

COUNTRY OFFICE AUDIT

INTERNAL AUDIT REPORT
UN WOMEN COUNTRY OFFICE IN
AFGHANISTAN



INTERNAL AUDIT REPORT

UN WOMEN COUNTRY OFFICE IN AFGHANISTAN



INDEPENDENT EVALUATION AND AUDIT SERVICES (IEAS)

Internal Audit Service (IAS)

UN WOMEN

30 July 2019

IEAS/IAS/2019/001

TABLE OF CONTENTS

EXECUTIVE SUMMARY	i
ACRONYMS AND ABBREVIATIONS	iii
I. BACKGROUND	1
II. AUDIT RESULTS: GOVERNANCE AND RISK MANAGEMENT	2
III. AUDIT RESULTS: STRATEGIC PRIORITIES, PROGRAMME PLANNING AND IMPLEMENTATION	4
IV. AUDIT RESULTS: OPERATIONS	8
V. RECOMMENDATIONS AND MANAGEMENT ACTION PLAN	10
ANNEX 1. DEFINITIONS OF AUDIT TERMS RATINGS AND PRIORITIES	14

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 in Afghanistan (the Country Office) from March to April 2019, with a field visit to the office from 5 March to 20 March 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 sub-areas:

- **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.
- **Strategic priorities, programmes and project management:** strategic priorities, programme and project management, coordination of gender mainstreaming, advocacy and resource mobilization.
- **Operations:** implementing partners, human resources, finance, procurement, information and communication technology, travel, and safety and security.

The audit covered the current state of governance, risk management and internal controls based on a sample of Country Office activities from 1 January 2017 to 31 March 2019. During 2017 and 2018, the Country Office recorded US\$ 18 million in expenses.

IAS followed the *International Standards for the Professional Practice of Internal Auditing* in conducting this audit. IAS was not able to meet with all the external stakeholders it had planned to interview, therefore some conclusions in this review are limited to the feedback received from the donors and implementing partners that IAS was able to interview.

Good practice for replication

Among other good practices adopted by the Country Office, one could be considered for replication. In collaboration with the Government of Afghanistan, the Country Office initiated a multi-donor trust fund, which aims to ensure the sustainability of UN Women programming especially in relation to Ending Violence Against Women projects where UN Women supports women's protection centres.

Audit opinion and overall audit rating

IAS assessed the state of governance, risk management and internal controls in the Country Office as **Some Improvement Needed** meaning that "the assessed governance arrangements, risk management practices and control processes 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."

The overall assessment was mainly due to improvements needed in:

- **Governance, risk management and internal control system:** optimizing office capacity and structure, improving risk management and improving awareness of ethical standards.
- **Strategic priorities, programmes and project management:** formalizing coordination strategy for gender mainstreaming, updating resource mobilization strategy and monitoring resources raised against targets, and strengthening results-focused project management, programmatic monitoring and reporting arrangements.
- **Operations:** expediting recruitment of vacant positions, preparing a learning and development plan for personnel, adhering to procurement policy and controls, testing/updating disaster recovery and business continuity plans, and safeguarding low-value attractive assets.

Key recommendations: 12 3 high priority, 9 medium priority

Three high priority recommendations are related to:

Issue	Recommendation
Issue 4: Formalizing a coordination strategy for gender mainstreaming	Recommendation 4: The Representative to formalize and share a coordination strategy for gender mainstreaming, finalize the workplan for the UN gender working group and develop a plan to achieve equal representation of women working in the office.
Issue 7: Improving project management	Recommendation 7 (Corporate Issue): The Programme Support Management Unit to develop guidance for situations where Country Offices receive unearmarked funding for their Strategic Notes, including key principles for ensuring the results have been achieved in a cost-effective manner and are transparently reported.
	Recommendation 8: The Representative to ensure that project design and implementation are adequately managed.

Further to the high priority recommendations, IAS made nine medium (important) priority recommendations, meaning *“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 priority issues are not included in this report, but were discussed directly with management and actions have been initiated to address them.

Management comments and action plan

Management accepts the recommendations and has included an action plan within this report.

In particular, the Representative accepted all the recommendations assigned to the Country Office and has started their implementation. The Programme Support Management Unit also confirmed its acceptance of the corporate recommendation (Recommendation 7). Comments and/or additional information provided have been incorporated in the report, where appropriate.



