



AUDIT

OF

UN WOMEN COUNTRY OFFICE

IN

SOUTH SUDAN

Report No. 1221

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Report on the audit of UN Women South Sudan Executive Summary

From 15 April to 4 May 2013, the Office of Audit and Investigations (OAI) of the United Nations Development Programme (UNDP) conducted an audit of the United Nations Entity for Gender Equality and the Empowerment of Women (UN Women) Country Office in South Sudan (the Office). The audit covered the activities of the Office during the period from 1 January 2012 to 28 February 2013. During the period reviewed, the Office recorded programme and management expenses totalling \$1.6 million. This was the first audit of the Office.

The audit was conducted in conformance with the *International Standards for the Professional Practice of Internal Auditing*. These Standards require that OAI plan and perform the audit to obtain reasonable assurance on the adequacy and effectiveness of the governance, risk management and control processes. The audit includes reviewing and analysing, on a test basis, information that provides the basis for the conclusions and audit results.

Audit rating

OAI assessed the Office as **partially satisfactory**, which means “Internal controls, governance and risk management processes were generally established and functioning, but needed improvement. One or several issues were identified that may negatively affect the achievement of the objectives of the audited entity.” This rating was mainly due to the need for improvements in project formulation and implementation (including the need for development projects for building the capacity of Implementing Partners), improper expense allocation, inadequate documents to support disbursements, weaknesses in the procurement process, and weaknesses in the recording and management of fixed assets. Ratings per audit area and sub-areas are summarized below.

Audit Areas	Not Assessed/ Not Applicable	Unsatisfactory	Partially Satisfactory	Satisfactory
1. Governance and strategic management				
1.1 Organizational structure and delegations of authority	Satisfactory			
1.2 Leadership, ethics and values	Satisfactory			
1.3 Risk management, planning, monitoring and reporting	Partially Satisfactory			
2. Programme activities				
2.1 Programme and project management	Unsatisfactory			
2.2 Partnerships and resource mobilization	Satisfactory			
3. Operations				
3.1 Human resources	Satisfactory			
3.2 Finance	Unsatisfactory			
3.3 Procurement	Unsatisfactory			
3.4 Information and communication technology	Partially Satisfactory			
3.5 General administration	Partially Satisfactory			
3.6 Safety and security	Satisfactory			
3.7 Operational support provided by UNDP	Satisfactory			
3.8 Asset management	Unsatisfactory			
3.9 Leave management	Partially Satisfactory			

Key issues and recommendations

The audit raised 10 issues and resulted in 10 recommendations, of which 4 (40 percent) were ranked high (critical) priority, meaning “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 and may affect the organization at the global level.”

The high priority recommendations are as follows:

- | | |
|--|--|
| Programme and project management (Issue 2) | <p><u>Inadequate project formulation and implementation.</u> The Office had not prepared project documents, used Implementing Partners that did not have adequate capacity to efficiently deliver on its projects, and was implementing projects that included construction activities without the support of personnel with knowledge for monitoring and implementing such activities. In addition, the staff were unfamiliar with the UN Women procedures for engaging with partners. OAI recommends that the Office strengthen its programme and project processes and activities by: (a) ensuring compliance with the Programme and Operations Manual regarding project formulation, including the preparation of project documents and work plans and ongoing monitoring and oversight; (b) performing capacity assessments for all Implementing Partners and using the gaps noted to determine the manner of partnering and the levels of monitoring and capacity building required for those partners; (c) providing training to ensure that all staff are familiar with the Programme and Operations Manual and the appropriate procurement, contracting and programming modalities approved for use when engaging assistance from third parties; and (d) recalculating the budgets for all projects which include a construction element to allocate funds to permit engagement of professional services to manage and monitor the construction in compliance with the procurement rules.</p> |
| (Issue 3) | <p><u>Inadequate number of projects in support of capacity development of Implementing Partners.</u> The Office did not have any projects targeting the capacity of Implementing Partners although the capacity of partners were deemed as inadequate and external assessments confirmed that partners’ capacities needed improvement. OAI recommends that the Office improve its capacity development strategy for Implementing Partners by: (a) ensuring that during project design, capacity building activities based on the weaknesses identified during the capacity assessment of the Implementing Partners are built into the project; and (b) liaising with the Division of Management and Administration regarding the types and volume of support documentation required from Implementing Partners for Funding and Certification of Expenditures forms, and ensuring that this is formally communicated to the Implementing Partner.</p> |
| Finance (Issue 4) | <p><u>Improper allocation of expenditures and inadequate filing of supporting documents.</u> From a sample of 48 disbursement vouchers totalling \$1.1 million, OAI noted that 13 vouchers totalling \$0.3 million were incorrectly posted and subsequently corrected. One voucher for \$6,000 related to a different Country Office disbursement and 28 vouchers totalling \$0.5 million did not have adequate original documents to support the decision taken. OAI recommends that the Office ensure compliance with the Financial Regulations and the accuracy of its reporting by ensuring that: (a) original invoices and delivery documentation are required to support voucher preparation to reduce the possibility of</p> |

