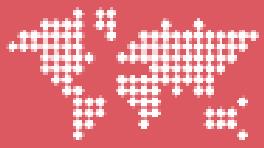
PROGRAMME PRESENCE OFFICE AUDIT

INTERNAL AUDIT REPORT
UN WOMEN PROGRAMME PRESENCE OFFICE IN SOMALIA



UN WOMEN

INTERNAL AUDIT REPORT

UN WOMEN PROGRAMME PRESENCE OFFICE IN SOMALIA

INDEPENDENT EVALUATION AND AUDIT SERVICES (IEAS)
Internal Audit Service (IAS)
UN WOMEN

10 July 2020
IEAS/IAS/2020/002

TABLE OF CONTENTS

EXECUTIVE SUMMARY i

ACRONYMS AND ABBREVIATIONS iii

I. BACKGROUND 1

II. AUDIT RESULTS 2

A. STRATEGIC PRIORITIES, PROGRAMME PLANNING AND IMPLEMENTATION 2

B. GOVERNANCE, RISK MANAGEMENT AND INTERNAL CONTROLS 8

C. OPERATIONS 10

III. RECOMMENDATIONS AND MANAGEMENT ACTION PLAN 13

ANNEX 1. DEFINITIONS OF AUDIT TERMS RATINGS AND PRIORITIES 20

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 Programme Presence Office (PPO) in Somalia from February to March 2020, with a field visit to the PPO from 8 to 10 March 2020, as a part of its cluster audits of the Eastern and Southern Africa Regional Office (ESARO).

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 positioning, priorities setting, programme and project management, management of programme partners (PPs), 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, data quality and implementation of prior audit recommendations.
- **Operations**: management of procurement, human resources (HR), finance and budget, information and communication technology (ICT), travel, assets, and safety and security.

The audit covered the state of governance, risk management and internal controls, based on a sample of PPO activities from 1 January 2018 to 28 February 2020. Atlas-recorded expenditure for the PPO totalled US$ 2.08 million in 2018 and US$ 2.11 million from January to December 2019. IAS was not able to meet with the Ministry of Women and Human Rights Development, the key national stakeholder, which was not available despite multiple efforts to obtain their feedback.

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 PPO as **Major Improvement Needed** meaning that "Issues identified by the audit could significantly affect the achievement of the objectives of the audited entity/area."

IAS noted improvements across the audit period in streamlining annual planning, asset management, a two-tier system in approving transactions and improved financial review of PPs.

IAS identified areas where improvements are needed in:

- **Strategic priorities, programme planning and implementation**: clarifying expectations about the PPO's role and revising its priorities and structure accordingly; enhancing the PPO's coordination role and its related capacity; advancing progress on implementing its Strategic Note (SN) and related projects; and strengthening the selection and management of PPs;.
- **Governance, risk management and internal controls**: staffing and capacity gap assessment to deliver on the revised priorities; and enhancing risk management.
- **Operations**: ensuring the value for money of its operations and interventions; strengthening management of procurement, HR and ICT.

Overall, IAS made 18 recommendations to address the areas for improvement, seven of which were ranked as High priority and 11 as Medium priority.

The seven 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:

- ESARO Regional Director (RD), together with Change Management Team and SPRED, to clarify the programmatic and operational expectations for the Somalia PPO.
- The Country Programme Manager (CPM), with significant support from ESARO, to advance progress on the PPO's SN and key indicators. The delivery of expected results should be a high priority.
- The CPM, with close assistance from ESARO, to revisit and closely monitor the resource mobilization strategy and its implementation.
- The CPM, with ESARO's support, to ensure that (a) the

status of the field project portfolio is up-to date; and (b) monitor project budgets line-by-line including committed but not recorded costs.

- The ESARO RD and CPM, following the priorities review, to conduct a staffing and capacity gap assessment to deliver on the agreed priorities.
- The ESARO RD and CPM to enhance management of procurement transactions, including assessing PP needs related to procurement, enhancing coordination and training, and supporting the PPO procurement function on contract management for optimizing value for money.
- The CPM, with close support from the headquarters IST Division to implement a temporary cost-effective solution to protect the UN Women ICT network.

The eleven 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 the PPO's advocacy and coordination; reinforcing its monitoring and reporting function; enhancing sustainability of its projects; managing project risks; enhancing selection and management of PPs; and strengthening its operations.

Management comments and action plan

The CPM and ESARO Deputy RD generally accepted the above recommendations with a few clarifications. The CPM is already in the process of implementing the recommendations and provided the PPO's action plan contained in this report.

IAS requested comments from the CPM 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

AFP	Asset Focal Point
AWP	Annual Work Plan
BCP	Business Continuity Plan
CCA	Common Country Assessment
CO	Country Office
CPM	Country Programme Manager
DRF	Development Results Framework
ERM	UN Women's corporate platform for Enterprise Risk Management
ESARO	East and Southern Africa Regional Office
FTA	Fixed-term Appointment
GEEW	Gender Equality Empowerment Women
GTG	Gender Theme Group
HR	Human Resources
IAS	Internal Audit Service
IB	Institutional Budget
ICT	Information and Communication Technology
IEAS	Independent Evaluation and Audit Services
KPI	Key Performance Indicator
LoA	Letter of Agreement
M&E	Monitoring & Evaluation
M&R	Monitoring & Reporting
MPTF	Multi-Partner Trust Fund
OEEF	Organizational Efficiency and Effectiveness Framework
PO	Purchase Order
PP	Programme Partner
PPO	Programme Presence Office
RBM	Results-Based Management
RD	Regional Director
RMS	Results Management System
SC	Service Contract
SMT	Security Management Team
SN	Strategic Note
SSA	Special Service Agreement
ToR	Terms of Reference
UNCF	United Nations Cooperation Framework
UNCT	United Nations Country Team
UNDP	United Nations Development Programme
UNIFEM	United Nations Development Fund for Women
UNSOM	United Nations Assistance Mission in Somalia
UNV	United Nations Volunteer
UN Women	United Nations Entity for Gender Equality and the Empowerment of Women
US$	United States Dollar
WPS	Women, Peace and Security

I. BACKGROUND

About the Country Office

UN Women (prior to 2012: UNIFEM) had worked in Somalia since 2014. The Programme Presence Office (PPO) worked under the supervision of the East and Southern Africa Regional Office (ESARO), which provided review and approval authority as well as technical guidance and operational support. As part of the UN system in Somalia, UN Women operated together with other UN agencies, Funds and Programmes and the United Nations Assistance Mission in Somalia (UNSOM). UNSOM was established on 3 June 2013 by UN Security Council Resolution 2102, following a comprehensive assessment of the United Nations in support of the establishment of the Federal Government of Somalia.

The UN Women Somalia PPO focused on women's leadership and participation in decision-making; the economic empowerment of women; ending violence against women; and improving governance and national planning with respect to gender equality priorities. The PPO worked with key federal and state government entities and was located in Mogadishu, with small suboffices located in Hargeisa, Somaliland and Garowe, Puntland.