Lisa Sutton, Director
Independent Evaluation and Audit Services

ACRONYMS AND ABBREVIATIONS

AWP	Annual Work Plan
BCP	Business Continuity Plan
DRF	Development Results Framework
EVAW	Ending Violence Against Women
IAS	Internal Audit Service
ICF	Internal Control Framework
IEAS	Independent Evaluation and Audit Services
LTA	Long-Term Agreement
MERP	Monitoring, Evaluation and Research Plan
OEEF	Organizational Efficiency and Effectiveness Framework
PPG	Policy, Procedure and Guidance
PSMU	Programme Support Management Unit
RMS	Results Management System
SN	Strategic Note
UNDAF	United Nations Development Assistance Framework
UNIFEM	United Nations Development Fund for Women
UNOCA	UN Operations Central in Afghanistan
UN SWAP	UN System Wide Action Plan
WEE	Women's Economic Empowerment
WPS	Women, Peace and Security

I. BACKGROUND INFORMATION

About the Country Office¹

UN Women (previously UNIFEM) has been working in Afghanistan since 2002. The Entity has supported the development, monitoring and implementation of policies that both protect and promote the rights of women. These include, but are not limited to, development of the National Action Plan for the Women of Afghanistan; the adoption of a quota in the national constitution; laws and policies at the national and local level to combat violence against women and girls; and mainstreaming gender in the Afghanistan National Development Strategy.

UN Women in Afghanistan is in the process of repositioning itself and restructuring the office to support a stronger results-based programmatic approach and to promote its national execution. Over the past 12 months, the Country Office has restructured the office, programming, funding and partnerships. The 2019–2022 Office Strategy is deepening its approach to provincial programming with an intensified focus on its

field presence. The Country Office's strategic focus covers four thematic areas: (1) Women's Political Empowerment and Leadership; (2) Women, Peace and Security; (3) Ending Violence Against Women; and (4) Women's Economic Empowerment. Given the ongoing and protracted conflict in Afghanistan, humanitarian action is a cross-cutting theme which is located programmatically within the Women, Peace and Security programme.

At the time of audit, the Country Office was located within the UN Operations Central in Afghanistan (UNOCA) compound in Kabul with no other field offices. However, UN Women is planning to open another five field offices: the first three field offices are planned to open in 2019, and the remaining two offices in 2020. UN Women will continue to work with civil society organizations in hard to reach locations to support vulnerable women and girls.

The Country Office's budget for the year ended 2018 was US\$ 10 million, with expenditure of US\$ 8.9 million. At the time of audit, the Country Office employed 38 personnel.

¹ According to the UN Women homepage, as at May 2019: <http://asiapacific.unwomen.org/en/countries/afghanistan/1/un-women-engagement-in-afghanistan> and the Office management comments.

II. AUDIT RESULTS: GOVERNANCE, RISK MANAGEMENT & CONTROLS

The Country Office has experienced significant challenges over the last couple of years in terms of staffing and programmes. It did not have a full-time appointed Country Representative and Operations Manager for a major part of 2017 and 2018. Also it had to release a number of personnel during the third quarter of 2018 due to lack of resources resulting from the closure of major projects. IAS noted that UN Women headquarters has mobilized two personnel to support the Country Office Programme team.

The current organization chart shows 54 posts, including the Country Representative and Deputy Representative, 32 Programme and 20 Operations personnel. At the time of audit, 16 posts were vacant. The Country Office follows UN Women's standard Internal Control Framework, delegation of authority and risk management approaches.

The audit reviewed several sub-areas related to the organizational structure, control environment, risk management and state of internal controls. The implementation of prior year audit recommendations was satisfactory, while the areas related to organizational structure, risk management, the internal control system and environment, and data quality needed some further improvements, as reported below.

KEY ISSUES AND CONCLUSIONS

Issue 1: Expediting recruitment for a high number of vacant posts

Country Office management has elaborated a clear concept of the staffing and technical support it considered were needed to deliver its priorities and planned programmes. This is reflected in a revised Country Office organization chart.

However, at the time of audit, 16 of 54 positions were vacant, mainly in the Programme Unit. On a positive note, the Country Office had developed a recruitment plan and was in the process of completing recruitment actions with the support of the Human Resources department in headquarters. Although action was in progress to address the risk, high vacancy levels may impact on the delivery of planned programme results. An onboarding and induction plan was being developed, but had not been finalized. Once in place, it will help to ensure new personnel can swiftly commence duties upon arrival.