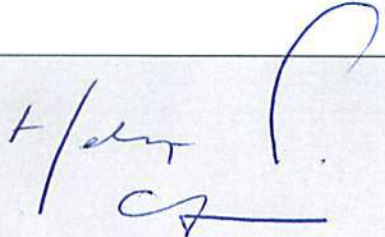
duplicate payments and to validate that goods or services were received and/or the agreed upon results were achieved; and (b) staff are adequately trained to accurately allocate expenditures to Atlas project accounts.

Procurement
(Issue 5)

Weaknesses in the procurement process. The procurement process in the Office was weak due to insufficient procurement planning, inadequate procurement skills among staff, the lack of adequate documentation, and a lack of clarity in the terms of reference for the Local Acquisition Management Review Committee. OAI recommends that the Office improve the procurement process and comply with the Programme and Operations Manual by: (a) ensuring that a comprehensive procurement plan is developed, used, monitored and updated regularly; (b) requiring that staff with buyer profiles and the chairperson of the procurement review committee are procurement certified; (c) ensuring that the Local Acquisition Management Review Committee is created and that the members have terms of reference which delineate their role and responsibilities; (d) developing a system to ensure that adequate documentation is received, reviewed, reconciled and maintained as outlined in the administration section of the manual; and (e) taking steps to improve contract management by monitoring the services procured.

Management comments and action plan

The Country Representative accepted all 10 recommendations and is in the process of implementing them. Overall, management commented that many of the recommendations are being addressed in the context of the new Regional Architecture, strengthening of field presence and decentralizing decision-making. It also expressed its commitment to strengthening the capacity in UN Women South Sudan.



Helge S. Osttveiten
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Office of Audit and Investigations

I. Introduction

From 15 April to 4 May 2013, OAI conducted an audit of UN Women South Sudan. The audit was conducted in conformance with the *International Standards for the Professional Practice of Internal Auditing*. These Standards require that OAI plan and perform the audit to obtain reasonable assurance on the adequacy and effectiveness of the governance, risk management and control processes. The audit includes reviewing and analysing, on a test basis, information that provides the basis for the conclusions and audit results.

Audit scope and objectives

OAI audits assess the adequacy and effectiveness of the governance, risk management and control processes in order to provide reasonable assurance to UN Women's Executive Director regarding the reliability and integrity of financial and operational information, effectiveness and efficiency of operations, safeguarding of assets, and compliance with legislative mandates, regulations and rules, policies and procedures. They also aim to assist the management of the Office and other relevant business units in continuously improving governance, risk management and control processes.

Specifically, this audit reviewed the following areas of the Office: governance and strategic management, United Nations system coordination, programme activities, and operations. The audit covered relevant activities during the period from 1 January 2012 to 28 February 2013. During the period reviewed, the Office recorded programme and management expenses totalling \$1.6 million. This was the first audit of the Office.

