INTERNAL AUDIT REPORT
UN WOMEN COUNTRY OFFICE IN LIBERIA

UN WOMEN

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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 Liberia from November to December 2019, with a field visit to the CO from 18 to 29 November 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**: management of implementing partners (IPs), human resources (HR), finance, procurement, information and communication technology (ICT), 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 2018 to 31 October 2019. Atlas-recorded expenditure for the CO totalled US$ 5.3 million in 2018 and US$ 6.0 million from January to December 2019.

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 overall state of governance, risk management and internal controls in the CO as **Some Improvement Needed** meaning that "the assessed governance arrangements, risk management practices and controls were 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."

IAS noted improvements across the audit period in stakeholder management; development of a new Strategic Note; and management of, and strategy around engaging implementing partners.

IAS identified the following good practices employed by the CO, which could be considered for replication in other UN Women field offices: recognized advancement in the Peace Huts project; recognized coordination of gender mainstreaming in the UN Country Team (UNCT); and the One UN approach to ICT and security.

IAS identified areas where improvements are needed in:

- **Strategic priorities, programme planning and implementation**: accelerating implementation of the UNCT action plan to address the findings of the UNCT Gender Scorecard; advancing implementation of the Strategic Note (SN) and Annual Workplan (AWP); and strengthening programme and project management.

- **Governance, risk management and internal controls**: enhancing risk management; and strengthening the internal control system and environment.

- **Operations**: strengthening the selection and management of IPs; procurement processes; and management of HR and security.

Overall, IAS made 10 recommendations to address the areas for improvement, four of which were ranked as High priority and six as Medium priority.

The four High (Critical) priority recommendations mean 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."* These related to addressing the following issues:

- Maintain and monitor risk assessments for the field programme portfolio.

- Enhance the CO's control environment by raising awareness and training staff on the importance of internal controls and compliance with corporate policy in mitigating risks, including in the area of fraud prevention and detection. Implement a system to monitor effective compliance with key controls.

- Regularly update the database of potential suppliers through market research; implement a procurement

and contract tracking and monitoring system; and, ensure consistent use of dedicated procurement email addresses.

- Devise an HR strategy and recruitment plan based on the projects to be implemented and other staffing needs; dedicate sufficient staffing to conduct review and oversight of recruitment; and ensure that staff monitoring the performance of personnel account for all deliverables in terms of refence (ToR), and properly evaluate performance for timeliness, completeness and quality of work.

The six 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 are focused on strengthening strategic planning, programme and risk management, and operations.

Management comments and action plan

The Representative generally accepted the above recommendations with a few clarifications. The Representative is already in the process of implementing the recommendations and provided the CO's action plan in this report.

IAS requested comments from the Representative on the detailed audit findings. The comments and additional information provided have been taken into account in this report, as appropriate.

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

Lisa Sutton, Director
Independent Evaluation and Audit Services

ACRONYMS AND ABBREVIATIONS

AWP	Annual Work Plan
BCP	Business Continuity Plan
CFP	Call for Proposal
CO	Country Office
CSO	Civil Society Organization
DMA	Division of Management and Administration
DoA	Delegation of Authority
DRF	Development Results Framework
ERM	UN Women's corporate platform for Enterprise Risk Management
FTA	Fixed-term Appointment
HR	Human Resources
IAS	Internal Audit Service
ICT	Information and Communication Technology
IEAS	Independent Evaluation and Audit Services
IP	Implementing Partner
M&E	Monitoring & Evaluation
OEEF	Organizational Efficiency and Effectiveness Framework
PAC	Project Assessment Committee
PSMU	Programme Support Management Unit
RMS	Results Management System
SC	Service Contract
SN	Strategic Note
SSA	Special Service Agreement
ToR	Terms of Reference
UNCT	United Nations Country Team
UNDAF	United Nations Development Assistance Framework
UNDP	United Nations Development Programme
UNIFEM	United Nations Development Fund for Women
UNRC	United Nations Resident Coordinator
UNV	United Nations Volunteer
UN Women	United Nations Entity for Gender Equality and the Empowerment of Women
US$	United States Dollar

I. BACKGROUND

About the Country Office

UN Women (prior to 2012: UNIFEM) has worked in Liberia since 2004. The County Office (CO) works closely with the Liberian Government and UN agencies through joint development programmes and the "Delivering as One" United Nations Sustainable Development Cooperation Framework (UNSDCF) model. Some key initiatives include the establishment of the Liberia Women Empowerment Network, an association of women living with HIV, and the Association of Women in Cross Border Trade. In addition, UN Women leads the Liberia Joint Programme for Gender Equality and Women's Economic Empowerment and implements economic empowerment projects and training for Liberia's Joint Programmes on Food Security and Nutrition, Adolescent Girls, and the Prevention and Response to Sexual and Gender Based Violence (SGBV). The CO is located in Monrovia.

