risk and had not been monitored during implementation. Of the projects reviewed, only one project had some provision for sustainability along with planned actions.

### **Recommendation 2 (High):**

The Representative to:

- Ensure that sustainability of projects is clearly defined in Project Documents with concrete plans of action.
- Ensure that IPs and government partners are aware of their roles and responsibilities in sustaining results, once UN Women funding is over.
- Formulate adequate exit strategies (that can be adjusted during project implementation) to ensure the sustainability of results, especially in a situation

where the next phase of a project is not funded.

### **Issue 5: Programmatic delivery needs to be aligned with financial delivery**

The projects reviewed by IAS were generally on schedule due to multiple monitoring activities conducted either by UN Women, independently or jointly with partner, and/or donor representatives. There were only a few exceptions which were partly due to the growth in the CO's programme portfolio.

IAS noted several risks related to the CO's monitoring and reporting process:

- High turnover and vacancies in the Programme Section was affecting monitoring and reporting on programmatic delivery. Some team leader posts were vacant and were being covered by Special Service Agreement (SSA) holders. The use of non-staff personnel should be a temporary solution as their eventual separation from UN Women can affect the continuity of monitoring for outstanding project issues. The CO had already started actions to convert some non-staff personnel into fixed-term appointments (FTAs) as funding allowed.
- IAS also noted that IPs were using non-staff personnel (volunteers, interns) for monitoring purposes who may not have the required experience.
- In a few cases, the monitoring frequency or modality was not under the CO's control, e.g. when a government entity was the IP. In lieu of regular monitoring, meetings were held with responsible ministries.

Up to date information related to programmatic delivery was not always aligned with financial delivery because while financial delivery was monitored on a quarterly basis mainly focusing on liquidation of cash advances, programmatic delivery was monitored according to the Monitoring, Evaluation and Research Plan (MERP) which mainly focused on implementation of activities and did not always capture important milestones *vis-à-vis* workplans. These two activities were not always aligned to ensure cost-effectiveness.

As at 2 December 2019, according to CO management, the CO actual delivery rate for 2019 was 54 per cent. This appears to suggest that the CO's resources were under pressure to absorb the increased funding. This was further aggravated by the significant number of vacancies at the CO (21 at the time of audit).

### **Recommendation 3 (Medium):**

The Representative to establish mechanisms to:

- Ensure that project design and documents clearly and specifically state timeframes for the completion of results and the means of collecting data and measuring results, linking them with financial delivery. The M&E Specialist/function should be involved in certifying the quality of results frameworks in Project Documents.
- Proactively monitor and address delivery rates to avoid significant implementation delays.

## B: Governance, risk management and internal controls

The CO had developed a new structure to ensure it could deliver its strategic priorities and programmes in an efficient manner. This new structure was aligned to the increased funding of its programme.

The organization chart showed 58 posts, including the Country Representative and Deputy Representative, 38 Programme and 18 Operations personnel. At the time of audit, 21 posts were vacant. The CO was following UN Women's standard Internal Control Framework, delegation of authority and risk management approaches.

Management of the control environment, state of internal controls and prior years' audit recommendations was satisfactory. The areas related to organizational structure and risk management needed some further improvements as reported below.

### KEY ISSUES AND CONCLUSIONS

#### **Issue 6: Expediting recruitment for a high number of vacant posts**

CO management had elaborated a clear concept of the staffing and technical support that it considered was needed to deliver its priorities and planned programmes. This was reflected in a revised CO organization chart.

Due to successful resource mobilization efforts, the CO experienced extensive funding growth in 2018 and 2019 and as a result the CO was working to expand its staffing and structure to deliver on new projects. At the time of audit, 21 of 58 posts were vacant, mainly in the Programme Unit. The CO faced challenges in terms of programme delivery in part because some of the key posts in the Programme Unit were vacant. The CO had developed a recruitment plan but there were delays as the CO relied heavily on UNDP to complete the recruitment process, while UNDP was unable to provide enough support in shortlisting and composition of interview panels. Delays were reported in the clearance process of establishing new positions by headquarters. UN Women headquarters indicated that administration of this Service Level Agreement (SLA) is under the authority of the Representative.