II. About the Office

The Office, located in Juba, South Sudan (the Country), had a staff of 6 and was being supported by 4 contractors, 3 holders of special service agreements, 1 Junior Professional Officer and 3 international UN Volunteers. The Country gained its independence from Sudan on 9 July 2011, following the Comprehensive Peace Agreement signed in 2005 and the referendum on the Country's independence held on 10 January 2011. The Government of South Sudan then took on responsibility for managing a post-conflict state while setting up key structures, developing physical infrastructure for the nation, and taking strides to develop Juba, its capital city. The Office, and all other United Nations agencies, were under the lead of the United Nations Mission to South Sudan, which was established on the Country's independence day, to help the Government develop its capacity to provide security and prevent conflict. Donors also established offices in Juba and were focusing on long-term, sustained efforts to support the South Sudanese people. The Office had projects focusing on supporting the Ministry of Gender, Child and Social Welfare, Women Peace and Security, and women entrepreneurship and access to justice initiatives. The Office was aiming to expand its programme portfolio with additional staffing to enhance operational capacity.

III. Detailed assessment

1. Governance and strategic management

Satisfactory

1.1 Organizational structure and delegations of authority

Satisfactory

For six months within the audited period, the Office had been managed by an Officer-in-Charge. The Country Representative arrived at the duty station in August 2012. The Deputy Country Representative commenced duties in December 2012. As part of the UN Women Regional Architecture, the Office was in the process of transitioning from a Programme Presence to a Country Office. As such, all transactions during the review period had been under the responsibility and authority of the Sub-Regional Office in Nairobi, Kenya. Prior to the recruitment of the Country Representative, a Programme Specialist had been the Officer-in-Charge, reporting directly to the Regional Programme Director in the Sub-Regional Office.

OAI reviewed the Strategic Note/Annual Work Plan 2012-2013 approved in February 2012, the organization chart, job descriptions, delegation of authority and internal control framework. The Country Representative received written delegation of authority on 2 March 2013.

It is noteworthy that the Strategic Note/Annual Work Plan 2012-2013 correctly identified that strengthening the Office's internal capacities were of critical importance, and that at the time of the audit, action had been taken in this regard. In addition, according to management, there was a need to make the Office more robust to address ongoing operational and programme capacity issues. In that regard, the Office was recruiting an international Operations Manager, a Monitoring and Evaluation Officer, and a Media and Communications Assistant. Given management's response to the observations raised during the audit fieldwork, and taking into consideration the actions already taken by the Country Representative to address the operational gaps, such as the engagement of an international UN Volunteer and a Junior Professional Officer, and the delegation of authority to the Deputy Representative, no reportable issues have been raised.

1.2 Leadership, ethics and values

Satisfactory

OAI reviewed compliance with the requirement for completion of the mandatory ethics training and the policy regarding reporting of outside activities. All staff had taken the mandatory ethics training, and no reportable issues were identified.

1.3 Risk management, planning, monitoring and reporting

Partially Satisfactory

OAI reviewed documents relating to the planning, monitoring and reporting of activities conducted, and held discussions with management and staff. The Country Representative had identified potential risks to the effective completion of the Strategic Note/Annual Work Plan 2012-2013 and had taken steps to address them, such as collaborating with other United Nations agencies using the joint programming modality. Such interventions would have benefited from corporate guidance as to: the acceptable levels of risks, when escalation is required and the procedure to be followed in reporting and managing risks. OAI had highlighted the need for and lack of a corporate risk management policy in its Audit Report No. 1077 (UN Women East and Horn of Africa Sub-Regional Office in Kenya issued 28 June 2013). As management has indicated that the development of this policy is in progress, no corporate issue or recommendation is being made in this audit report.

Issue 1 Inadequate monitoring and reporting

Corporate tools are provided to enable the efficient tracking and reporting of relevant information to support decision-making, and to facilitate management oversight, monitoring and reporting on Office activities in an accurate and timely manner. Therefore, it is incumbent upon management to use the corporate systems provided.