During the period under review, the CO employed 12 personnel with fixed-term appointments (FTAs), with 2 FTA posts under recruitment; and engaged 18 individuals on service contracts (SCs); 14 consultants on Special Service Agreements (SSAs); 8 volunteers (UNVs); and 2 interns.

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

Table 1: CO budget and expenditure, US$

	2018	2019
DRF budget target	3,319,252	5,378,572
DRF actual budget	3,479,248	4,234,662
DRF expenditure	3,205,185	3,191,993
Delivery rate	92%	75%
OEEF budget target	1,853,503	2,305,721
OEEF actual budget	2,136,216	2,007,050
OEEF expenditure	2,078,537	1,891,676
Delivery rate	97%	94%

Source: Results Management System (RMS) data

As of 31 December 2019, the country field programme 2018–2019 comprised 19 non-core funded projects with a total budget of US$ 5.3 million, funded mainly by private, multilateral and bilateral donors.

The CO's Strategic Note (SN) and Annual Work Plan (AWP) covered the period 2016–2019. At the time of the audit, a new SN and AWP were under development, covering the period 2020–2024. The new SN and AWP 2020 were approved in December 2019.

The CO's 2019 AWP focused on five Impact areas (global norms, policies and standards on gender equality; women's political participation; women's income security; women and girls free from violence; and peace and security); five Outcomes under the Development Results Framework (DRF); and 10 Outputs under the Organizational Efficiency and Effectiveness Framework (OEEF).

Atlas-recorded expenditure for the CO totalled US$ 5.3 million in 2018 and US$ 6.0 million from January to December 2019 as of the date of this report.

II. AUDIT RESULTS

A. Strategic priorities, programme planning and implementation

Private and multilateral donors and partners provided most of the funding for UN Women's projects in Liberia. In 2019, the CO received funding from 10 different donors for its DRF, with fours donors providing 83 per cent of the funding. In 2020, the CO expects to receive funding for the DRF from nine donors, with four donors expected to provide 90 per cent of funding. In 2019, one donor provided 88 per cent of the organizational results funding (OEEF). The same donor will provide 92 per cent of the funding in 2020. One donor provided unearmarked funding of UN Women's SN and AWP. The CO's Resource Mobilization Strategy focused on fundraising from traditional donors. The CO also had the opportunity to work on and develop public–private partnerships. Programme implementation was closely supported by strategic partners, including the United Nations Resident Coordinator's Office (UNRC), UN agencies, and bilateral and local partners.

All stakeholders interviewed by IAS appreciated UN Women for its active leadership, expertise and proactive communication on gender issues, and acknowledged its visibility in the country, including through national social media and diverse campaigns.

IAS assessed that the CO's advocacy and coordination efforts; strategic planning; implementation and monitoring; and programme and project management needed some improvement as outlined below.

KEY ISSUES AND CONCLUSIONS

Issue 1: Expanding and strengthening the communications and advocacy strategy

The CO engaged with a wide range of stakeholders including government entities, donors, UN agencies and entities, implementing partners, civil society organizations (CSOs), community groups and local leaders.

The CO had an annual action plan that detailed communications activities to be performed. However, the CO did not have a formalized communications and advocacy strategy mapping and aligning stakeholders' expectations, or a management plan to address potential areas for improvement in advocacy and communications.

Such a strategy would allow the CO to more proactively identify and analyse interdependencies between stakeholders and find cost-effective means of communicating necessary information to drive impact for gender equality and women's empowerment.

As per its new SN (2020–2024) the CO plans to establish and implement a comprehensive communications approach. In addition, under the Spotlight Initiative, as an approved plan, a communications strategy is being developed. Therefore, while a recommendation is not made, IAS strongly encourages the Representative to expand its existing annual action plan into a longer-term communications and advocacy strategy supported by a stakeholder management plan.

Issue 2: Advocating for action to address Gender Scorecard findings

UN Women chaired the UNCT Gender Theme Group and, in September 2018, the Gender Equality System Wide Action Plan (SWAP) Scorecard report for the UNCT in Liberia was finalized. The report noted that the UNCT in Liberia had met or exceeded minimum standards in 7 of 15 indicators. Six indicators were identified as approaching minimum standards, and two had not achieved the minimum standards.

Responsibility for addressing the report findings rests with all members of the UNCT in Liberia; however, as chair of the Gender Theme Group, UN Women plays a key role in ensuring that the recommendations are addressed. UN Women has been an important technical adviser on gender equality and the empowerment of women in the country.

> **Recommendation 1 (Medium):**
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> As chair of the Gender Theme Group, the Representative to accelerate implementation of the UNCT action plan to address the findings of the UNCT Gender Scorecard.

Issue 3: Diversifying and strengthening the funding portfolio

The CO demonstrated success in resource mobilization, having worked with a wide range of donors from 2017 to 2020, including long-term relationships with several large donors.

At the same time, the statistics referred to in the summary section indicate that the CO relied heavily on a few major donors to fund its DRF and OEEF expenditure. The CO should leverage its proven ability to work with a range of donors to obtain more diversified funding of its SN and AWP, with less reliance on a few key donors for the majority of its funding. Some stakeholders interviewed by IAS requested that UN Women develop a diversified resource mobilization plan. This action is included in the CO's new SN for 2020–2024.