As subsequently reported by the Country Office, it has made progress since the audit fieldwork was carried out in March 2019. The office is currently filling 19 positions, of which the above 16 vacant positions are part, as additional needs were identified. The Country Office has hired 10 personnel, onboarding 7 of them. A further eight recruitments are ongoing, and one has yet to be advertised. The Country Office has also devised an orientation checklist for new staff to help ensure smooth onboarding.

Recommendation 1 (Medium):

The Representative to expedite implementation of the recruitment plan and finalize the onboarding and induction plan for new joiners to ensure that required human resource capacity is in place to deliver the Country Office's planned programmes.

Issue 2: Enhancing risk identification and management practices

Risk management is a critical element of effective governance. According to the UN Women Enterprise Risk Management 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 Country Office's risk register in the risk management system on OneApp did not fully reflect all risks and mitigating actions listed in the manual risk register, therefore they were not fully visible to senior management in headquarters and at the Regional Office. Moreover, individual project-related risks were not regularly captured, reported and monitored.

The audit identified that the risk on security and confidentiality of sensitive data managed by the Country Office and its implementing partners need to be added to the risk management system and effectively managed.

Although the Country Office has 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, human resources and the overall control environment.

Recommendation 2 (Medium):

The Representative to:

- Regularly update the risk management system to reflect emerging risks identified during project implementation, monitoring and other activities, including the issues raised in this audit.
 - Add a new risk relating to data security of sensitive data managed by implementing partners to the risk register along with its mitigating actions.
 - Add new risks and mitigating actions to the risk register on potential red flags related to fraud in procurement, human resources and assets.
-

Issue 3: Regularly updating the Internal Control Framework

At the time of the audit fieldwork, the Internal Control Framework (ICF), which lists the roles and responsibilities of all personnel involved in internal controls, was updated as of October 2018. The current Operations Manager, who joined the Country Office in March 2019, had not yet been included in the ICF. The Finance Specialist was also listed as the HR Manager in the ICF, as well as the alternate Argus focal point. These duties are incompatible.

Since then, the ICF has been updated. However, since the recruitment of vacant posts is still ongoing, the ICF needs to be regularly updated to reflect roles and responsibilities of newly recruited personnel.

Recommendation 3 (Medium):

The Representative to update the Internal Control Framework when staff or roles are changed and monitor and resolve incompatible duties.

III. AUDIT RESULTS: STRATEGIC PRIORITIES, PROGRAMME PLANNING AND IMPLEMENTATION

The current Strategic Note (SN) covers the period from 2014 to 2019 and lists the Country Office's strategic priorities as: (i) ending violence against women; (ii) political and economic empowerment; and (iii) coordination and advocacy. The 2019–2022 Office Strategy is deepening its approach to provincial programming with an intensified focus on its field presence.

Country Office programmes and projects are mainly funded by donors from Norway, Finland and Sweden through the SN. In addition, the Country Office also receives funding from the Australian Government and is in the process of generating more funds and engaging other donors. The Country Office delivered 85 per cent and 86 per cent of its budgeted expenditure for the years 2017 and 2018, respectively.

IAS was not able to meet with all the external stakeholders it had planned to interview to obtain their feedback on the Country Office's role and operations. The stakeholders IAS did interview (e.g. donors) confirmed that the Country Office understands its specific role in the country and addresses their expectations through proactive advocacy and communications.

Strategic programme and selected projects' planning processes, implementation and monitoring need some improvement, in particular: UN coordination on gender mainstreaming, resource mobilization, monitoring, reporting and evaluation plans and activities, and project design and management.

KEY ISSUES AND CONCLUSIONS

Issue 4: Formalizing a coordination strategy for gender mainstreaming to consolidate the Country Office's efforts

The Country Office leads the coordination of gender mainstreaming among the UN Country Team (UNCT) through thematic group on gender; contributions to United Nations Development Assistance Framework (UNDAF) development and implementation; and support to Civil Society Organizations in developing and implementing the country's gender equality policies, priorities and programmes.