During the period under review, the PPO employed nine personnel with fixed-term appointments (FTAs), with two FTA posts under recruitment; and engaged three individuals on service contracts (SCs); five consultants on Special Service Agreements (SSAs); and two United Nations Volunteers (UNVs).

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

Table 1: PPO budget and expenditure, US$

	2018[1]	2019
DRF budget target	1,800,969	2,790,518
DRF actual budget	1,602,958	2,040,488
DRF expenditure	1,170,261	1,599,746
Delivery rate	73%	78%
OEEF budget target	611,753	795,900
OEEF actual budget	738,054	694,323
OEEF expenditure	895,144	389,723
Delivery rate	121%	56%

Source: Executive Dashboard and Results Management System (RMS) data

As of 31 December 2019, the country field programme comprised nine non-core funded projects with a total budget of US$ 2.1 million, funded mainly by donors through the Multi-Partner Trust Funds (MPTF) mechanism.

The PPO's Strategic Note (SN) and Annual Work Plan (AWP) covered the period 2017–2019. In 2019, the SN was extended to include 2020.

The PPO's 2019 AWP focused on one impact area (women, peace and security [WPS]), which included three Outcomes under the Development Results Framework (DRF). The AWP also included seven Outputs under the Organizational Efficiency and Effectiveness Framework (OEEF).

Atlas-recorded expenditure for the PPO totalled US$ 2.08 million in 2018 and US$ 2.11 million in 2019.

[1] Executive Dashboard contains unmapped expenditure of US$ 17,000 in 2018 and US$ 124,200 in 2019.

II. AUDIT RESULTS

A. Strategic priorities, programme planning and implementation

The PPO's SN 2017–2019 had been extended to 2020. This was in alignment with the UN Cooperation Framework (UNCF) 2017–2020 and with the Somalia Federal Government's adoption of a five-year development plan for the period 2020-2024, under the new National Development Plan 9 approved in October 2019. As the UNCF was premised on the country's development plan, the UN Country Team (UNCT) requested that UN agencies adjust their planning frameworks. The UNCT had drafted the Common Country Assessment (CCA) and development of the UNCF was under way.

UN Women's projects in Somalia were funded primarily through joint programming covering women's political participation, WPS and a programme on joint justice. Coordination efforts were funded through an MPTF as part of UN Joint Programme on Enablers efforts (US$ 1.74 million for 2016–2019). The achievements included a specific section on gender in the National Development Plan, UN Gender Equality Strategy 2018–2020 (accountability framework) completion, the Strategy's Implementation Plan (not much advanced), Gender Theme Group (GTG) workplans, and other initiatives such as the CCA; and Somalia Country Gender Profile published in collaboration with the African Development Bank and the GTG.

IAS assessed that the PPO's advocacy and coordination efforts; strategic planning; implementation and monitoring; and programme, project and Programme Partners management needed significant improvement as outlined below. Stakeholders interviewed by IAS stressed the importance of resolving leadership gaps, office capacity and implementation issues which had impeded completion of planned activities.

KEY ISSUES AND CONCLUSIONS

Issue 1: Clarifying strategic priorities and position

There was a gap between the expectations placed on the PPO and its capacity to effectively implement UN Women's mandate in Somalia. Stakeholders confirmed that the PPO's capacity needed to be improved to achieve the expected results, including in-country capacity as well as support from ESARO and headquarters.

The PPO suffered from a high turnover of personnel, and change and gaps in leadership during 2018, which particularly affected the Programme Team. In addition, ESARO was not able to manage the risks related to external stakeholders' expectations and country needs by providing timely and substantive support.

While there were signs of improvement, a high risk remained that the high expectations placed on the PPO would not be met with its current capacity, which could lead to UN Women not achieving maximum impact for women in Somalia as well as potentially affecting its reputation as a Gender Equality and Empowerment of Women (GEEW) advocate and coordinator in the country.

Stakeholders expressed a strong desire to see an enhanced UN Women presence in the country as a technical partner, being able to take the lead on strategic coordination and advocacy while relying on the capacity of other larger agencies on the ground. This represents a strong argument for UN Women remaining in the country and re-prioritizing its activities at a more strategical level rather than investing in its field structure.

Recommendation 1 (High):

The ESARO RD, together with the Change Management Team and SPRED, to clarify expectations for the Somalia PPO, including:

- strategic rethinking about UN Women's footprint in the country; and
- prioritizing the PPO's focus between normative work, technical advice, coordination or field programme implementation. This should include provision of adequate support and resources to restore UN Women's position in the country.

Issue 2: Enhancing advocacy and communication efforts

External stakeholders noted that the advocacy, communication and visibility of UN Women interventions were almost non-existent during the period under review. While IAS noticed that several important milestones were progressing and these were mentioned by the stakeholders interviewed, this had not been translated into advocacy and communication activities. This led to lost opportunities to enhance visibility and promote UN Women's mandate.

Other UN agencies were proactively working on their visibility and advocacy in the country. All UN agencies interviewed mentioned that their office had a dedicated communication function in the country, or in their regional offices. In several videos produced by some joint programmes, IAS noticed that UN Women was not mentioned. At the time of the audit, a consultant was working to prepare project fact sheets, so that PPO management could use them in meetings on resource mobilization.

Recommendation 2 (Medium):

The CPM to develop a cost-effective advocacy and communication strategy with sufficient resources assigned to implement it. The strategy should include measures designed to enhance UN Women's visibility.

Issue 3: Improving coordination on gender mainstreaming

The coordination of gender mainstreaming in the UN System in Somalia was significantly affected by the change of UN Women leadership in 2017 and staff turnover in 2018. Some stakeholders noticed that the PPO was making good attempts to maintain coordination activities as part of the UN Gender Strategy. In particular, as the Co-Chair and Secretariat of the GTG, in 2019 UN Women coordinated the drafting and finalization of the 2019 workplan that was derived from the UN Somalia Gender Equality Strategy (Gender Strategy) implementation plan which was endorsed and adopted in 2018; provided some support to the CCA; and planned for an inter-agency retreat to advance the GTG workplan. At the same time, these inputs did not always provide the strategic direction and technical support expected from UN Women as a technical expert in this area. In addition to thinly spread capacity and staffing of the office, other potential root causes related to the lack of clarity between UN agencies on the role of UN Women in coordination, high expectations and gaps in office leadership.

The UN Gender Strategy's implementation plan had not really been advanced despite 2020 being the last year of its implementation. The PPO did not always ensure that the senior gender expert was present at GTG meetings (for some time it was led by a UNV), while other agencies were represented by senior officers (P4 and P5 level). In one Joint Programme led by UN Women, coordination between agencies was not fully effective.