As per the 2020–2024 SN, the CO plans to establish and implement a resource mobilization strategy. Therefore, IAS does not raise a recommendation in this report; however, IAS strongly encourages the CO to ensure there is greater focus on diversification in the funding portfolio.

Issue 4: Implementing the SN and AWP

Results management

The CO's 2016–2019 SN had an ambitious results framework (97 indicators in 2018, 116 in 2019). In 2018, the progress against the SN showed that 3 indicators were off track, 12 had no status and 16 were blank. As a lesson learned for its new SN, the CO needs to improve its analysis at the output level; show how it contributes to outcomes; and ensure that the SN final report is focused on outcome level and impact.

Data collection and validation

There is a need to properly document and systematize data collection and the validation of claimed results from projects. The most common area of concern with the monitoring and evaluation (M&E) function was that it lacks a clear or specific structure or framework for collecting and validating complete and accurate data for results monitoring. Most reported results from projects, depending on the nature of the intervention, were fragmented and often project managers did not have reliable ways of validating the data submitted by partners. Though complete standardization is not possible, there should be minimum standards for the collection and validation process which should form part of the M&E framework and strategy. The M&E Specialist was in the process of developing M&E tools per pillar which, in time, should be fine-tuned by those performing monitoring visits.

Some stakeholders interviewed by IAS expressed concern that they had not seen the impact of projects that had been implemented so far. In particular, results were reported, but only at the activity and output level. The CO's evidence of its outcomes and impact relied partly on various speeches and appearances that key personnel had made which might be difficult to attribute to the activities and outputs reported. While the CO stated that it was very difficult to report on outcome and impact levels in the Annual Report as the outcome and impact of interventions may require a longer period of time to achieve, the CO does need to better demonstrate the link between its activities and outcomes and impacts.

IAS has already made a corporate recommendation to the Programme Support Management Unit (PSMU) in headquarters in its Audit Report IEAS/IAS/CO/2018/004 to strengthen the guidance on monitoring and quality assurance of data and information to be included in quarterly monitoring reports and in the RMS, and to identify those responsible for these activities.

Recommendation 2 (Medium):

The Representative, under the guidance of headquarters, to develop an M&E framework to ensure cost-effective data collection and validation processes for its indicators at each result level (output, outcome, impact) as required.

Issue 5: Programme and project management

Generally, projects were implemented on time. However, some extensions were requested which, at times due to funding agreement constraints, could not be given. Each project had a results framework and each pillar had a dedicated team leader. However, team leaders often performed tasks alone or with the assistance of an international UNV, under supervision from the pillar leader and regular advice from the Head of Programme. There were some examples where budgets and schedules needed to be revised and the CO had documented these requests and justifications. IAS identified the following areas for further improvement:

Reassess capacity to effectively implement and control infrastructure projects

The CO was planning a number of projects [1] with infrastructure components. As UN Women in Liberia did not have the capacity to manage infrastructure-related work (including the in-house expertise, apparatus, tools

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[1] Including the Sirleaf Women's Market Fund, Peace Huts and the Orange Village (a public–private partnership under development).

and systems in place to complete, monitor and effectively control infrastructure projects), IAS is of the opinion that there is a high risk that delivery of these engagements may not be timely, or of sufficient quality, and UN Women might not be able to effectively mitigate infrastructure-specific risks (as has occurred in the past). If the CO still chooses to undertake these infrastructure-related projects, an effective risk management plan should be put in place, closely monitored and reported on to headquarters. UN Women should also carefully consider, at the corporate level, whether to engage in infrastructure engagements like these, as they could have a significant impact on UN Women's strategic standing and reputation.

To mitigate the risks related to infrastructure projects at the field level, in October 2017, the Division of Management and Administration (DMA) issued an instruction to all personnel on how to manage involvement in infrastructure projects. However, this email-based instruction is not being always followed at UN Women. Moreover, this email did not become a mandatory policy and new managers might not be aware of it.

In the audit report on the Implementing Partner Management process (IEAS/IAS/2019/006) at UN Women, IAS recommended (Recommendation 8) that management "*Strengthen the requirement to document the reasons for choosing a project implementation modality at the project formulation and planning stage. Develop a decision tree to help users choose the appropriate contractual tool (e.g. procurement contract, small grant, PCA or LoA)*." As part of this, IAS advises PSMU and DMA to address the infrastructure policy issues discussed above, in particular to embed the following requirement into the UN Women policy framework: "If an office is proposing, as part of its AWP or a stand-alone project, to engage in design, build or construction activities, the proposal must be submitted by the relevant L/R/PACs to the PPGU in the Programme Division for review" and ensure its compliance. This will be further covered in an upcoming internal audit of management of corporate Policies, Procedures and Guidelines Framework.