Based on the information reviewed and discussions with Office personnel, management did not have sufficient information to permit the effective management of the Office. Furthermore, the staff were not sufficiently familiar with Atlas to extract and report on the information that was available in the system on a timely basis. OAI noted the following:

- As reported in Issue 4, OAI noted several instances of incorrect account allocations and unsupported transactions which could negatively impact the decision-making process in the Office.
- Quarterly reports of programme and financial activities performed by the Office had not been prepared on a timely basis. As of 1 May 2013, the reports for only two quarters had been finalized (quarters ended March and June 2012). The September 2012 quarterly report had not been prepared, and the December 2012 report was prepared during the audit mission and was shared with OAI in draft form.
- The standard template for quarterly reports to management requires the inclusion of financial information. However, none of the quarterly reports included financial data. The reporting staff indicated to the audit team that the financial data was missing as the staff lacked access to Atlas.

In response to the draft audit report, management stated that it is committed to strengthening its ability to track and report relevant information on its activities in the most accurate and timely manner through weekly programme and operations meetings. In addition, work flows and tracking tools have been developed to monitor and track key activities, trends and statistics for the programme and operations of the Office and quarterly reports are being submitted to the Regional Office. Management further indicated that all staff members have been trained in the use of these newly developed tools and technical assistance was provided by the Regional Office in Kenya in May 2013 through the assignment of a regional Monitoring and Evaluation Officer to the Country and furthermore, a Monitoring and Evaluation Officer had joined the Office in August 2013.

Weak and untimely monitoring and reporting increases the risk that financial, programmatic and operational activities may not be adequately managed and could result in poor decision-making, loss of funds and irregularities.

Priority	Medium (Important)
Recommendation 1:	
The Office, in collaboration with the Programme Division, should immediately take steps to strengthen its ability to monitor and report on all its activities by:	
(a) determining the content, distribution and timing of the programmatic and operational reports required to adequately capture the key activities, trends and statistics of the operations of the Office;	
(b) providing staff with appropriate Atlas access rights which correspond to their assigned functions and	

responsibilities; and
(c) training staff in the use of Atlas queries and reports developed at the Headquarters level to facilitate reporting of activities.

Management Comments: Agreed Disagreed

Management has initiated the following actions to implement the recommendations:

- (a) The Office has ensured that all staff members have been trained in the use of the newly developed workflows and tracking tools.
- (b) All staff members have since received appropriate Atlas access rights.
- (c) A field support team from HQ is scheduled to visit the Office in November 2013 to provide hands-on training for all staff and Implementing Partners on operations issues, including refresher training on the use of Atlas. The International Operations Manager, whose recruitment is in final stages, will continue with capacity building of staff and will have day-to-day oversight responsibility for tracking and monitoring interventions, including appropriate use of Atlas.

Additional information provided by management has been incorporated into the audit observation.

2. Programme activities

Partially Satisfactory

2.1 Programme and project management

Unsatisfactory

The UN Women South Sudan Strategic Note/Annual Work Plan 2012-2013 approved in February 2012 indicated that the Office would focus on capacity building as an overarching strategy, with technical support to achieving functional literacy as the basis for social, economic and political empowerment of women.

The Office had seven development projects with a total budget of \$3.9 million in 2012 and \$5.7 million in 2013. For 2012, projects were funded through core funds of \$0.8 million and non-core funds of \$2.4 million.

OAI selected a sample of three ongoing development projects for review, with total combined disbursements of \$1.2 million as of 28 February 2013. The sample was comprised of (a) Project 80824 Leadership and Participation, (b) Project 83582 - Economic Empowerment, and (c) Project 83271 - Peace and Security. Also, OAI met with five Implementing Partners related to the sampled projects, all of whom expressed satisfaction with their working relationship with the Office. One partner identified the need for more capacity building due to its internal deficiencies as well as the need for the Office to include longer term projects to permit the application of lessons learned and to embed them into the institutional knowledge. OAI visited one location for Project 80824 in Mundri, South Sudan and observed the types of training and community activities being implemented through the project. The participants in the projects indicated that the interventions were life changing and the comments were similarly positive regarding the project itself.