IAS observed the following issues:

- The Country Office did not meet UN System Wide Action Plan (SWAP) 2.0 Performance Indicator 12 on the Equal Representation of Women, which requires that the Country Office has a "plan in place to achieve the equal representation of women for General Service staff and all professional levels in the next five years". This was mainly due to the country context and challenges in realizing employment opportunities for women.
- The Country Office did not have a documented coordination strategy for gender mainstreaming among UN agencies. Such a strategy would help to outline targets and indicators and set out dedicated time and resources. This was due in part to insufficient resources in the Programme Unit (raised in Issue 1). Linked to this,

the 2019 workplan for the UN Gender Working Group in Afghanistan had yet to be completed. IAS believes the Country Office could spearhead greater coordination and joint programming on gender among UN agencies, including the Gender Unit of the UN Assistance Mission in Afghanistan.

Recommendation 4 (High):

The Representative to formalize and share:

- A coordination strategy on gender mainstreaming which would consolidate efforts in: (i) the UNDAF development process to make it gender-responsive; and (ii) SWAP 2.0 to coordinate implementation of actions to address the gaps identified.
- The workplan for the UN gender working group to support coordination. Once finalized, implementation of the workplan should be monitored.
- A plan to achieve equal representation of women in general service and professional staff positions in the next five years.

Issue 5: Improving resource mobilization planning and monitoring

UN Women's 2014–2019 SN for Afghanistan is planned to be extended until the end of 2020 to align with the UNDAF and the country's national development priorities.

The Country Office has a Resource Mobilization Action Plan, updated as of October 2018. It includes donor mapping for 2017 and 2018. The Country Office needs to update the document to include donor mapping and resource mobilization activities to be performed for the remainder of the SN (2019 and 2020).

In particular, the Country Office needs to address the discrepancies noted in Table 1 below, which compares the actual resources mobilized versus planned targets. Specifically, some underachievement in resource mobilization was noted, especially for the Organizational Efficiency and Effectiveness Framework (OEEF).²

Table 1 – Resource mobilization targets, actual funds and actual delivery (in US\$ thousands)

Type	DRF		OEEF		Delivery
	Target	Actual	Target	Actual	
2017	9,280	8,601	5,029	3,197	9,400
2018	5,694	4,449	3,607	805	8,880
2019	8,337	7,280	4,503	1,980	2,310 (YTD)

Source: Results Based Management System as of 1 May 2019

The UN Women LEADS system is used to record new project funding pipelines. The most recent information for the Country Office was added in October 2017. This system needs to be regularly updated to keep track of new opportunities and so that resource mobilization targets are monitored on a regular basis and revised if needed.

Recommendation 5 (Medium):

The Representative to:

- Update the resource mobilization strategy to cover the remainder of the Strategic Note period (and ideally beyond).
- Monitor actual resources raised against targets and revise the targets and corresponding Strategic Note priorities if there are fewer resources available to implement them.
- Regularly update the LEADS system for new project pipelines so that this data is used to monitor resource mobilization efforts.
- Take lessons from unsuccessful pipelines to contribute to the success of future pipelines.

Issue 6: Improving monitoring efforts

Country Office management was making progress in implementing the SN and Annual Work Plan (AWP), and

² Corporately, OEEF is mainly used for enhanced coordination, increased engagement of partners, enhanced quality of programmes through knowledge innovation and improved management of financial and human resources; while DRF is mainly used for governance systems, economic empowerment and free from violence programmes.

reporting results in its Quarterly and Annual Reports in the relevant corporate systems. However, the Country Office could improve the monitoring of its AWP through enhancing its collection and validation of evidence-based data focusing on the results achieved rather than activities.

IAS did not see sufficient evidence that monitoring activities were being routinely performed in a way that adequately covers all Country Office programmatic areas. In particular, the Monitoring, Evaluation and Research Plan (MERP) did not always include monitoring activities to cover specific partners or acknowledge gaps in capacity assessments. This mainly occurred due to the lack of leadership presence in the Country Office in 2017 and early 2018, as well as insufficient resources in the Programme Unit.

As reported by the Country Office, since the audit mission, progress has been made and a monitoring and evaluation specialist has been recruited and already onboarded to address the findings on this component. There are ongoing discussions to engage third-party monitoring which, according to the Country Office proved to be effective in the last programme cycle.

Recommendation 6 (Medium):

The Representative to:

- Prepare and implement an annual risk-based workplan for field monitoring visits to project and implementing partner sites.
- Include detailed monitoring activities in the Monitoring, Evaluation and Research Plan.
- Plan and conduct regular monitoring visits to implementing partner offices.
- Plan and prioritize evaluation of the current Strategic Note.