For its latest infrastructure-specific projects, the CO consulted with headquarters. For any future projects with infrastructure components, IAS encourages the CO to perform a cost–benefit analysis and risk assessment, and to consult with headquarters in timely manner and diligently monitor implementation of construction, if it is not possible to outsource this to other specialized agencies.

Sustainability of projects

The CO worked with various government ministries to

ensure their commitment to the sustainability of projects in the country. At least five ministries signed memorandum of understanding (MoU) with UN Women for this purpose. Agreements were also signed with traditional leaders and local community leaders to commit to the continuity of projects. However, many projects had short-term implementation (between 6 and 12 months) which was outside the control of the CO, some with funding agreements which did not allow for any kind of extension. This restriction reportedly sometimes coupled with changes in public administration, could present a risk to the sustainability of projects. This lack of flexibility also limits the potential of otherwise good projects in achieving maximum results and/or building on earlier successes. There is a need to revisit existing agreements to ensure that they are enforced by new government counterparts. Reportedly the Representative had already initiated discussions with donors at the Donor Forum which resulted in a longer implementation period for a new LMPTF project – from 18 months to 36 months.

IAS encourages the CO to continue its efforts in ensuring that project results are sustainable by designing provisions in exit strategies taking into account local challenges and resource mobilization efforts for longer term funding.

Issue 6: Implementing partners not always achieving planned project targets

IAS noted that some planned targets for projects were not always achieved through IPs despite the full disbursement and spending of the contract budget. In one case, the agreed target was reduced by the IP to less than a third, which it then claimed to have exceeded in achieving the IP-revised target. Also, the project had two components and the IP claimed that it had achieved the target of the first component four times over but was not verified by CO. In another case, the actual number of participants was only about a third of the planned number. Even though the CO was able to negotiate a reduction in the actual costs, the project was concluded without achieving the planned target.

The above examples occurred because the focus was on conclusion of the activities rather than the achievement of actual results. It also seems that IPs were given some leniency in implementation of the project.

Recommendation 3 (Medium):

The Representative to enhance mechanisms to ensure that:

- Project targets are adhered to by IPs, or in

extenuating circumstances deviations are reasonable and justified.

- Final disbursement to IPs is only made after achieving all planned targets, or in case of not meeting them, that full justification is properly documented, reviewed for merits and accepted by the CO.

Issue 7: Implementation of a significant programme

While the overall delivery rate at the time of the audit was 72 per cent, as at 27 November five projects had less than 50 per cent delivery and one project was at 63 per cent. The CO needs to address projects with low programmatic and financial implementation.

IAS noted that one of the largest projects was significantly behind on its planned objectives. This was largely due to the unanticipated amount of time it took to set up the project and conduct the necessary consultations with government, donors, other UN entities jointly implementing the project, community leaders and IPs. At the time of this report, only three full-time personnel had been allocated to the project of the four posts foreseen in the Project Document (P3, NO-B and SB3). The fourth position was temporarily back stopped by personnel from another programme until December 2019. Recruitment for the fourth position was under way at the time of this report. In the spirit of complementarity and creating synergy, some

components of this large project were being implemented by other programme units in the office.

Stakeholders interviewed by IAS indicated that the objectives of the programme were unlikely to be achieved within the initial planned time frames. However, IAS was unable to determine whether the original time frames were feasible given the country context.

In addition, IAS noted that there was no UN Women-specific risk assessment for this project, including emerging risks during implementation.

Recommendation 4 (High):

The Representative to maintain and monitor risk assessments for the field programme portfolio (focusing on large projects and any other new initiatives), addressing all key risks particularly implementation delays.

B. Governance, risk management and internal controls

The CO's overall budget rose from US$ 5.6 million in 2018 to US$ 6.4 million in 2019 and is expected to rise to US$ 8.6 million in 2020 as at the time of the audit. One of the main reasons for this large increase is that UN Women was selected to be the technical advice lead for The Spotlight Initiative to end violence against women and girls.

The CO focused on five thematic areas: political participation; women's peace and security; gender responsive budgeting; ending violence against women; and women's economic empowerment. The CO's organization chart for 2020 showed the resources deemed necessary to complete the CO's workplan. It contained 41 positions, of which 9 were vacant. The CO was in the process of recruiting five programmatic support personnel, an M&E Assistant, and operations support personnel.

IAS reviewed the CO's control environment, office culture and data management processes. While IAS found the tone at the top and the overall office culture to be satisfactory, some business processes need improvement in terms of operational controls. The CO's internal control framework needed to be updated to ensure appropriate segregation of duties between and within functions and to limit incompatible duties. Following the audit, this action has already been taken. Risk management also needs some improvement, including risk identification and recording, monitoring of mitigation actions, and integration of key risk data in the corporate risk register. The CO needs to ensure that key vacancies have been filled to support delivery of its new SN and field programme (this is contingent on the availability of resources and approval from Regional Office/headquarters).