OAI raised a number of audit issues relating to the ongoing projects as discussed below, which contributed to an overall rating of “partially satisfactory” for this area.

Issue 2 Inadequate project formulation and implementation

Annex D of the Programme and Operations Manual indicates that a project document is comprised of several sections, including situation analysis, justification, results and resources framework, strategy and partnerships, implementation and management arrangements, an evaluation and learning plan, budget and funding. It is expected that the detailed planning, formulation and documentation of a project would aid offices in successfully and efficiently implementing, being accountable for, and reporting on the project.

The Strategic Note/Annual Work Plan 2012-2013 indicated that national ownership of the UN Women programme goals and outcomes would be a key strategy and that the Office would promote the emergence of civil society organizations which support gender.

OAI noted the following deficiencies in the project formulation and implementation:

- (a) *Lack of project documents* - No project documents existed for the three projects reviewed. Instead, standard project corporation agreements and letters of agreement were in place which did not provide the Office with sufficient support for implementing projects based on the individual capacities and needs of the selected Implementing Partner or Responsible Party. The lack of a project document also increases the risk that project activities will not be cohesively planned or performed as approved and that strategic outcomes will not be achieved.

In response to the draft audit report, management advised that the Office is using appropriate formats for project documents. They explained that the Programme and Operations Manual allows for funds to be received and spent against the agreed and approved annual work plans without the requirement for separate project documents and that they had undertaken elements of its work under this modality. They further clarified that the Annual Work Plan and Strategic Note serves as the overall Country Programme Document and consists of situation analysis, justification, results and resources framework, strategy and partnerships, implementation and management arrangements, an evaluation and learning plan, budget and funding.

- (b) *Inadequate capacity of Implementing Partners/Responsible Parties* - The Office had undertaken several Implementing Partner assessments which indicated the Implementing Partners had a low capacity to deliver on the UN Women requirements for programme and financial management. However, because the Office did not have the in-house capacity to deliver in multiple locations, it had relied, primarily, on partners referred to the Office by other UN agencies operating in Juba as well as partners with low capacity but which were located in areas of the Country that were identified by UN Women for intervention. To facilitate project implementation, the Office provided partners with 90 percent funding upon the signing of the agreements. However, due to the low capacities of Implementing Partners, all three projects (80824, 83582 and 83271) reviewed had experienced delays in completing project activities and approximately \$61,000 had to be refunded to UN Women by the partners due to their inability to implement the planned project activities in areas affected by conflict.

In their response to the draft audit report, management informed that a Comprehensive Capacity Assessment of national partners was conducted in April 2013 and that the capacity needs of selected partners were assessed. They added that implementing partners were trained in July 2013.

- (c) *Lack of familiarity with approved procedures* - The Office signed a project cooperation agreement with one partner to transport and install solar equipment in five villages between October 2012 and 14

January 2013. The appropriate method of contract was a procurement contract (an Institutional Contract for Services) which would have had clearly defined terms of reference, deliverables, accountabilities and remedies. The activities had not been carried out because the equipment provided through a project signed by UN Women Headquarters had only been delivered to the Country on 29 January 2013. The agreement was plagued by a lack of understanding as to who was responsible for the different aspects of the agreement. In addition, the partner was not available for collaboration with the Office in order to find solutions to challenges encountered, even though the partner was holding \$67,391 in project funds. As a result, on 14 February 2013, the Office extended the project until 14 May 2013. At the time of the audit fieldwork, the solar equipment was in the process of being transported from Juba to the designated villages for installation, however, with no defined delivery dates. OAI concluded that the lack familiarity with the Programme and Operations Manual and procedures relating to procurement and contracting with suppliers versus contracting agreements with Implementing Partners may have been the root cause of the issues encountered.