Issue 7: Improving project management

Afghanistan is one of the UN Women Country Offices where donors are funding the SN and the outcomes of the Development Results Framework (DRF) and OEEF. The Country Office uses these funds to implement projects which ultimately support SN outcomes and priorities. In the absence of specific corporate guidelines on how to use these unearmarked funds, the Country Office initially did not develop individual Project Documents with concrete results and resource frameworks. In addition, allocation and use of resources for these projects were not sufficiently

documented to ensure and demonstrate the cost-effectiveness of interventions.

At the time of audit, all major projects carried out by the Country Office were funded by Nordic donors, as unearmarked funding of the SN. These projects lacked a detailed results matrix (including outputs, outcomes, indicators, targets, baselines, milestones and means of verification) which could be used for measuring progress.

Following the evaluation conducted by the Nordic donors, which revealed the need to revise UN Women's programmatic approach and enhance monitoring of the results achieved, the Country Office prepared a detailed programme document for 2019–2021, which includes Project Documents with a resources and results matrix, Monitoring and Evaluation plan and details of risk mitigation.

During review of the sampled projects' documentation and discussions with key staff in the Country Office, IAS observed that:

- Some output targets and baselines were missing. In addition, information about progress against targets was not covered in progress reports. The reports were more activity than results-focused.
- The projects reviewed by IAS did not always have a well-defined exit strategy to ensure that the projects' planned results were sustainable after project closure. While not currently required in the UN Women Policy, Procedure and Guidance (PPG), IAS advises that an adequate exit strategy be part of the Country Office's project design and that it is adjusted during project implementation to ensure the sustainability of results, especially when a project's next phase is not funded.
- Due to the absence of specific budget control requirements, the Country Office could not spend all the money budgeted under some of the projects reviewed by IAS. In some cases, project expenses were charged to activities which were not originally budgeted for, or the budget was insufficient leading to budget overrun of planned activities.
- There is a risk that the Country Office may use the resources mobilized for the DRF to fund its activities for the under-funded OEEF, which include office staff salaries and operational costs. The Country Office needs to ensure that there is strict budget monitoring of its operational versus programmatic costs.
- As at the end of April 2019, of the 81 reporting commitments listed on OneApp, 38 (47 per cent) were submitted with a delay. An additional two (2 per cent)

were overdue. The Country Office needs to improve its internal processes to ensure the timeliness of its project reporting. The delays occurred mainly due to a lack of systematic monitoring of donors' reporting requirements and deadlines.

- The Country Office regularly conducts programme management meetings under the leadership of the Deputy Representative where issues, upcoming activities and spending status are discussed. However, IAS observed that:
 - Risks specific to projects are not identified and discussed on a regular basis which may result in delays or the inability to effectively realize results because of an absence of mitigating strategies.
 - The minutes of the meetings do not adequately capture the party responsible and time frame for implementation of agreed actions, nor follow up of actions agreed in previous meetings.

As reported by the Country Office, progress has been made since the audit mission: the new programme cycle addressed the observations on the results matrix outcomes, outputs and indicator levels, developed in consultation with key donors, civil societies and the UN Women technical team.

Recommendation 7 (High):

The Programme Support Management Unit to develop guidance for situations where UN Women Country Offices receive unearmarked funding for their Strategic Notes, including key principles for ensuring the results have been achieved in a cost-effective manner and are transparently reported.

Recommendation 8 (High):

The Representative to ensure that project design and implementation are adequately managed, in particular:

- Design results matrix and report on progress against results, rather than focusing on activities.
- Closely monitor the budget versus actual cost of planned interventions in terms of the cost-effectiveness of results, and to ensure transparency and accountability in the use of funds.
- Include risk management as a standard agenda item in project management meetings, discussing project-level risks, and agree and monitor mitigating actions.
- Implement a monthly reporting tracking process to monitor reporting requirements, issues encountered and potential solutions.

IV. AUDIT RESULTS: OPERATIONS

As of 10 March 2019, the Country Office had 177 capital assets with a gross value US\$ 2.1 million and a net book value of US\$ 667,000.

The Country Office raised 832 purchase orders amounting to US\$ 4.6 million during 2017 and 2018.