#### **Recommendation 4 (Medium):**

The Representative to:

- Expedite implementation of the recruitment plan and finalize the onboarding and induction plan for new joiners to ensure that required staffing capacity is in place to deliver the CO's planned programmes.
- Engage with UNDP, in consultation with HR at headquarters, and develop systems and protocols for effective and timely recruitment.

#### **Issue 7: Risk identification and management needs improvement**

Risk management is a critical element of effective governance. According to the UN Women Enterprise Risk Management (ERM) policy, risk owners are expected to, *inter alia*, monitor risks and their mitigating actions and periodically update and report on the implementation of response plans.

The CO's risk register in the risk management system in OneApp did not fully reflect all risks and mitigating actions listed in the manual risk register; therefore, key risks were not fully visible to senior management in headquarters and the Regional Office. Moreover, while individual project-related risks were sometimes captured as part of the Project Document, they were not analyzed, discussed and monitored throughout the project cycle.

The risk relating to protection of sensitive data by IPs had not been captured, which is an inherently high risk due to the operating environment.

As preventive measures, the CO had provided multiple awareness training sessions on fraud and corruption to CO personnel and IPs. Although the CO had systems and mechanisms in place to prevent and detect fraud, the risk register did not sufficiently identify and list mitigating actions for fraud-related risks in procurement and misuse of assets. .

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**Recommendation 5 (Medium):**

The Representative to ensure that risk management is embedded in CO management decision-making and risks are proactively identified, mitigated and reported to senior management in a timely manner, including project specific risks.

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## C. Operations

As at June 2019, the CO had 15 Fixed Term Appointments (FTAs), 16 Service Contracts (SCs) and 6 United Nations Volunteers (UNVs). In addition, during the audited period, the office used short-term consultants. The CO raised 833 purchase orders amounting to US\$ 2.9 million from 1 January 2018 to 30 April 2019. As of 20 June 2019, the CO had 106 assets costing US\$ 611,000 and with a net book value of US\$ 230,000.

Operational processes and corresponding controls in accounting, financial and travel management were established and functioning satisfactory. Some improvements were needed in IP management, procurement, human resources, Information and Communication Technology, assets and security.

### KEY ISSUES AND CONCLUSIONS

#### **Issue 8: Selection of IPs and management of cash advances needs improvement**

In general, IPs were adequately managed despite some requests for no-cost extensions. In particular, the Local Project Appraisal Committee (LPAC) was thorough in its review of IPs' written proposals and the CO had a policy of only extending projects with IPs once all activities and reports had been delivered and the cash advances liquidated. However, the following issues were noted:

##### IP selection was not always competitive

In one case, previous senior management did not consider the evaluation panel's decision to award a contract based on a competitive process through a Call for Proposal (CFP). Instead the contract was directly awarded to another Non-governmental Organization (NGO) which did not submit a proposal through the CFP. Current management is fully aware of the potential risks of overriding evaluation panel decisions and no other similar incident was noted.

The CO did not have a roster of pre-qualified IPs.

##### Partner advances monitoring needs to be supported

Monitoring was regularly carried out as scheduled: quarterly or biannually as per the Project Cooperation Agreement (PCA) and other agreements. The CO recognized that the process of financial checking could be improved by risk profiling of IPs instead of 100 per cent verification of expenses. In addition, IAS suggests better documenting existing financial verification processes to demonstrate due diligence which will contribute to minimizing the findings arising from partner audits. For example, in 2018 four projects had financial findings, including lack of, or insufficient, supporting documents; expenditure not related to the

project; and wrong allocation/calculation of expenditure.

Some external stakeholders expressed concerns about the robustness of the CO's financial monitoring.

##### Follow up on project issues needs to be strengthened

As a result of monitoring IP activity reports, issues were identified and reported in a timely manner. However, IAS noted that follow up on some of these issues was not always performed or reinforced to provide speedy resolution.

For example, during a monitoring visit in June 2018, a Programme Officer reported indications of potential inappropriate use of funds by an IP. The CO has followed up and recovered against some cases identified from the monitoring missions including this case, which is being followed up.

IAS encourages the CO to expand this practice of follow up on all issues found by monitoring missions.