In addition, stakeholders noticed that UN Women did not always attend important senior management meetings or politically important events. In addition, some stakeholders interviewed mentioned that during important cross-agency initiatives, UN Women did not manage to mobilize the institutional technical capacity to provide specific advice and tools on gender mainstreaming in a timely manner.

Based on implementation of Recommendation 1, ESARO and the CPM needed to consider the PPO's coordination mandate and provide dedicated resources, such as a Senior GEWE adviser, etc.

Recommendation 3 (Medium):

As a part of the GTG retreat agenda, the CPM to clarify accountability and responsibilities of key GTG members, with a detailed plan of action expected from GTG and related time frames.

Issue 4: Improving coherence between Strategic Note and Annual Work Plans

The PPO's SN and AWPs prioritized WPS. The SN was focused and had a manageable number of indicators, which were linked to AWP outputs.

However, coherence between the SN, AWPs and field programme was not always visible and in some instances the indicators changed between AWPs. While some changes improved the indicators, some were too generic to be results-driven. In addition, frequent changes of indicators might affect potential evaluability.

The SN did not always have annual targets; therefore, it was not always possible to assess the PPO's annual performance towards its three-year targets and the cost-effectiveness of its annual activities.

IAS advises the CPM to use these lessons learned when developing the new SN:

- Assign manageable and integrated project, AWP and SN indicators, without altering the indicators during SN implementation or by documenting the amendments for evaluability and accountability.
- Consult the Monitoring and Reporting (M&R) Specialist and Regional Evaluation Specialist (RES) in ESARO to ensure an adequately designed Theory of Change and results framework. Key elements to be fully integrated include indicators for outputs, targets, baselines, annual milestones and sources of information.

Issue 5: Accelerating implementation and monitoring of the Strategic Note and reducing the resource gap

The PPO followed corporate guidelines on quarterly and annual reporting. Thanks to the limited number of indicators linked to projects which were easily traced, the PPO found it manageable to report on progress. At the same time, mainly due to high programme personnel turnover and the absence of dedicated M&R function, substantial improvements were required in the implementation and M&R of the SN and AWPs in the following areas:

Delayed implementation of the SN

The current SN had been due to end on 31 December 2019, but was extended for another year. Many activities had not been fully delivered and most of the indicators could not have been achieved within the existing time frame.

Data quality

While evidentiary support for data in the annual report was available, reporting on results needed to be more accurate to reflect actual progress. For example, the actions to address some indicators were assessed as having been fully completed, while in fact only some progress had been made. The PPO would benefit from an improved data validation process.

Resource mobilization

There was a significant difference between the SN targets for required resources and those of the AWPs and with the funds actually received, according to the Project Delivery Reports (PDRs). This accounted for 61 per cent of total targets, creating a risk that delivery of SN priorities was not feasible or targets not accurate. While the PPO had mobilized less than anticipated to be able to deliver its SN, neither the SN nor AWPs were adjusted to reflect the funding actually available.

Analysis of the funding pipelines showed that the data had not been updated to clean the old pipelines or to record new concept notes submitted to donors. If these prospective projects do not materialize, the PPO would need to drastically reduce its already limited staffing, as most of its staffing was funded by project funds, the majority of whose agreements were set to expire by the end of 2020.

M&R framework and function

The PPO did not have a dedicated M&R officer for the whole of 2019. The PPO planned for a UNV to fill this role. An M&R officer with strong experience in results-based management (RBM) would be of great benefit to the PPO. The sustainability of this role should be ensured to reflect its importance to the PPO's future and its ability to deliver tangible results for Somalia's women. Most interventions were outsourced to Programme Partners which did not appear to have adequate capacity in RBM.

The absence of a dedicated M&R officer impacted monitoring framework development and implementation, including data collection and validation process for donor reporting, mid-term reviews, and other monitoring and evaluation (M&E) requirements. An effective M&R framework is highly important for the projects led by UN Women, where Participating UN Organizations (PUNOs), partners and donors expect UN Women to have this mandatory element in place. No project evaluations or mid-term reviews had been conducted (except for one project led by UNDP), despite this being a requirement of some project agreements, where UN Women was the lead agency.

Recommendation 4 (High):

The CPM, with significant support from ESARO, to advance progress on the SN and its key indicators. The delivery of expected results should be a high priority. During implementation, the SN indicators should be adjusted if the original funding target cannot be achieved.

Recommendation 5 (High):

Based on the results of Recommendation 4, the CPM, with close assistance from ESARO, to:

- Revisit the resource mobilization strategy based on the existing mapping of donors and UN agencies to identify potential joint programmes and to close the funding gap after 2020.
- Closely monitor implementation of the resource mobilization strategy, including lessons learned from unsuccessful proposals.
- Approach donors located in both Somalia and Kenya.

Recommendation 6 (Medium):

The ESARO RD to:

- Prioritize funding of an M&R specialist in Somalia or

provide alternative arrangements, such as assigning ESARO's M&R Specialist to provide backstopping support for the PPO.

- Ensure that a monitoring framework is in place which integrates all PP, donor and staff monitoring activities, and includes a workflow for data collection and validation. This framework should ensure compliance with donor requirements on monitoring and evaluations.

Issue 6: Enhancing management of the programme portfolio, including funding pipelines and projects for closure

Field programme management was mainly organized around MPTF-funded joint programmes, which provided standardization for reporting. Deadlines were met within an acceptable level of delay. The following areas for improvement were identified in programme and project portfolio management.

Budget monitoring

Project delivery data in the corporate financial systems did not include already committed but not yet incurred expenditure. For example, staff salaries were recorded monthly, but the total of their future salaries to the end of their contract or project were not reflected against the budget. In addition, only tranches which were paid to PPs were recorded, not the whole amount required to be paid under the agreement with PPs.

Moreover, it was very difficult to monitor agreements with PPs, as some combined payment modalities, e.g. cash advances, direct payments by UN Women (recorded against the vendors selected by an PP without PP reference, therefore it was easy for them to be confused with local procurement carried out by UN Women), and directly reimbursed after an PP presented the invoices.

Two projects ran the risk of budget overrun, as they still needed to pay outstanding amounts to PPs according to already signed legal agreements and the salary for a recently recruited project personnel. Other projects had the same risk of budget overruns during 2020, if project budget monitoring did not improve.

Project closure

Five operationally closed projects had not yet been closed financially and were awaiting input from ESARO and headquarters on financial delivery and refunds to donors. The Financial Management Dashboard did not include these projects in its statistics. In addition, five ongoing projects with very limited available budget may indicate that they were candidates for closure.

Recommendation 7 (High):

The CPM, with ESARO's support, to ensure that:

- The status of the field project portfolio is up-to-date, i.e. projects are closed in an adequate and timely manner and the project pipeline is regularly updated to reflect the latest information.
- Project budgets are monitored line-by-line including committed but not recorded costs.