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

KEY ISSUES AND CONCLUSIONS

Issue 8: Improving management of implementing partners

IAS observed the following issues:

- Comprehensive capacity assessments of implementing partners were carried out by Country Office personnel from Programme and Operations. However, no capacity development plans were prepared for individual partners. Such plans would be helpful to address the capacity gaps identified and to monitor that the gaps have been addressed. Moreover, a locally developed capacity assessment template does not strictly follow what is required by the policy. For example, some of the criteria in Section A on Relevance and Technical Capacity have been removed.
- As already highlighted in Issue 6, there is a need to enhance the frequency of on-site monitoring of activities undertaken by implementing partners.
- Due to the short-term nature of funding and project agreement extensions, contracts with implementing partners were issued for only three months duration and there were delays in extension of contracts due to long administrative processes (e.g. external registration).
- There was no evidence of formal implementing partner or beneficiary feedback mechanisms.
- Partnership Cooperation Agreements do not specify data security requirements for implementing partners. This is a corporate issue, which will be addressed in the ongoing thematic audit of implementing partner management.

Recommendation 9 (Medium):

The Representative to:

- Develop and monitor the capacity development plans for implementing partners making use of the gaps identified during the capacity assessment.
- Use the capacity assessment template that is available in the Policy, Procedure and Guidance framework.
- Plan and conduct effective partner monitoring activities, including site visits.
- Devise a plan to increase partner agreement durations when possible.

Issue 9: Strengthening oversight of the procurement process

Country Office operations decreased due to the closure of some major projects during mid-2018. As a result, procurement activities also slightly decreased, from US\$ 2.4 million in 2017 to US\$ 2.2 million in 2018. The Country Office frequently used Long Term Agreements (LTAs) to procure goods and services, which can help to enable timely and cost-effective procurement.

IAS noted the following issues in the procurement process:

- The Country Office issues purchase orders regardless of the amount. Although it is sensible to have procurement commitments locked in the system, raising purchase orders for smaller amounts may be inefficient.
- For the procurement of office furniture amounting to US\$ 58,000 specifications in the Invitation To Bid were too narrow showing inclination to a specific brand. This can negatively affect the ability to achieve and

demonstrate transparency and value-for-money.

- Moreover, the Country Office's vendor list was not updated on a regular basis (for example, through a market survey), and new vendors were added on a case-by-case basis. At the same time, PPG does not mandate public tender announcements for requests for quotation below US\$ 50,000, therefore the Country Office may not always have access to the vendors available in the market, and instead might use an obsolete vendor list. This raises the risk of lack of competition and potential vendor collusion. For example, for the acquisition of audio/visual services amounting to more than US\$ 40,000, the Country Office issued a request for quotation to the vendors in its database; however, only one offer was received, and the Country Office had to proceed with this quotation. IAS recognizes that it is a very limited market to source specialized vendors.

Recommendation 10 (Medium):

The Representative to ensure that:

- Procurement-related controls are followed to ensure the integrity of the process and the achievement and ability to demonstrate value-for-money.
- Market surveys are regularly conducted to extend the number of potential vendors.

Issue 10: Managing Human Resources

The Country Office went through considerable changes in 2017 and 2018 in terms of human resources. A new organization chart was also developed. IAS's review revealed that documentation was in place to support decisions, but the following areas for improvement were noted:

- Reference checks were not frequently used to check the background of candidates or, if checks were made, they were not properly filed.
- The Country Office did not have a detailed learning and development plan for 2018 based on performance reviews/office needs.
- As per the mandatory training tracking sheet for the office, as at October 2018, 73.9 per cent of total mandatory training had been completed. However, according to the Agora online training delivery system, only 50.9 per cent of training had been completed. This inconsistency may be due to a lack of knowledge about the new Agora training system.

Country Office staff are encouraged to make use of this system to take and log mandatory training and any optional training that may assist them in performing their duties and in their careers.

Recommendation 11 (Medium):

The Representative to ensure that:

- Staff involved in recruitment are properly supervised and regularly reminded about the importance of complying with key controls such as reference checks for potential candidates.
- A learning and development plan is prepared based on office and individual staff needs and that resources are allocated to this plan. All personnel should be encouraged to make use of free online training to support their current role and career development.
- All personnel complete all mandatory training and the system-related difference in the compliance rate is reconciled.