KEY ISSUES AND CONCLUSIONS

Issue 8: Filling key vacancies

The CO significantly relied on UNVs (who held specialist positions in the office covering communications, knowledge management, partnership coordination and resource mobilization, M&E) and two programme specialists. At the same time, nine positions were vacant, including five in the Programme Unit. IAS reviewed HR management and observed that the office had not yet fully addressed its staffing gaps (both staffing number and specific technical capacity) in order to deliver its new SN and the significantly increased field programme. While the office was aware of the staffing gaps and had started to fill posts, the CO did not have a formal HR strategy.

Reportedly, the CO conducted a functional assessment of HR requirements and presented the findings to the Regional Office. Due to various reasons, including the ongoing change management exercise, the CO has not received an endorsement. Requests for additional HR were not approved through the new SN.

The Spotlight project and overall field programme delivery would benefit from improved capacity in the CO (personnel were still to be recruited especially in programmatic teams). See Recommendation 9 on HR.

Issue 9: Enhancing risk management

The CO would significantly benefit from formalizing its risk management approach. Risk assessment documentation seemed to be completed to fulfil compliance requirements rather than being used for management decision-making on key projects and interventions. Moreover, projects did not have dynamic risk assessments, nor did operational functions. Risks were not fed into the office-wide risk assessment to be periodically reviewed, monitored for the effectiveness of their mitigating actions and updated.

The Risk Management System did not include any strategic, programmatic or operational risks (e.g. political influence, political change, natural disasters, rainy season for construction works, impact of established norms, partner capacity, etc.).

The Spotlight project risk assessment was generic to the entire programme in the country covering all five implementing UN agencies. There was no UN Women-specific risk assessment for the project, including emerging risks during implementation.

> **Recommendation 5 (Medium):**
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> The Representative to establish a mechanism to identify and manage emerging risks on a regular basis and support its key decision-making with an effective risk assessment. This should include regular management reviews of the effectiveness of mitigating actions.

Issue 10: Strengthening the internal control system and environment

The internal control system was set up, but a few control lapses had occurred and the system needs to be enhanced. In particular, some personnel had incompatible duties or excessive delegation of authority (DoA). The Operations Manager was the budget owner for several core budget codes in Atlas. The Operations Manager cannot be both responsible for delivery under those budgets and also have an oversight role for operational functions (procurement, HR, finance) which may also fall under those codes. In one case, a Procurement Evaluation Panel Member was also on the Local Procurement Review Committee that approved a procurement action for which they were also the requestor.

In another case, during a recruitment process, the candidate for the position (who was successfully hired) also provided the verification of available funds for the position.

IAS observed issues in procurement (discussed in the Operations section of this report) relating to: ensuring effective competitive selection; segregation of duties; and identifying potential red flags in procurement. In HR, IAS observed the need for improved monitoring and transparency, as well as some payments to consultants that were neither authorized by headquarters nor in compliance with the Policy, Procedure and Guidance (PPG) on SSAs

(this occurred during the period prior to the current leadership).

Not adequately considering risk in the implementation of business processes can affect the management of funds and, consequently, the effective implementation of programmes. It may also lead to exceptions in complying with corporate rules and policies without adequate justification and accountability for non-compliance not being established.

Recommendation 6 (High):

The Representative to:

- Enhance the CO's control environment by raising awareness and training staff on the importance of internal controls and compliance with corporate rules in mitigating risks, including in the area of fraud prevention and detection.

- Implement a system to monitor effective compliance with key controls.

C. Operations

Atlas-recorded expenditure for the CO totalled US$ 5.3 million in 2018 and US$ 6.0 million from 1 January to 31 December 2019 as of the date of this report.

Operational decisions were made at the CO level with general supervision from the West and Central Africa Regional Office (WCARO). The audit assessed that the CO's local operational processes and corresponding controls needed improvement overall, including in the selection of IPs and grantees, procurement, personnel performance management, financial monitoring, management of petty cash, ICT management, assets, and safety and security.

KEY ISSUES AND CONCLUSIONS

Issue 11: Strengthening the selection and management of IPs

Despite the minimal staffing resources in the Programme Unit and the challenges brought about by the long rainy season and difficulty of travel to project sites, there was a concerted effort to ensure that projects were implemented within the short period dictated by funding agreements. IAS identified some areas which need to be improved to ensure that IPs are effectively managed.

Selection of IPs needs to be more competitive and transparent

There was a Project Assessment Committee (PAC) but it was not properly constituted due to insufficient staffing. As a minimum, the panel should be made up of staff members at the P-3/NOC level and above but, at times, even Programme Associates or non-staff members were allowed to be part of the review panel. IAS noted inconsistencies in the reviews conducted by the panel. In one case, the panel rejected a CSO with the lowest bid citing that a senior officer was already employed in a different function; in another case, two directors of the CSO had a similar employment situation, but the panel did not reject the proposal.