- (d) The Women Economic Empowerment Project (project 83582) included construction components for which the Office did not have the capacity to manage, monitor or to certify the quality and completion of the activities. Despite this lack of capacity, the project did not include a budget for obtaining such consulting services. Discussions with UNDP procurement personnel revealed that UNDP can provide the technical personnel on site, but at a potential cost of 7 percent of the construction value for the project.

In their response to the draft audit report, management informed that the Office's capacity is being strengthened with the addition of qualified international professionals, namely, an Economic Adviser (P3), Gender Specialist (P4), Operations Manager (P3), and by increased operations support with a fixed-term Programme Assistant as back-up for the buyer role in Atlas, as well as a Programme Assistant and Communications Assistant. All positions are expected to be filled before the end of 2013. They added that for the limited construction components of its programmes, UN Women has outsourced these specialized services to UNDP engineers and other relevant professional structural services providers as needed.

Inadequate project formulation and implementation may result in inefficient, ineffective and delayed project activities and negatively impact on the perception of UN Women's ability to deliver on its mandate.

Priority	High (Critical)
Recommendation 2:	
The Office should strengthen its programme and project processes and activities by:	
<ul style="list-style-type: none"> (a) ensuring compliance with the Programme and Operations Manual regarding project formulation, including the preparation of project documents and work plans and ongoing monitoring and oversight; (b) performing capacity assessments for all Implementing Partners and using the gaps noted to determine the manner of partnering and the levels of monitoring and capacity building required for those partners; (c) providing training to ensure that all staff are familiar with the Programme and Operations Manual and the appropriate procurement, contracting and programming modalities approved for use when engaging assistance from third parties; and (d) recalculating the budgets for all projects which include a construction element to allocate funds to permit engagement of professional services to manage and monitor the construction in compliance with procurement rules. 	

Management comments and action plan: Agreed Disagreed

Management initiated the following actions to implement the audit recommendations:

- (a) A comprehensive capacity strengthening plan for selected Implementing Partners is being developed and implementation shall begin in November 2013.
- (b) The Office will conduct bi-weekly group learning sessions on relevant components of the Programme and Operations Manual in Quarter 4 of 2013. In addition, staff will attend the regional training organized by the Programme Division and the Division of Management and Administration in Tanzania in October 2013.

Additional information provided by management has been incorporated into the audit observation.

Issue 3 Inadequate number of projects in support of capacity development of Implementing Partners

The Strategic Note/Annual Work Plan 2012-2013 anticipated that projects would be entrusted to Implementing Partners based on institutional mandates, comparative advantage and institutional capacity assessments which would determine the nature of the implementing arrangements. Given this defined intention, the Programme and Operations Manual requires that the Office develop capacity building interventions to improve the ability of Implementing Partners to deliver the project and meet the Office's administrative, financial management and reporting requirements.

Based on OAI's review of the three sampled projects and review of 12 advances to the Implementing Partners and the related reporting on the advances, as well as communication between the Office and Implementing Partners, some Implementing Partners were unable to meet the programmatic and financial requirements of the Office. OAI also noted that the firm of chartered accountants engaged by UN Women Headquarters to conduct audits of projects being implemented by national partners throughout UN Women, as well as a consultant who performed capacity assessments of potential development partners in the Country highlighted deficiencies in the Implementing Partners' capacity. The auditors indicated in their draft reports that their review of the books and records of four Implementing Partners in the Country raised concerns related to: differences between the Funding and Certification of Expenditures forms and the Implementing Partners' records; expenses not having been recognized in the correct period; delays in implementation of project activities; a lack of adequate systems for reporting of expenditures; inadequate supporting documents; and the absence of policies and procedures.

The absence of projects which build the Implementing Partners' capacity combined with the Office's lack of internal capacity to monitor partners may result in the ineffective use or misuse of UN Women funds, delays of project implementation and overall the non-achievement of UN Women goals in South Sudan.