Issue 7: Ensuring sustainability of programme/projects results

There were inherent sustainability risks for all projects in Somalia and challenges in long-term capacity building of PPs. Security issues limited opportunities to visit or work from PP premises to provide on-the-job support. There was also insufficient budget to pay for monthly salaries of PP gender advisers and other personnel in the long-term. Knowledge transfer mainly took place through training, workshops and conferences, which generally have limited long-term impact. Therefore, the sustainability of current interventions was a risk that needed to be addressed.

Recommendation 8 (Medium):

The CPM, in coordination with ESARO and the UNCT, to strategically address the sustainability risk of current interventions in Somalia, with a view to enhancing sustainability through longer-term capacity building interventions in addition to traditional workshops, study tours and conferences. The CPM to monitor this risk during projects formulation and establish and monitor mitigation and exit strategies.

Issue 8: Addressing risks to project implementation

All projects reviewed by IAS were delayed. Donors were very critical of UN Women's capacity to deliver and monitor the results produced versus the costs incurred. IAS noted positive changes and progress made by the new team since joining the PPO in 2019; however, as projects progress had stalled since 2017, it was very difficult for the new Programme Team to recover the lost time. IAS also observed that the PPO performed better in a participatory role rather than as a leading agency.

Review of the latest project reports revealed the following:

- Project risks were generic and were not communicated transparently. Risk assessments and escalation of issues, which were outside of PPO management control, might have not always been documented and communicated to ESARO for action. Many risks materialized into issues which were not resolved in a timely manner.
- The joint nature of Joint Programmes was not visible. While workplans were jointly approved, the activities planned by the agencies, sometimes within the same area, were not always coordinated, which risked potential overlaps or lack of integration.
- Due to the absence of an M&R specialist, the function was shared within the small Programme Unit, which did not have the time and capacity to perform effective monitoring. This presented a risk that the Unit might be too involved in implementation of a project to provide an impartial assessment of a project's status. There was no evidence that the projects had been regularly backstopped by the Regional Policy Advisers. See Recommendation 6.
- Reports on actual progress on results did not always comparable to the associated expenditure, which was mentioned by the donors interviewed. This risks effectiveness (not achieving the agreed results) and efficiency (overspending the agreed detailed budget). See Recommendation 7.
- Projects led by UN Women did not have solid M&E plans, mid-term reviews or developmental evaluations, which limited the ability to assess the projects' relevance, sustainability, effectiveness and efficiency, and adjust the projects accordingly. See recommendation 6.
- Activities were mainly outsourced to PPs, which created a dependency to overall project progress. IAS observed significant delays in implementation and in PPs reporting on results.

Recommendation 9 (Medium):

The CPM to:

- Assess the feasibility and impact on the current team of the workload related to any new projects.
- Plan and allocate time in a project's inception phase to recruit the team and develop/confirm a workplan.
- Regularly assess project risks and monitor the effectiveness of mitigating actions, reporting to ESARO any risks that are outside of the CPM's control.

Issue 9: Strengthening programme partner (PP) management

The audit observed low partner delivery with respect to agreed time frames and budgets in Letters of Agreement (LoAs). Agreements had to be extended, sometimes more than once. For one ongoing project with several LoAs with durations until December 2019 – January 2020, on average only 50 per cent of LOAs budget had been disbursed and around 35 per cent had been reported as implemented. This impacted overall project delivery, as the PPO used PPs as its main implementation modality (e.g. in three of four ongoing projects between 49 per cent and 62 per cent of funds were provided to PPs).

A large component of LoAs' budget (on average 35 per cent of the total LoA) related to salaries for technical advisers in governmental institutions, with monthly rates varying up to US$ 6,000 for a national gender adviser. The differences in salary scales for similar positions among PPs and the high salaries compared to local salaries were mainly due to the absence of agreed baselines for salary scales. These arrangements are not sustainable in the long term, as experts may leave as soon as a project ends.

Timesheets, rather than proof of deliverables, were used to verify the work of PP personnel funded by the PPO, especially those receiving monthly payments. Although the government was to have overall supervision of these personnel, to ensure and demonstrate its accountability UN Women needed to verify that planned work had been completed before releasing payments.

In addition, a review of transactions showed weaknesses in internal controls in the following areas:

- In procurement, PP invitation letters to vendors listed all the vendors invited for tendering. This increases the risk of collusion and is not in compliance with UN Women procurement rules.
- IAS made attempts to verify the high honorarium of a consultant hired by one PP (US$ 20,000); however, the consultant did not reply to IAS communications.
- A partner audit report showed that US$ 10,000 had to be refunded to UN Women. However, IAS could not determine whether the refund had actually occurred or was recorded against the next advance to the PP.
- IAS noticed inconsistencies in signed attendance sheets provided by PPs, where in some cases different signatures for the same participant appeared across several days of training.

Based on a review of PP supporting documentation and discussions with partners, the PPO could improve the nature, timing and extent of remote monitoring or physical visits to partners, where possible. Although the PPO faced very high security risks, monitoring activities and spot checks should be designed and carried out in a manner that is commensurate with the level of risk, including calls to PP personnel, beneficiaries etc. The decision-making process for LoA budgets and funding certain transactions must be fully documented and recommendations should be followed up. IAS noticed improvement in monitoring since arrival of the new Programme Team during 2019.

Stakeholders interviewed by IAS reported progress towards positive results and activities, including the hiring of female prosecutors who supported gender-based violence case development and an increase in women's representation in political bodies. While positive, these results had not been validated by the PPO to complete a data collection and validation workflow as part of good RBM (see Recommendation 6).

Recommendation 10 (Medium):

The CPM with the ESARO RD to:

- Devise LoAs based on the results-based management concept, so that payments are only made if the agreed interim milestones and results are produced. This should include a longer-term capacity building process, where PPs are backstopped by UN Women technical experts and a standard process of reviewing and validating work output by PP consultants is established.
- Review the internal controls for PP management to address weaknesses in supporting documentation provided and recommend improvements to PP fraud prevention plans.
- Monitor disbursements to training participants, ensuring that these are supported with proper signatures, identification and phone numbers, and that disbursement records are reconciled with training participation records on a sample basis. Random spot-check calls to confirm with beneficiaries training quality and any payments received could be an alternative control where a physical presence is not possible due to security risks.

B. Governance, risk management and internal controls

The PPO's overall budget was US$ 2.34 million in 2018, US$ 2.73 million in 2019, and in 2020 US$ 2.33 million. The budget had remained consistent for the past three years. At the same time, the budgeted Institutional Budget (IB), core, and extrabudgetary funding was limited to US$ 590,000 in 2019 and US$ 520,000 in 2020.

As of January 2020, the PPO's staffing structure had two international personnel, four national programme personnel, and four national operations personnel. The latest organization chart provided to IAS contained 15 positions, of which 9 appeared to be vacant. The PPO was in the process of recruiting to fill these positions, in particular finalizing recruitment of the CPM.