#### **Recommendation 6 (Medium):**

The Representative to enhance its system of controls for IP management to ensure compliance with IP policies and procedures, based on clear roles and accountability among responsible personnel, compliance checklist, additional approvals, mission follow up plans, etc.

## Issue 9: Improving human resource management

### Terms of Reference (ToR) for SSAs needs improvement

As per the SSA policy, ToR for SSAs must include a clear and unequivocal definition of the final product/s or deliverables (e.g. survey completed, workshop conducted, data collected, reports written, etc.); and details of whether the assignment requires a partial, intermittent or full-time presence on UN Women premises, and a sound justification for why a full-time presence is required, if the latter applies. If support services such as office space, equipment, secretarial services, etc. are required, the ToR should clearly state how arrangements for such needs are to be met and the party responsible.

For SSAs reviewed at the CO, no clear deliverables were given as they were filling regular staff posts. They also had full-time presence in the office which was not indicated or justified in their respective ToR.

### **Recommendation 7 (Medium):**

The Representative to develop a system of internal controls to ensure detailed and specific ToR are prepared with clear timelines and deliverables to facilitate accountability and monitoring of non-staff personnel performance.

## Issue 10: Strengthening oversight of the procurement process

### There was opportunity to exercise more cost-prudence in events organization

The CO uses Long Term Agreements (LTAs) for major procurement needs and requests for quotation (RFQ) for all other procurement. Based on the audit sample, it was noted that the CO selects the least expensive option in accordance with the Policy, Procedure and Guidance (PPG) on Procurement. However, in the case of training, IAS noted that there was no clear documentation to demonstrate that related expenses such as Daily Subsistence Allowance (DSA) were factored in the overall choice of location. Several events were organized outside Kampala which resulted in additional DSA or higher rates for hotel accommodation, or both.

For the reviewed samples, if other locations close to the main office had been chosen for the events, the CO may have been able to save around US\$ 16,000 for DSA and a portion of the US\$ 36,000 paid to hotels covering

overnight accommodation.

According to the CO, the selection of a nearby city over Kampala was supposedly to allow participants to concentrate on the training, instead of attending to personal or other work matters. IAS understands that in some circumstances such factors may be taken into account. However, to ensure and demonstrate value for money, it is important to evaluate and document such decisions.

### There is a need to improve the writing of requirements under RFQs

Under the RFQ modality, the evaluation method is usually the lowest priced, technically compliant quotation. Therefore, requirements must be clear to potential suppliers and specifically indicate the CO's needs. Over the audit period, the CO made at least 40 relatively small purchases ranging from US\$ 200 to US\$ 40,000 totaling almost US\$ 400,000, with half being either small or recurring purchases, which could become overwhelming if only one staff member is responsible and there are competing tasks. The CO would benefit from establishing a local LTA to secure lower prices and avoid repetitive RFQs.

In the review of sample requisitions and the corresponding RFQs, IAS noted that the requirements were generic, e.g. (a) hotel for 60 people, preferably in Entebbe; (b) six CCTV cameras; and (c) one generator. In one case, the supplier had to call the CO to ask for the technical specifications of the security equipment required. Calls such as this can give real or perceived undue advantage to potential suppliers.

In addition, offers were received directly by the buyer through their work email instead of receiving them through a generic email specifically created for this purpose to ensure appropriate segregation of duties and avoid any potential collusion with vendors. Further, personnel involved in procurement requests were not fully trained on writing proper specifications and procurement personnel were not fully trained on how to effectively use RFQ and/or the Procurement PPG.

The CO was aware of these constraints and has since recruited a dedicated Procurement Officer to address these observations.

### **Recommendation 8 (Medium):**

The Representative to establish controls to:

- Reflect on full cost versus benefits when selecting event locations with a view towards ensuring the best value for money.
- Ensure that personnel involved in procurement activities are well trained on the Procurement PPG and that requestors are competent in writing clear and specific technical specifications (to be approved by technical supervisors).
- Consider consolidating recurring procurement (e.g. office supplies, printing) and establish LTAs to achieve lower prices, streamline the process and eliminate frequent small purchases through RFQ.
- Create and ensure that a secured generic office email account is used for receiving offers for the RFQ.