Capacity assessments were not always conducted in a diligent and thorough manner. In one case, the CO did not conduct an assessment of the CSO and instead used a four-year old capacity assessment commissioned by another UN agency. The CO used a simplified capacity assessment for projects below US$ 250 000; however, this assessment was not expanded when a CSO was selected for another UN Women project and its total project portfolio went beyond the US$ 250,000 threshold. IAS also noted that some capacity assessments raised issues that were not followed up with the CSO until the final evaluation when the projects were about to be closed, e.g. CSOs not having adequate accounting systems and internal controls while the capacity assessment had indicated that this may increase the risk of fraud and corruption if left unchecked and therefore may impact project sustainability.

Management of IPs needs improvement

Reviews of partner advances were claimed to be done through 100 per cent checking. However, in the reviewed samples, IAS noted that some expenditure was submitted without adequate support, i.e. all supporting documents were produced by the partner alone without third-party invoices and receipts. IAS also noted that the internal reviews only checked for supporting documents instead of verifying the appropriateness or legitimacy of project expenditure. For example, there were charges for the full rental of office space as well as all utilities instead of merely pro-rating a portion to the project.

IPs need to be better coordinated especially within the same areas or projects

Some IPs implemented related projects with overlapping activities, but the CO did not coordinate or share knowledge between the IPs. For example, different IPs were involved in the same programmatic area, sometimes even in the same counties without regular coordination meetings. This lack of coordination was a missed opportunity to consolidate results and learn from each other's challenges in implementation.

Recommendation 7 (Medium):

The Representative to enhance the CO's IP management process by:

- Transparent and competitive selection of IPs.
- Professionalizing the PAC.
- Systematic programmatic monitoring and financial verifications.
- Coordination and cooperation among IPs working on related projects.

Issue 12: Strengthening the procurement process

The CO did not have a clear procurement strategy to ensure that its project implementation needs were being addressed in a timely manner. While the CO had some capacity in procurement, it recognized that more capacity was needed. The CO had a Procurement Associate and was hiring a Procurement Assistant to help with the workload. The CO did not perform procurement and contract tracking and monitoring to understand how long each process takes and to improve upon it. This would ensure that the process is cost-effective, transparent and competitive, and that a vendor's performance meets UN Women's contractual terms and conditions.

Some sampled procurement actions were observed to be competitive, while others could have benefited from wider and more fulsome solicitation to ensure receipt of more than the minimum five bids required by the policy (or at least five in cases where the CO was not able to find the minimum number). The CO did not regularly conduct market research to identify new suppliers; therefore, a database for potential suppliers was not extended to ensure competitiveness.

The CO needs to ensure consistent use of generic email boxes for procurement actions. The samples reviewed showed that the generic email boxes were used inconsistently, and sometimes personal emails were used instead. To reduce the risk of fraud or corruption occurring, or it not being detected in a timely manner, an arm's length approach (i.e. no direct contact) and professionalism should be maintained as much as possible when engaging with vendors.

IAS observed a lack of documentation for receiving bids. In three micro-purchasing cases there was no evidence available that the CO had received bids from more than one vendor. The CO stated that it had called the vendors to receive the bids; however, the CO had not noted the phone call date, time, nature and person called.

Recommendation 8 (High):

The Representative to:

- Regularly update the database of potential suppliers through a regular market research exercise to increase competition in procurement and use the results to inform an updated procurement strategy that addresses how to engage new vendors.
- Implement a procurement and contract tracking and monitoring system and periodically report on

improvements in the time taken to complete a procurement action.
- Ensure consistent use of dedicated procurement email addresses.

Issue 13: Strengthening HR management

Recruitment needs to be better planned and workflow streamlined to ensure that personnel are available when needed and the process is transparent and competitive.

There was no viable HR strategy and recruitment plan in place to cope with recruitment delays. One personnel was handling recruitment of local FTA, SSA, SC and UNV contracts and the arrangement with UNDP for job posting on its website was sometimes delayed due to technical issues. In a few cases, the selection of consultants did not seem to properly justify the decision to choose the higher financial offer (in the case of consultants on SSA) or a candidate with lesser work experience and/or qualifications.

IAS also noted other issues affecting recruitment: (a) delays in initiating recruitment from the time a request for personnel was submitted; (b) delays in completing desk reviews; (c) delays in advertising the job posting simultaneously through different channels other than the UNDP website; and (d) for openings within the Programme Unit, a limited pool of qualified candidates was applying for positions.

There were also delays in finalizing selection of local FTA contracts as they had to go through UNDP's Compliance Review Panel (CRP) and this process sometimes took one–two months due to: (a) the CO's incomplete submission of requirements (e.g. recruitment checklist, missing CRP submission form, proof of qualifications, etc.); and (b) panel members' availability to review and deliberate.

Delays in recruitment negatively affect projects and CO operations as selected candidates are not on board when needed.

Unsupported travel allowance to SSAs

In one case, a monthly transportation allowance of US$ 2,000 was supposed to cover personal use of a car but the consultant was not required to submit proof of either renting or bringing a car into the country. The transportation allowance paid totalled US$ 20,010 and US$ 12,858 in 2018 and 2017, respectively, sometimes recorded as Daily Subsistence Allowance (DSA). All claims for reimbursements were only supported by F-10 forms without any receipts or invoices. The CO explained that this arrangement was approved by headquarters, but

there was no correspondence to evidence the grant the monthly transportation allowance of US$ 2,000.