IAS reviewed the PPO's control environment, office structure, risk management, management of oversight recommendations and data management processes. Overall, the data in the systems reflected the transactions, except for one material discrepancy between RMS and Atlas. The PPO in general complied with its Internal Control Framework within its limited Delegation of Authority. While IAS found the tone at the top and overall office control environment to be satisfactory, some business processes required improvement in terms of operational controls. The PPO's structure, resources and authority, as well as its risk management processes, required significant improvement.

KEY ISSUES AND CONCLUSIONS

Issue 10: Strengthening the office structure and capacity

The PPO did not have the appropriate structure or resources to deal with its expected role. Importantly, there had been a leadership gap for more than a year.

The agreed SN priorities were not supported by a structure which was capable of delivering on these priorities within the agreed time frame. Other UN agencies had a much larger presence in the country. UN Women's expected role and mandate related to its advocacy, strategic technical advice and coordination had not been translated into staffing capacity: the PPO lacked technical policy/gender coordination positions and dedicated M&R, Advocacy and Communication functions. Some key vacant positions were not filled during the period under review, and some could not be funded from non-core funds which were reducing. As one potential solution, the organization could consider the possibility of investing in a 'start-up budget' from core funds for the office, later transitioning into pooled funding to sustain these positions. ESARO was not able to fill these gaps through increased support.

The size and skill mix of the team did not correspond to the expected capacity required for programme implementation. The size of the Operations Team (three personnel excluding drivers), compared to the programme and monitoring functions (four personnel), without Delegation of Authority might raise questions about the skillset and competencies required for the current phase, when more needs to be invested in technical and coordination capacity. The Operations Team relied on significant support from ESARO, in what was effectively a two-tier system, which IAS considers a good management control for the inherent risks of working in Somalia.

Most stakeholders interviewed by IAS highlighted a leadership gap, stating that UN Women was not always present at senior management or strategic discussion meetings, while its presence was expected. ESARO management did not fill this gap.

Annual staffing and office running costs were around US$ 1.5 million, while the IB and core budget for 2019 amounted to US$ 590,000 and mainly funded the CPM, Operations Manager and driver. All programme staff positions and running costs were funded by projects, including the office rent, security, vehicle maintenance, etc. This is not sustainable as all projects were expected to end in 2020 and demonstrates a heavy dependency on non-core funds.

The former CPM reopened the suboffices which had been closed by the previous CPM. Such a change in strategic direction, i.e. investing in reopening suboffices, was costly. While these offices were considered needed for project implementation monitoring, UN Women needs to analyse its suboffice structure from a costs versus benefits perspective, invest strategically and review its suboffice structure for feasibility on an annual basis.

Recommendation 11 (High):

The ESARO RD and the CPM, following the review of PPO's priorities (see Recommendation 1), to conduct a staffing and capacity gap assessment to deliver on the agreed SN

priorities.

IAS strongly advises ESARO to prioritize the recruitment of the CPM who should have the right profile to work in Somalia, possessing strong leadership, technical skills and experience.

Issue 11: Strengthening risk management processes

No effective risk management process was in place to identify and mitigate risks in a timely manner. The 2019 risk register contains only five fraud related risks and it appears that the risks from the 2018 register were not migrated into the 2019 risk register. While the PPO included key challenges and risks in its cover note to the SN, they were not included in the ERM system. More importantly these challenges were not mitigated in a timely manner, or escalated to and monitored by ESARO. The following key risks were also missing from the ERM:

- Information Security;
- office sustainability mentioned earlier in this report;
- delays in programmatic implementation, which were aggravated by dependency on PP implementation capacity;
- very high personnel turnover; and
- limited physical office space.

On a positive note, operations risk management demonstrated good use of backstopping for operational capacity in procurement, finance and HR.

Recommendation 12 (Medium):

The ESARO RD and CPM to regularly review and discuss the PPO's key challenges and the actions needed to mitigate them, which should serve as the basis for risk-informed decisions. The effectiveness of mitigating actions should be regularly monitored. The two-tier system and support in Operations could be used as a model.

C. Operations

At the time of the audit, the Operations Team in Mogadishu included an Operations Manager, an Administration and HR Consultant, a Finance Associate and a driver. Additional drivers were located in Garowe and Hargeisa.

According to the Procurement dashboard, in 2019, PPO Somalia generated 32 Purchase Orders (POs) for goods and services, amounting to US$ 1.0 million (86 per cent related to service procurement), compared to 45 POs in 2018 amounting to US$ 0.8 million (87 per cent related to service procurement). Travel-related POs were approved by ESARO and were therefore submitted and included as activity under the ESARO Business Unit.

Operational activities took place at the PPO level. However, because the PPO did not have its own Delegation of Authority, supervision and approval were provided remotely by ESARO. Procurement activities were limited to travel, vehicle rental and maintenance, training or workshops, rental of office premises and other office running costs.

The audit assessed that, overall, the PPO's local operational processes and corresponding controls needed improvement, including in recruitment and management of consultants; procurement; ICT management; travel; and safety and security. Asset management was assessed to be satisfactory. Staff performance management followed corporate requirements for 2018; however, in 2019 only one of four staff members received a mid-term performance appraisal . In general, all mandatory training was undertaken; however, the mandatory security training needed to be completed by all personnel.

KEY ISSUES AND CONCLUSIONS

Issue 12: Strengthening human resources (HR) management

While in general staff performance management and training followed UN Women policies and procedures, IAS identified some areas for improvement in managing consultants.

The terms of reference (ToR) for consultants included unclear and non-specific deliverables, which made it difficult to measure and evaluate performance in terms of milestones and progress; validate the appropriateness of payments; and match them to expected outputs. For example, a high-level consultant had deliverables to support the development of a framework, coordinate a baseline study, strengthen strategic partnerships, etc.

Some responsibilities in ToR were not translated into deliverables, making the accountability mechanism weak. For example, one consultant was responsible for monitoring, analytical and quarterly reporting, mapping, resource mobilization, advocacy campaigns, research on women's livelihood and programme strategy, but these were not included in the required deliverables.

Some ToR were ambitious compared to the contract duration. For example an M&E consultant's ToR required deliverables such as developing a detailed M&E framework (including data collection and means of data validation); establishing an M&E coordination structure for two Ministries; developing an M&E strategy and implementation plan with costs, all within a duration of less than two months.

For some consultants, free accommodation was provided, but the monetary value was not stated as part of their compensation package. While reportedly a consultant had agreed to receive lower fees in exchange for free accommodation and meals, this negotiation was not documented, and the consultancy rate was as stated in the vacancy posting.

Most performance evaluations for consultants were not based on deliverables in ToR, either for the renewal or end of assignment evaluations. Though the evaluations indicated whether performance was satisfactory, the evaluations were not based on pre-established performance indicators related to deliverables.