### **Issue 11: Tagging of fixed assets**

The Asset Management Policy states that “All assets ≥\$1,000 should be tagged immediately upon receipt to facilitate oversight and control”.

However, IAS observed that some CO assets procured in 2019 had not yet been tagged, which included some laptops and an expensive conferencing system in the boardroom.

Two laptops were stolen during the period under audit and the CO had requested that headquarters write off these assets from the books. There was no insurance coverage to protect from such loss of assets. IAS will discuss the matter with the headquarters asset management function to ascertain the level of coverage available to COs and how to use it.

### **Recommendation 9 (Medium):**

The Representative to establish controls to ensure that:

- Non-capital assets are properly safeguarded and accounted for by custodians. All newly purchased assets should be tagged as soon as they are received before issuing them to custodians.
- Electronic equipment is covered under global or local insurance policies.

### **Issue 12: Testing Business Continuity and Disaster Recovery Plans**

According to the PPG, the Business Continuity Plan (BCP) and Disaster Recovery Plan (DRP) should be tested at planned intervals in order to prepare for any unforeseen event. The following two areas needed improvement:

- While the CO's BCP was updated and approved by headquarters during the audit, it had not yet been tested.
- Some elements of the DRP were tested in 2017, but it took some time to update the plan (October 2018). The DRP, which is part of the BCP, should be regularly tested to ensure it is up to date in the country context.

The CO had identified these risks and to mitigate them planned to recruit a dedicated security officer to address these issues.

### **Recommendation 10 (Medium):**

The Representative to ensure that the CO finalize and regularly test its Business Continuity and Disaster Recovery Plans and update them accordingly.

### III. RECOMMENDATIONS AND MANAGEMENT ACTION PLAN

Issue	Recommendation	Process	Responsible Unit	Priority	Action Plan	Implementation date
Issue 3: Improving data collection and validation	1. The Representative, in consultation with the M&E Specialist, to develop a process for data collection and validation to ensure that data is accurate and adequate. The M&E Specialist, as an independent function from project managers, should validate data through monitoring missions or other supporting evidence.	Implementation and monitoring of SN / AWP.	Representative	Medium	The mapping exercise between ATLAS (Online Finances module) and RMS (Online Programme module) ensures constant correlation between programme data and financial data. To make collection of programme data more systematic, the Country office has replaced the M&E Specialist that left in 2018 and will ensure there is documentation of our data collection and validation processes, for accuracy and authenticity of the data. In addition, portfolio reviews will be conducted bi-annually to support in harvesting of outcomes including undertaking Data Quality Assessments as part of the robust M&E system that will be cascaded to IP level.	31 March 2020
Issue 4: Lack of a well-defined exit strategy in project design	2. The Representative to: <ul style="list-style-type: none"> <li>• Ensure that sustainability of projects is clearly defined in Project Documents with concrete plans of action.</li> <li>• Ensure that IPs and government partners are aware of their roles and responsibilities in sustaining results, once UN Women funding is over.</li> <li>• Formulate adequate exit strategies (that can be adjusted during project implementation) to ensure the sustainability of results, especially in a situation where the next phase of a project is not funded.</li> </ul>	Project Design	Representative	High	Addressing sustainability is an ongoing and growing concern within the programme. Takeover arrangements with government are not always implemented and lobbying efforts will be increased. While this is already included in all programme documents, a separate strategy will be designed in 2020 and, moving forward, sustainability and exit strategies will be more systematic while onboarding IPs. Country office takes note of the recommendation, and our practice will be <b>systematized, monitored and separately</b>	31 May 31 2020