SSA performance monitoring needs improvement

The UN Women Policy on SSA requires that payments can only be made on validation of the satisfactory fulfilment of all deliverables under the terms of reference (ToR). In the reviewed samples, IAS noted that some SSAs either did not fulfil all deliverables or a few deliverables did not match the requirements under the ToR, but full payments were still made.

In addition, IAS noted that performance evaluations were not based on the corresponding ToR to ensure that all deliverables and other requirements were fulfilled in a timely and satisfactory manner. As a result, the CO did not optimize the use of services provided by the professional consultants which contributed to project delays.

Recommendation 9 (High):

The Representative to:

- Devise an HR strategy and recruitment plan based on the projects to be implemented and other staffing needs.

- Dedicate sufficient staffing to conduct review and oversight of recruitment.

- Ensure that staff monitoring the performance of

personnel account for all the deliverables in ToR, and properly evaluate the performance for timeliness, completeness and quality of work.

Issue 14: Strengthening security management

Several versions of the Crisis Response and Business Continuity Plan (BCP) were available for review, which may lead to confusion about which is the latest version that has been tested and approved; and therefore which should be used in case of a crisis. If the plan has been updated it must be reviewed by the UN Women corporate security team and tested annually.

According to the CO, the BCP document was reviewed in August 2019 and the lists were updated in October to include new staff. The document and annexes were ready for the Regional Security Adviser's review. The last BCP test was undertaken in 2017.

Recommendation 10 (Medium):

The Representative to devise a mechanism to ensure that annual testing of the business continuity and disaster recovery plans takes place.

III. RECOMMENDATIONS AND MANAGEMENT ACTION PLAN

Issue	Recommendation	Process	Responsible Unit	Priority	Action Plan	Implementation date
2. Advocating for action to address Gender Scorecard findings	1. As chair of the Gender Theme Group, the Representative to accelerate implementation of the UNCT action plan to address the findings of the UNCT Gender Scorecard.	Strategic priorities, programme planning and implementation	Representative	Medium	1. Conduct the Gender Theme Group (GTG) retreat on 19-20 February where one of the purposes is to have a common understanding of the GTG workplan and its implementation and agree on a common strategic approach for the GTG to UNCT on its commitment on implementing gender Scorecards findings. 2. Have the GTG work plan endorsed by the UNCT 3. Ensure inclusion of endorsed GTG workplan, in the UNCT work plan for 2020 for implementation.	29 February 2020 30 March 2020 30 March 2020
4. Implementing the SN and AWP	2. The Representative, under the guidance of PSMU at headquarters, to develop an M&E framework to ensure cost-effective data collection and validation processes for its indicators at each result level (output, outcome, impact) as required.	Strategic priorities, programme planning and implementation	Representative	Medium	The new Strategic Note /AWP including smart indicators are already approved. As per the approved SN, we already have plans to strengthen our monitoring system and reporting. The following will be performed: 1. Refresher/training for Capacity building of Staff and IPs on RBM and reporting will be conducted 2. Existing monitoring tools used by \office to be reviewed and updated 3. National M&E Assistant will be recruited 4. The Office will seek guidance and support from PSMU and RO for preparing M&E Framework as recommended	31 December 2020 30 March 2020 & 30 August 2020 30 April 2020 30 April 2020 30 May 2020
6. Implementing partners not always achieving planned project	3. The Representative to enhance mechanisms to ensure that: • Project targets are adhered to by IPs,	Strategic priorities, programme planning and implementation	Representative	Medium	The following actions will be taken to improve existing control processes.	

Issue	Recommendation	Process	Responsible Unit	Priority	Action Plan	Implementation date
targets	or in extenuating circumstances deviations are reasonable and justified. • Final disbursement to IPs is only made after achieving all planned targets, or in case of not meeting them, that full justification is properly documented, reviewed for merits and accepted by the CO.				1. Programme Managers to strictly verify that all planned targets have been achieved prior to next disbursement. 2. Proper verification to be done by Head of Pillar and the Head of Programme. The review will be based on the workplan and initial budget attached to the PCA / LOA 3. Regular IP report joint meeting will be organized in UN Women Office by Programme pillars and Operations Staff. The programme implementation report and FACE form will be reviewed during the meeting. The IP will attend and will show evidences of results obtained. Documents should be submitted one week in advance by the IPs and eventual queries sent back to them. The reporting format will be reviewed to be result and evidences based.	Throughout 2020 Throughout 2020 15 April 2020 and every quarter
7. Implementation of a significant programme	4. The Representative to maintain and monitor risk assessments for the field programme portfolio (focusing on large projects and any other new initiatives), addressing all key risks particularly implementation delays.	Strategic priorities, programme planning and implementation	Representative	High	The Office will prepare a specific risk register for the spotlight Project. The office will collaborate with Enterprise Risk Management Unit and the spotlight support Team in HQ to formalize the Spotlight Risk Assessment. It was decided before the audit mission as the HQ was thinking on that.	30 March 2020
9. Enhancing risk management	5. The Representative to establish a mechanism to identify and manage emerging risks on a regular basis and support its key decision-making with an effective risk assessment. This should include regular management reviews of the effectiveness of mitigating actions.	Governance, risk management and internal controls	Representative	Medium	During the mandatory Risk register reviews, the CO will monitor the implementation of the mitigation actions. The review of risk mitigation actions will be conducted twice a year and documented.	30 June 2020 December 2020
10. Strengthening the internal	6. The Representative to: • Enhance the CO's control environment by raising awareness and training staff	Governance, risk management and internal	Representative	High	In addition to the trainings conducted in 2019 the office will take the following actions:	Every quarter from March 2020 30 April 2020