Recommendation 13 (Medium):

The CPM and ESARO RD to:

- Strengthen the PPO's HR function and Programme Team by: a) providing training and oversight in the review of drafted ToR to ensure that deliverables and performance indicators are SMART; and b) establishing adequate mechanisms to monitor and evaluate performance against deliverables and

indicators; or fully transferring consultant management to ESARO.

- Ensure transparency and completeness in the submission of compensation packages for ESARO review by indicating the monetary value of non-monetary benefits.

Issue 13: Strengthening procurement management

Overall, procurement activities were limited to travel; vehicle rental and their maintenance; training or workshops; rental of office premises; and other office running costs.

Segregation of duties

The PPO had only one personnel handling HR, procurement and administrative services. Due to this office set-up, the Operations Manager often carried out solicitation of quotations and was also the evaluator. This represented a lack of segregation of duties.

Solicitation

In the cases reviewed by IAS, programme needs were mainly guided by requests from PPs, which generally were not relayed in a timely manner and, at times, included amendments to what had already been planned. In addition, some requests were discussed verbally and documented *post facto*, when the procurement was about to commence. Some PPs requested that they be involved in the procurement process or at least be consulted before selection of vendors was undertaken, e.g. for training/conferences stating the preferred venue.

In addition, the PPO relied on micro-purchasing even in cases where the threshold had been exceeded, citing lack of time to conduct proper request for quotation. In one case, an event was postponed for three months, but the PPO had to complete the micro-purchasing selection as the contract had already been signed.

Value for money

The PPO decided to rent a vehicle long-term for US$ 307,000 for a counterpart until a similar vehicle was purchased for US$ 72,000. It took seven months from the raising of the PO to receiving the vehicle – the PPO could have saved on renting fees (around US$ 120,000), if the two POs (for rental and purchase) had been raised simultaneously.

The PPO's contract for personnel accommodation was amended continuously but without re-assessing if it still represented best value for money or was the best modality for providing free accommodation to UN Women personnel in Somalia. Since inception of the contract, UN Women had spent more than US$ 1 million for at least four units including one for the office use and up to two that were on "standby" for intermittent use, e.g. missions or short-term consultants. In order to recoup part of these payments, an arrangement was made with the provider to sublet the standby units, but without ESARO/headquarters approval and without establishing proper recording or monitoring of the subletting. The income from this subletting arrangement was not regularly reconciled.

A review of the units' occupancy rate indicated that the average occupancy for the period from 1 January 2019 to 31 March 2020 was only 58 per cent for three units used for private accommodations. Based on overlapping occupancy months, i.e. months where there were three occupants on the same dates, the PPO only needed all three units for 5 of the 15 months in the period reviewed, without consideration that every four weeks each occupant was expected to have a week's rest and recuperation. Had the PPO rented only two units continuously and then rented a third unit on a needs only basis, savings of approximately US$ 47,000 would have been made during the 15-month period.

Recommendation 14 (High):

The RD and CPM to:

- Establish: a) a mechanism for a balanced and participatory assessment of programme needs with its counterparts/PPs while maintaining the independence of the PPO; b) an enhanced coordination/dialogue with counterparts/PPs to implement the procurement plan and share updates or necessary changes; and iii) counterparts/PPs training on expected procurement policies and process.
- Provide support and training to the PPO's procurement function, including contract management and on the objective of optimizing value for money, ensuring that ultimate accountability for value for money stays with the CPM.
- Review the contract for personnel accommodation, to ascertain if it represents best value for money and is the best modality for providing free accommodation to UN Women personnel.

Issue 14: Improving network security vulnerability

A privately run compound, where the PPO was temporary located, provided the office with WIFI. While WIFI was secured with a firewall, it was available to all guests staying in the compound with the same password shared by all users. UN Women did not have its own firewall or segregated network. This arrangement with a third party represented high vulnerability.

At the same time, the compound was a temporary solution (potentially until the end of 2020), so a high investment in ICT equipment, if it cannot be transferred or used later in the UN compound, might not represent the best value for money.

Recommendation 15 (High):

The CPM, with close support from the headquarters IST Division to implement a temporary cost-effective solution to protect the UN Women network.

Issue 15: Strengthening travel management

IAS found that travel could be better planned to ensure cost-effectiveness. For example, the PPO's team retreat in Zanzibar, Tanzania cost approximately US$ 60,000 (excluding the RD's flight) for 12 participants, half of whom worked for the PPO and the other half for ESARO. One of the ESARO personnel was sent as an advance party to arrange airport pickup and logistics support for the RD and CPM. Reportedly, the choice of Zanzibar was due to the difficulty in obtaining visas from Somalia to Kenya and that the staff retreat should be held away from the office to ensure that everyone could focus on the retreat's objectives.

The former CPM, who was non-staff personnel, approved travel authorizations for programme-related travel, which is not permitted under UN Women rules.

Recommendation 16 (Medium):

The Travel Business Process Owner to establish corporate guidelines emphasizing prudence and cost consciousness in selecting venues for retreats, training, workshops conferences and similar events.

Recommendation 17 (Medium):

The ESARO RD to:

- Ensure that travel approvers and travellers are well trained on the Duty Travel policy and value for money principles, and fully understand their roles in the review of travel and travel-related requests.
- Emphasize value for money in planning travel and in selecting venues for events.

Issue 16: Enhancing safety and security management

The PPO was located in the compound of the International Airport of Mogadishu. Even though it was located outside of the UN compound and was not guarded by UNSOM, the office compound was compliant with the UN Department for Safety and Security (UNDSS) requirements. The PPO also had an armoured vehicle.

However, the PPO's Business Continuity Plan (BCP) has not been updated in five years until March 2019. The BCP addressed the Mogadishu, Hargeisa and Garowe offices but needed to improve the delineation of differences between the Mogadishu, Hargeisa and Garowe sites.

IAS noted that UN Women senior staff did not always attend Security Management Team (SMT) meetings, which were mandatory for all the agency heads and not delegable to other staff members.

Recommendation 18 (Medium):

The CPM to (a) attend SMT meetings to be abreast of all security risks and mitigating actions; and (b) update the BCP and ensure it covers all offices in the country. The BCP should also address pandemics.