					<b>documented.</b>	
Issue 5: Programmatic delivery not aligned with financial delivery	<p>3. The Representative to establish mechanisms to:</p> <ul style="list-style-type: none"> <li>• Ensure that project design and documents clearly and specifically state time frames for the completion of results and the means of collecting data and measuring results, linking them with financial delivery. The M&amp;E Specialist/function should be involved in certifying the quality of results frameworks in Project Documents.</li> <li>• Proactively monitor and address delivery rates to avoid significant implementation delays.</li> </ul>	Programme and project management	Representative	Medium	<p>The Country office notes that the delayed reporting concerns have already been addressed by the CO. No donor report has been submitted from-2019 and this has now been integrated into staff performance. A well-structured and tracked reporting schedule will be developed moving forward by the newly recruited M&amp;E Specialist to keep abreast with reporting deadlines.</p> <p>Additionally, annual reviews are held with donors at the submission of the CO's draft reports, and feedback. With the onboarding of the new M&amp;E Specialist, the CO takes note of the recommendations and will maintain its current performance in terms of donor reporting.</p>	31 May 2020
Issue 6: Expediting recruitment for a high number of vacant posts	<p>4. The Representative to:</p> <ul style="list-style-type: none"> <li>• Expedite implementation of the recruitment plan and finalize the onboarding and induction plan for new joiners to ensure that required staffing capacity is in place to deliver the CO's planned programmes.</li> <li>• Engage with UNDP, in consultation with HR at headquarters, and develop systems and protocols for effective and timely recruitment.</li> </ul>	Organizational structure, resources and authority	Representative	Medium	<p>The majority of the staff have already reported while the rest will be reporting in January 2020. Further, to shorten the long recruitment which is dependent on UNDP's availability, the Country office is in the process of signing a new SLA with UNDP where the role of UNDP which will be administration of staff in ATLAS for salary, benefits and contract related renewals will be clearly spelt out.</p> <p>The HR Associate for the Country office has been recruited to fast track recruitments, and the office will liaise with RO for the replacement of the Deputy Rep to avoid impact on 2020 delivery.</p> <p>The Country office will in 2020 arrange the coaching of Managers on effectiveness, efficiency and delivery of the office plans which will as well inculcate succession.</p>	31 March 2020
Issue 7: Risk identification and management	5. The Representative to ensure that risk management is embedded in CO management decision-making and risks are proactively identified, mitigated and reported	Risk management process	Representative	Medium	The Country office will ensure that risk management is a standing agenda item in programme, operations and senior	31 March 2020

needs improvement	to senior management in a timely manner, including project specific risks.				management meetings. Risks will be updated regularly to reflect any emerging risks identified. It should be noted that a consent and confidentiality section is contained on every data collection form including ensuring that the identity of any given beneficiary is not revealed. An updated mitigation measures on fraud risks related to procurement and assets will be done.	
Issue 8: Selection of IPs and management of cash advances needs improvement	6. The Representative to enhance its system of controls for IP management to ensure compliance with IP policies and procedures, based on clear roles and accountability among responsible personnel, compliance checklist, additional approvals, etc.	Service providers and implementing partners	Representative	Medium	The CO takes note of the recommendation and will continue to implement a robust competitive process through call for proposal and independent proposal assessments undertaken to select the right IPs.	31 January 2020
Issue 9: Improving human resource management	7. The Representative to develop a system of internal controls to ensure detailed and specific ToR are prepared with clear timelines and deliverables to facilitate accountability and monitoring of consultants' performance.	Human resources management	Representative	Medium	Agreed and partially implemented  For UNDP HR services, the Country office has recruited the HR Associate to handle UN Women HR and recruitment services. A new SLA with UNDP will be signed to harmonize the roles of UNDP and UN Women in the HR function.	29 February 2020
Issue 10: Strengthening oversight of the procurement process	8. The Representative to establish controls to: <ul style="list-style-type: none"> <li>• Reflect on full cost versus benefits when selecting event locations with a view towards ensuring the best value for money.</li> <li>• Ensure that personnel involved in procurement activities are well trained on the Procurement PPG and that requestors are competent in writing clear and specific technical specifications (to be approved by</li> </ul>	Procurement	Representative	Medium	Agreed and partially implemented  The procurement personnel is fully trained in both UN Women procurement and CIPS.  The office has a dedicated email for receiving offers. Ref: <a href="mailto:procurement.uganda@un-women.org">procurement.uganda@un-women.org</a>	31 March 2020