Issue	Recommendation	Process	Responsible Unit	Priority	Action Plan	Implementation date
control system and environment	on the importance of internal controls and compliance with corporate rules in mitigating risks, including in the area of fraud prevention and detection. • Implement a system to monitor effective compliance with key controls.	controls			1. Conduct discussions with staff and follow up on compliance with rules and risk mitigation actions, 2. Develop new tool (check list) to monitor the compliance with key review and controls.	
11. Strengthening the selection and management of IPs	7. The Representative to enhance the CO's IP management process by: • Transparent and competitive selection of IPs. • Professionalizing the PAC. • Systematic programmatic monitoring and financial verifications. • Coordination and cooperation among IPs working on related projects.	Operations	Representative	Medium	1. Use of alternative means for disseminating information on call for proposals and vacancies advertised through UNDP. Once advertised, share it through UN Women FACE book page, and also through our networks. 2. Pre-submission sessions will be organized to address questions call for proposals before submission deadline. This is already initiated for spotlight in 2019 and will be expanded for other projects. This will enhance the awareness of the Civil Society Organizations on the means of advertisement used for call for proposals end encourage them to apply. 3. The Office LPAC Memo has been reviewed to include only P3 / NOC level staff 4. Programme Managers perform strict programmatic monitoring and financial verifications. 5. Organize coordination meetings among IPs	Throughout 2020 Throughout 2020 29 February 2020 Throughout the year February 2020 & July 2020
12. Strengthening the	8. The Representative to: • Regularly update the database of potential suppliers through a regular	Operations	Representative	High	1. A Procurement Assistant Position will be filled as per the staffing table attached to the AWP 2020. However, this will be contingent on the availability	Contingent upon decision on change

Issue	Recommendation	Process	Responsible Unit	Priority	Action Plan	Implementation date
procurement process	market research exercise to increase competition in procurement and use the results to inform an updated procurement strategy that addresses how to engage new vendors. • Implement a procurement and contract tracking and monitoring system and periodically report on improvements in the time taken to complete a procurement action. • Ensure consistent use of dedicated procurement email addresses.				of fund and approval from RO/ HQ 2. The Office will work in implementing the e-procurement tools (platform) by training vendors. Also collaboration will be enhanced within the Operations Management Team (OMT) to secure more LTA and share vendors database information 3. A procurement tracking tool has been developed and will be in place for the 2020 procurement plan implementation. 4. The use of the existing procurement email addresses will be explained to all users in the office.	management 30 June 202030 March 2020 30 March 2020
13. Strengthening HR Management	9. The Representative to: • Devise an HR strategy and recruitment plan based on the projects to be implemented and other staffing needs. • Dedicate sufficient staffing to conduct review and oversight of recruitment. • Ensure that staff monitoring the performance of personnel account for all the deliverables in ToR, and properly evaluate the performance for timeliness, completeness and quality of work.	Operations	Representative	High	This issue related to HR/strategy has been discussed in the management meeting and the action is pending due to on-going change management exercise and the availability of Fund. Once clarified, the following action will be taken: 1. Devise HR strategy 2. A 2020 recruitment plan will be devised 3. The HR Assistant will be recruited in conformity with the AWP 2020 staffing table and fund availability as per approval from HQ. 4. An interoffice memo will be circulated and followed up to remind and engage the responsibility of Supervisors in performance evaluation.	March 2020 30 April 2020 30 April 2020 30 May 2020 30 March 2020
14. Strengthening security management	10. The Representative to devise a mechanism to ensure that annual testing of the business continuity and disaster recovery plans takes place.	Operations	Representative	Medium	A BCP test will be conducted under the supervision of the Regional Security Advisor and revised accordingly on a yearly basis.	30 May 2020

Annex 1: DEFINITIONS OF AUDIT TERMS, RATINGS AND PRIORITIES

A. AUDIT RATINGS

Satisfactory	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.
Some Improvement Needed	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.
Major Improvement Needed	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.
Unsatisfactory	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

High (Critical)	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.
Medium (Important)	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.
Low	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.