III. RECOMMENDATIONS AND MANAGEMENT ACTION PLAN

Issue	Recommendation	Process	Responsible Unit	Priority	Action Plan	Implementation date
Issue 1: Clarifying strategic priorities and position	Recommendation 1: The ESARO RD, together with the Change Management Team and SPRED, to clarify expectations for the Somalia PPO, including: • strategic rethinking about UN Women's footprint in the country; and • prioritizing the PPO's focus between normative work, technical advice, coordination or field programme implementation. This should include provision of adequate support and resources to restore UN Women's position in the country.	Strategy and resource mobilization	ESARO RD	High	The Regional Office agrees with the recommendation and the ESARO and the Somalia PPO, will engage with the Change Management Team and SPRED to discuss the organizational expectations for the PPO in Somalia including UNW footprint in the country and to re-focus its programme interventions in Somalia.	31 December 2020
Issue 2: Enhancing advocacy and communication efforts	Recommendation 2: The CPM to develop a cost-effective advocacy and communication strategy with sufficient resources assigned to implement it. The strategy should include measures designed to enhance UN Women's visibility.	Advocacy and Communications	CPM	Medium	The Country Program Manager (CPM) will closely work with the ESARO Communications team in developing a cost-effective advocacy and communication strategy with resources assigned to implement it and align with the 2021 Strategic Note/AWP. The UNCT has finalized the Common Country Assessment (CCA) with work on the Cooperation Framework ongoing. These will inform the SN and the AWP.	31 January 2021
Issue 3: Improving coordination on gender mainstreaming	Recommendation 3: As a part of the GTG retreat agenda, the CPM to clarify accountability and responsibilities of key GTG members, with a detailed plan of action expected from GTG and related time frames.	Coordination of gender mainstreaming	CPM	Medium	We agree with the recommendation and we will ensure that the suggested aspects including representation at the GTG are taken into consideration. The CPM in collaboration with UNSOM (Co-Chair) will convene the GTG Retreat that has been postponed due to COVID-19, to prioritize and agree on the accountability and responsibilities of the key GTG members and develop a 2020 work plan with timelines.	30 September 2020

Issue	Recommendation	Process	Responsible Unit	Priority	Action Plan	Implementation date
Issue 5: Accelerating implementation and monitoring of the Strategic Note and reducing the resource gap	Recommendation 4: The CPM, with significant support from ESARO, to advance progress on the SN and its key indicators. The delivery of expected results should be a high priority. During implementation, the SN indicators should be adjusted if the original funding target cannot be achieved.	SN and AWP implementation	CPM	High	We agree with the recommendation to advance progress on the SN and its key indicators. Moreover, a new SN will be developed before the end of the Year. The process awaits the finalization of the ongoing country development frameworks. The NDP 9 has been finalized together with the CCA and ongoing is the UN Cooperation Framework.	Immediate and ongoing 31 December 2020 (subject to finalization of NDP 9 and CCA finalization)
Issue 5: Accelerating implementation and monitoring of the Strategic Note and reducing the resource gap	Recommendation 5: Based on the results of Recommendation 4, the CPM, with close assistance from ESARO, to: • Revisit the resource mobilization strategy based on the existing mapping of donors and UN agencies to identify potential joint programmes and to close the funding gap after 2020. • Closely monitor implementation of the resource mobilization strategy, including lessons learned from unsuccessful proposals. • Approach donors located in both Somalia and Kenya.	Strategy and resource mobilization	CPM	High	Working closely with the ESARO Resource Mobilization and Coordination Specialist a donor Mapping for Somalia will be compiled with inclusion of potential donors and the RM strategy will be revised. CPM will work closely with ESARO on the RM strategy and in approaching donors.	30 September2020 (donor mapping) 31 December 2020 (for the finalization of RM strategy)
Issue 5: Accelerating implementation and monitoring of the Strategic Note and reducing the resource gap	Recommendation 6: The ESARO RD to: • Prioritize funding of an M&R specialist in Somalia or provide alternative arrangements, such as assigning ESARO's M&R Specialist to provide backstopping support for the PPO. • Ensure that a monitoring framework is in place which integrates all PP, donor and staff monitoring activities, and includes a workflow for data collection and validation. This framework should ensure compliance with donor requirements on monitoring and	SN and AWP implementation	ESARO	Medium	The recruitment of a dedicated M&E Officer (IUNV) is planned. Additional support will be sought from the Regional Office's M&E Specialist to put in place a monitoring framework and to address the challenges of reporting and validation of IP field data and to ensure compliance with donor requirements on M&E. Recruitment will be contingent on funding.	30 September 2020 Recruitment contingent on funding

Issue	Recommendation	Process	Responsible Unit	Priority	Action Plan	Implementation date
	evaluations.					
Issue 6: Enhancing management of the programme portfolio, including pipelines and projects for closure	Recommendation 7: The CPM, with ESARO's support, to ensure that: • The status of the field project portfolio is up-to-date, i.e. projects are closed in an adequate and timely manner and the project pipeline is regularly updated to reflect the latest information. • Project budgets are monitored line-by-line including committed but not recorded costs.	Programme management	CPM	High	The office takes note and agrees with the recommendation. As a measure, the planned recruitment of a dedicated M&R Officer (IUNV) who will support the Somalia PPO and will work closely with the ESARO M&R Specialist to ensure available capacity for the close monitoring of field projects and effective implementation.	31 January 2021
Issue 7: Ensuring sustainability of programme/ projects results	Recommendation 8: The CPM, in coordination with ESARO and the UNCT, to strategically address the sustainability risk of current interventions in Somalia, with a view to enhancing sustainability through longer-term capacity building interventions in addition to traditional workshops, study tours and conferences. The CPM to monitor this risk during projects formulation and establish and monitor mitigation and exit strategies.	Project design	CPM	Medium	We agree with the recommendation to address the sustainability risk. The UN is about to embark on the development of a new UN Cooperation Framework (UNCF) to replace the current UN Strategic Framework (UNSF) which will help UN Women better align its mandate of promoting women's equal participation in all aspects to the ninth National Development Plan (2020-2024). UN Women will strategically strengthen its engagement in the UN-MPTF which remains an effective mechanism for delivering results and sustaining progress in Somalia as a driver of collective UN implementation and coherence under NDP 9 and the new UNCF. UN Women is also part of the ongoing consultation that will define Somalia peacebuilding priorities that will inform the finalization of Somalia's official request to the Secretary-General for renewed eligibility of funding from the Peacebuilding Fund over the coming five years.	31 December 2020
Issue 8: Addressing risks	Recommendation 9: The CPM to: • Assess the feasibility and impact on the current	Project implementation	CPM	Medium	The Somalia PPO takes note and agrees with this recommendation and with support of ESARO will align and	30 September 2020

Issue	Recommendation	Process	Responsible Unit	Priority	Action Plan	Implementation date
to project implementation	team of the workload related to any new projects. • Plan and allocate time in a project's inception phase to recruit the team and develop/confirm a workplan. • Regularly assess project risks and monitor the effectiveness of mitigating actions, reporting to ESARO any risks that are outside of the CPM's control.				implement these suggestions.	
Issue 9: Strengthening programme partner (PP) management	Recommendation 10: The CPM with the ESARO RD to: • Devise LoAs based on the results-based management concept, so that payments are only made if the agreed interim milestones and results are produced. This should include a longer-term capacity building process, where PPs are backstopped by UN Women technical experts and a standard process of reviewing and validating work output by PP consultants is established. • Review the internal controls for PP management to address weaknesses in supporting documentation provided and recommend improvements to PP fraud prevention plans. • Monitor disbursements to training participants, ensuring that these are supported with proper signatures, identification and phone numbers, and that disbursement records are reconciled with training participation records on a sample basis. Random spot-check calls to confirm with beneficiaries training quality and any payments	Implementing partner management	CPM	Medium	We agree with the recommendation and will implement the results based management concept when developing LOAs. As a measure, UN Women has initiated Capacity building for the Programme Partners (PPs). The first 2019 capacity building training was rolled out in July 2019. The training was conducted with the support of the UN Women Regional team in ensuring that PPs understand the essential components of quality reporting in order to produce qualitatively accurate reports that would further enable UN Women to report adequately against its annual work plan. To mitigate aspects of fraud, UN Women will strengthen internal controls, capacity assessment of PPs, training of PPs on UN Women procedures, program and finance monitoring and reporting frameworks. In some circumstances, UN Women pays the staff hired by different PPs directly in order to ensure due diligence as prior to paying, UN Women seeks comprehensive reports certified by the PP senior Management.	30 September 2020