	<p>technical supervisors).</p> <ul style="list-style-type: none"> <li>• Consider consolidating recurring procurement (e.g. office supplies, printing) and establish LTAs to achieve lower prices, streamline the process and eliminate frequent small purchases through RFQ.</li> <li>• Create and ensure that a secured generic office email account is used for receiving offers for the RFQ.</li> </ul>				<p>The CO will a) document a cost analysis of the meetings in Entebbe, ensuring that proper documentation is in file regarding choice of venue in line with this audit recommendation, and b) continue to follow up (and adhere to the recommendation of) an ongoing discussion among development partners on managing “per diems” for government participants in meetings.</p>	
Issue 11: Tagging of fixed assets	<p>9. The Representative to establish controls to ensure that:</p> <ul style="list-style-type: none"> <li>• Non-capital assets are properly safeguarded and accounted for by custodians. All newly purchased assets should be tagged as soon as they are received before issuing them to custodians.</li> <li>• Electronic equipment is covered under global or local insurance policies.</li> </ul>	Safeguarding of Assets	Representative	Medium	<p>Agreed and Partially Implemented</p> <p>While by the time of the audit, only newly procured items were not tagged as the Regional office was supporting the Country office with acquisition of the better tagging machine, by November, all assets were fully tagged.</p> <p>The Country office will ensure all assets with no tags are tagged before December 2019 and new equipment will be tagged before issuance.</p>	29 February 2020
Issue 12: Testing Business Continuity and Disaster Recovery Plans	<p>10. The Representative to ensure that the CO finalize and regularly test its Business Continuity and Disaster Recovery Plans and update them accordingly.</p>	Security management	Representative	Medium	<p>The Country office commits to ensuring that the Business Continuity Plan (BCP) and Disaster recovery Plan (DRP) are tested regularly as required and properly documented.</p>	30 June 2020

# Annex 1: DEFINITIONS OF AUDIT TERMS, RATINGS AND PRIORITIES

## A. AUDIT RATINGS

<b>Satisfactory</b>	The assessed governance arrangements, risk management practices and controls were adequately established and functioning well. Issues identified by the audit, if any, are unlikely to affect the achievement of the objectives of the audited entity/area.
<b>Some Improvement Needed</b>	The assessed governance arrangements, risk management practices and controls were generally established and functioning, but need some improvement. Issues identified by the audit do not significantly affect the achievement of the objectives of the audited entity/area.
<b>Major Improvement Needed</b>	The assessed governance arrangements, risk management practices and controls were established and functioning, but need major improvement. Issues identified by the audit could significantly affect the achievement of the objectives of the audited entity/area.
<b>Unsatisfactory</b>	The assessed governance arrangements, risk management practices and controls were either not adequately established or not functioning well. Issues identified by the audit could seriously compromise the achievement of the objectives of the audited entity/area.

## B. PRIORITIES OF AUDIT RECOMMENDATIONS

<b>High (Critical)</b>	Prompt action is required to ensure that UN Women is not exposed to high risks. Failure to take action could result in major negative consequences for UN Women.
<b>Medium (Important)</b>	Action is required to ensure that UN Women is not exposed to risks. Failure to take action could result in negative consequences for UN Women.
<b>Low</b>	Action is desirable and should result in enhanced control or better value for money. Low priority recommendations, if any, are dealt with by the audit team directly with the Country Office management, either during the exit meeting or through a separate memo subsequent to the fieldwork. Therefore, low priority recommendations are not included in this report.

UN WOMEN IS THE UN ORGANIZATION  
DEDICATED TO GENDER EQUALITY AND THE  
EMPOWERMENT OF WOMEN. A GLOBAL  
CHAMPION FOR WOMEN AND GIRLS, UN  
WOMEN WAS ESTABLISHED TO ACCELERATE  
PROGRESS ON MEETING THEIR NEEDS  
WORLDWIDE.

UN Women supports UN Member States as they set global standards for achieving gender equality, and works with governments and civil society to design laws, policies, programmes and services needed to implement these standards. It stands behind women's equal participation in all aspects of life, focusing on five priority areas: increasing women's leadership and participation; ending violence against women; engaging women in all aspects of peace and security processes; enhancing women's economic empowerment; and making gender equality central to national development planning and budgeting. UN Women also coordinates and promotes the UN system's work in advancing gender equality.



Planet 50-50 by 2030  
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