Issue 11: 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 need improvement:

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

Recommendation 12 (Medium):

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

V. RECOMMENDATIONS AND MANAGEMENT ACTION PLAN

Issue	Recommendation	Process	Responsible Unit	Priority	Action Plan	Implementation date
1. Expediting recruitment for a high number of vacant posts	1. The Representative to expedite implementation of the recruitment plan and finalize the onboarding plan for new joiners to ensure that required human resource capacity is in place to deliver the Country Office's planned programmes.	HR	REP	Medium	Indeed, the analysis is fine; however, there has been progress made ever since the time of Audit. One hiccup to this process was due to inability to get qualified candidate, some of the positions have been re-advertised; It should however be noted that a number of national positions have been already filled – and a matrix of all the filled position can be shared. Also, on the issue of the induction plan for new joiners; there is a standard induction checklist which is used for all new comers and same will be shared with the new recruitments.	30 September 2019
2. Risk identification and management needs improvement	2. The Representative to: <ul style="list-style-type: none"> • Regularly update the risk management system to reflect emerging risks identified during project implementation, monitoring and other activities, including the issues raised in this audit. • Add a new risk relating to data security of sensitive data managed by implementing partners to the risk register along with its mitigating actions. • Add new risks and mitigating actions to the risk register on potential red flags related to fraud in procurement, human resources and assets. 	Risk MNG	REP	Medium	The process to have this address has been embarked on and should be completed soon. the recommendation on this section is accepted, and we have already started implementing on it.	31 July 2019
3. Internal Control Framework has not been updated	3. The Representative to update the Internal Control Framework when staff or roles are changed and monitor and resolve incompatible duties.	GOV	REP	Medium	This has already been updated and will upload the revised one in the SharePoint together with all the other available documents as part of progress made since the period when Audit was conducted. The signed current ICF also includes the new OM and the	Implemented

					segregation of the duties of the Financial all key roles have DOA letters. and will too be uploaded on the SharePoint	
4. Formalizing a coordination strategy for gender mainstreaming to consolidate the Country Office's efforts	<p>4. The Representative to formalize and share:</p> <ul style="list-style-type: none"> • A coordination strategy on gender mainstreaming which would consolidate efforts in: (i) the UNDAF development process to make it gender-responsive; and (ii) SWAP 2.0 to coordinate implementation of actions to address the gaps identified. • The workplan for the UN gender working group to support coordination. Once finalized, implementation of the workplan should be monitored. • A plan to achieve equal representation of women in general service and professional staff positions in the next five years. 	Coordination	REP	High	Agree to some extent –UNDAF has a standalone outcome that integrates gender and UN Women was leading on the monitoring and reporting on that outcome; In addition, the Gender Working Group remained a key platform for monitoring accountability on gender results among UN Agencies. The Workplan will be completed next week on 26th – where all the UN Agencies will have a half day working session to finalize the Workplan (this will also be uploaded into the SharePoint). On the UN- SWAP, indeed, as part of the Workplan, initial steps will be undertaken in implementing on some of the targets highlighted in the Framework. With the changes from UNDAF to One – UN framework, there are still ongoing discussions within the UN on how this framework will be operationalized; and this will provide more opportunities for UN Women to support gender accountability among agencies for this Framework.	30 th September 2019
5. Improving resource mobilization planning	<p>5. The Representative to:</p> <ul style="list-style-type: none"> • Update the resource mobilization strategy to cover the remainder of the Strategic Note period (and ideally beyond). • Monitor actual resources raised against targets and revise the targets and corresponding Strategic Note priorities if there are fewer resources available to implement them. • Regularly update the LEADS system for new project pipelines so that this data is used to monitor resource mobilization efforts. 	Resource Mobilization	REP	Medium	We have firmed up on resources and we updated the table based on the recently mobilized resources. With these recent developments, the LEADS has been updated. In addition, once the partnership specialist joins, the RM Strategy will be updated to correspond with the analysis of priorities from donor mapping. This will cover the period up to 2022. There has been one unsuccessful pipeline, and this will also be included in the LEADS. Once we agree on these recommendations, the trimline will be included on to	30 August 2019