Issue	Recommendation	Process	Responsible Unit	Priority	Action Plan	Implementation date
	received could be an alternative control where a physical presence is not possible due to security risks.					
Issue 10: Strengthening the office structure and capacity	Recommendation 11: The ESARO RD and the CPM, following the review of PPO's priorities (see Recommendation 1), to conduct a staffing and capacity gap assessment to deliver on the agreed SN priorities. IAS strongly advises ESARO to prioritize the recruitment of the CPM who should have the right profile to work in Somalia, possessing strong leadership, technical skills and experience.	Organizational structure, authority, capacity and reporting lines	ESARO RD	High	We agree with the recommendation The recruitment of the Country Programme Manager (CPM) has been finalized and a contract has been issued to the successful candidate. The CPM is expected to officially commence work in June 2020. A capacity gap assessment to deliver on the agreed priorities will be conducted by the ESARO with support of the Somalia PPO and in accordance with Recommendation #1.	30 September 2020
Issue 11: Strengthening risk management process	Recommendation 12: The ESARO RD and CPM to regularly review and discuss the PPO's key challenges and the actions needed to mitigate them, which should serve as the basis for risk-informed decisions. The effectiveness of mitigating actions should be regularly monitored. The two-tier system and support in Operations could be used as a model.	Risk management	ESARO RD	Medium	We agree with the recommendation and regular monthly meetings will be put in place between ESARO and the CPM for sharing updates and to enhance RO support.	31 July 2020
Issue 12: Strengthening human resources (HR) management	Recommendation 13: The RD and CPM to: • Establish: a) a mechanism for a balanced and participatory assessment of programme needs with its counterparts/PPs while maintaining the independence of the PPO; b) an enhanced coordination/dialogue with counterparts/PPs to implement the procurement plan and share updates or necessary changes; and iii) counterparts/PPs training on expected procurement policies and process. • Provide support and training to the PPO's procurement function, including contract	Human resources management	CPM	Medium	We agree with the recommendation on strengthening the HR function There has been significant support from the Regional Office (RO) especially in coordinating recruitments. The ESARO will strengthen the HR function of Somalia PPO by providing additional training and strengthening its oversight in the review of drafted ToRs and will establish mechanisms for effective monitoring. Steps will be taken to align the compensation package with the new SSA Policy and ensuring that negotiations are in line with policies and practices and fully transparent.	30 October 2020

Issue	Recommendation	Process	Responsible Unit	Priority	Action Plan	Implementation date
	management and on the objective of optimizing value for money, ensuring that ultimate accountability for value for money stays with the CPM. • Review the contract for personnel accommodation, to ascertain if it represents best value for money and is the best modality for providing free accommodation to UN Women personnel.					
Issue 13: Strengthening procurement management	Recommendation 14: The RD and CPM to: • Establish: a) a mechanism for a balanced and participatory assessment of programme needs with government counterparts while maintaining the independence of the PPO; b) an enhanced coordination/dialogue with government counterparts to implement the procurement plan and share updates or necessary changes; and iii) government counterparts training on expected procurement policies and process. • Provide support and training to the PPO's procurement function, including contract management and on the objective of optimizing value for money, ensuring that ultimate accountability for value for money stays with the CPM. • Review the contract for personnel accommodation, to ascertain if it represents best value for money and is the best modality for providing free accommodation to UN Women personnel.	Procurement management	ESARO RD	High	We agree with this recommendation. UN Women Somalia PPO will enhance consultations with the government and other counterparts in developing the new SN. With support of ESARO will put in place annual trainings for the relevant government and other PPs on the UNW procurement policies and processes. ESARO provided operations Internal trainings to the Somalia team and will continue to provide focused trainings on procurement and contract management. Somalia PPO with support of ESARO will review the accommodation contract and will take required measures if any in conformity with the UN guidance.	31 December 2020 30 September 30 September 2020
Issue 14:	Recommendation 15: The CPM, with close support	ICT	CPM	High	We agree with the recommendation.	30 September

Issue	Recommendation	Process	Responsible Unit	Priority	Action Plan	Implementation date
Improving network security vulnerability	from the headquarters IST Division to implement a temporary cost-effective solution to protect the UN Women network.				As a measure, The ESARO operation team and the Somalia team are in collaboration with the HQ IT team in order to strengthen the ICT Protocols.	2020
Issue 15: Strengthening travel management	Recommendation 16: The Travel Business Process Owner to establish corporate guidelines emphasizing prudence and cost consciousness in selecting venues for retreats, training, workshops conferences and similar events.	Travel management	DMA	Medium	This recommendation will be addressed as a part of thematic internal audit report on Travel Management.	31 December 2020
Issue 15: Strengthening travel management	Recommendation 17: The ESARO RD to: • Ensure that travel approvers and travellers are well trained on the Duty Travel policy and value for money principles, and fully understand their roles in the review of travel and travel-related requests. • Emphasize value for money in planning travel and in selecting venues for events.	Travel management	ESARO	Medium	The following are the measures that have been incorporated to ensure that there is strict adherence to the guidelines. The Operations team has established a two-tier approval system. All UN Women Somalia approvals are reviewed and processed by the ESARO Operations team. Somalia will continue to generate and justify the need for travel. All Travel approvers at ESARO that will be tasked with the review have been fully trained on the Duty Travel and Value for Money policies. As a strategic measure, all Manual travel processing will be replaced with the E-Travel Module.	30 September 2020
Issue 16: Enhancing safety and security management	Recommendation 18: The CPM to (a) attend SMT meetings to be abreast of all security risks and mitigating actions; and (b) update the BCP and ensure it covers all offices in the country. The BCP should also address pandemics.	Safety and security management	CPM	Medium	We agree with the recommendations to update the BCP and UN Women's attendance of SMT meetings. Somalia PPO will ensure attendance and presence at SMT meetings as this will be made possible by the appointment of the new CPM. Teleworking options to enable remote connection where necessary will be explored, including connection via VTC if or when at the UNON (location of RO) compound in Nairobi.	31 August 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.

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