	<ul style="list-style-type: none"> Take lessons from unsuccessful pipelines to contribute to the success of future pipelines. 				when we should have the RM strategy completed.	
6. Improving monitoring efforts	<p>6. The Representative to:</p> <ul style="list-style-type: none"> Prepare and implement an annual risk-based workplan for field monitoring visits to project and implementing partner sites. Include detailed monitoring activities in the Monitoring, Evaluation and Research Plan. Plan and conduct regular monitoring visits to implementing partner offices. Plan and prioritize evaluation of the current Strategic Note. 	M&E	REP	Medium	<ul style="list-style-type: none"> The M&E specialist has been recruited and already on board to support ACO in addressing the findings on this component. There are ongoing discussions to engage 3rd party monitoring which proved to be effective in the last programme cycle. 	30 September 2019
7. Improving project management	<p>7. The Programme Support Management Unit to develop guidance for situations where UN Women Country Offices receive unearmarked funding for their Strategic Notes, including key principles for ensuring the results have been achieved in a cost-effective manner and are transparently reported.</p>	Project MNG	PSMU	High	Management acknowledge and agree with the recommendation.	31 March 2020
	<p>8. The Representative to ensure that project design and implementation are adequately managed, in particular:</p> <ul style="list-style-type: none"> Design results matrix and report on progress against results, rather than focusing on activities. Closely monitor the budget versus actual cost of planned interventions in terms of the cost-effectiveness of results, and to ensure transparency and accountability in the use of funds. Include risk management as a standard agenda item in project management meetings, discussing project-level risks, and agree and monitor mitigating actions. Implement a monthly reporting tracking process to monitor reporting requirements, issues encountered and potential solutions. 	Project MNG	REP	High	<p>The new programme cycle has addressed the observation on Results Matrix on outcome, outputs and indicator level; This has been developed in direct consultation with the key donors, civil society and UN women technical team.</p> <p>The country office has prioritized project monitoring by engaging a standalone Specialist who will be primarily focused on ensuring that county office meets the reporting requirements both internally as well as with the donors.</p> <p>There will be more attention and close monitoring of projects implementation; as well as budgets/expenditures in line with agreed deliverables.</p>	Implemented
8. Improving management of implementing	<p>9. The Representative to:</p> <ul style="list-style-type: none"> Develop and monitor the capacity development plans for implementing partners making use of the gaps 	IP MNG	REP	Medium	Afghanistan country office management acknowledges the recommendation and will put together a plan for the implementation of capacity	30 September 2019

partners	<p>identified during the capacity assessment.</p> <ul style="list-style-type: none"> • Use the capacity assessment template that is available in the Policy, Procedure and Guidance framework. • Plan and conduct effective partner monitoring activities, including site visits. • Devise a plan to increase partner agreement durations when possible. 				building and monitoring of programme activities for partners	
9. Strengthening oversight of the procurement process	<p>10. The Representative to ensure that:</p> <ul style="list-style-type: none"> • Procurement-related controls are followed to ensure the integrity of the process and the achievement and ability to demonstrate value-for-money. • Market surveys are regularly conducted to extend the number of potential vendors. 	Procurement	REP	Medium	Management acknowledge the recommendation and will ensure to continuously comply with the procurement policy and procedures and guidelines	31 July 2019
10. Managing Human Resources	<p>11. Representative to ensure that:</p> <ul style="list-style-type: none"> • Staff involved in recruitment are properly supervised and regularly reminded about the importance of complying with key controls such as reference checks for potential candidates. • A learning and development plan is prepared based on office and individual staff needs and that resources are allocated to this plan. All personnel should be encouraged to make use of free online training to support their current role and career development. • All personnel complete all mandatory training and the system-related difference in the compliance rate is reconciled. 	HR	REP	Medium	<p>Afghanistan country office management will ensure to include in the recruitment strategy the reference matrix for background checks of potential candidates to be selected. Based on the 2019 PMD plans, management will ensure to develop a learning and development plan for staff.</p> <p>Management will ensure to have 100% completion rate in 2019 for mandatory trainings.</p>	30 September 2019
11. Testing Business Continuity and Disaster Recovery Plans	<p>12. The Representative to ensure that the Country Office finalize and regularly test its Business Continuity and Disaster Recovery Plans and update them accordingly.</p>	BCP and DRP	REP	Medium	Afghanistan country office management agrees with the recommendation and will ensure to regularly test the BCP and DRP and to update both plans accordingly	31 July 2019

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.



Planet 50-50 by 2030
Step It Up for Gender Equality

220 East 42nd Street
New York, New York 10017, USA
Tel: 212-906-6400
Fax: 212-906-6705

www.unwomen.org
www.facebook.com/unwomen
www.twitter.com/un_women
www.youtube.com/unwomen
www.flickr.com/unwomen