Priority	High (Critical)
Recommendation 3:	
<p>The Office should improve its capacity development strategy for Implementing Partners by: (a) ensuring that during project design, capacity building activities that are based on the weaknesses identified during the capacity assessment of the Implementing Partners are built into the project; and (b) liaising with the Division of Management and Administration regarding the types and volume of support documentation required from Implementing Partners for Funding and Certification of Expenditures forms, and ensuring that this is formally communicated to the Implementing Partner.</p>	
<p>Management comments and action plan: <input checked="" type="checkbox"/> Agreed <input type="checkbox"/> Disagreed</p> <p>Management agreed with the recommendation as the capacity of Implementing Partners in the Country to deliver and absorb resources has been a constraint which has impacted on delivery. The following actions has been initiated:</p> <p>To address the Country specific challenges, the Office has developed a comprehensive capacity development plan to include training, coaching and mentoring that will be initiated in November 2013. Lessons learned and continued capacity development of Implementing Partners was also incorporated into the new Strategic Note and Annual Work Plan for the Country. In addition, the Division of Management and Administration has scheduled a mission to the Country during the last quarter of 2013, which will coincide with the arrival of the new Operations Manager. This mission will provide hands-on training for all staff and Implementing Partners on operations issues, including refresher training on the use of Atlas. A capacity strengthening strategy for staff members will be implemented and a new organogram will be in place before the end of 2013 to align the Office with the priorities of the 2014-2017 South Sudan Strategic Note and Annual Work Plan.</p>	

2.2 Partnerships and resource mobilization

Satisfactory

OAI reviewed the Resource Mobilization Plan for the Office for 2012-2013, drafted in November 2011. The Plan aimed for a budget of \$21.9 million, of which \$0.6 million was from core and Border Security Force funds in 2012. For the biennium, the Office had mobilized close to \$5.1 million in non-core resources, or about 25 percent of its target. The Office did not have a dedicated person for strategizing and planning resource mobilization. At the time of the audit, the Office had only been able to expend \$2 million of the \$5.1 million mobilized, and with seven months remaining on the work plan, it was unlikely that the non-core funds available would be used in their entirety before year's end.

OAI discussed resource mobilization with the Country Representative, who further indicated that there were no ongoing efforts to increase the amount of non-core funding. The Country Representative further stated that this was in part, to avoid any potential issues relating to a lack of absorptive capacity by the Office for further programme development.

The general perspective held by donors was that the relationship with UN Women was positive and strong, although more communication with the Office, both structured and informal, could have improved their understanding of the key milestones and challenges encountered in the work planned for the Office. This was especially important in light of the turnover of donor representatives in Juba. OAI suggested to management the need to update the Resource Mobilization Strategy later in 2013 for the 2014-2015 biennium. The updates

should take into account the staffing level of the Office, the maturity level of its programme, and the results achieved by the current donor supported projects in order to be better positioned to approach donors and demonstrate the ability to take on a larger amount of non-core funding.

3. Operations

Partially Satisfactory

3.1 Human resources

Satisfactory

The Office had one staff member who had responsibility for the human resources function, primarily the leave monitor function. The processing of all human resources transactions and data through Atlas was being done by UNDP South Sudan under a Service Level Agreement.

OAI reviewed the recruitment process for two fixed-term appointments (local staff) and five recruitments of international staff members. OAI also reviewed the assignment of 2 United Nations Volunteers; the recruitment and contract renewal of 2 service contractors; and the contracting of 4 individuals on special service agreements. No issue is being raised on any of these processes.

As Juba is a non-family duty station, depending upon when international staff joined the United Nations Common System, they were entitled to either Special Operations Living Approach payments (paid locally at the Office) or Additional Hardship Allowance (paid via payroll, in Copenhagen). OAI reviewed the Special Operations Living Approach payments (set at \$4,080 a month for Juba) for three international staff and Rest and Recuperation payments for all eligible staff at the Office. No reportable issues were noted.

OAI also reviewed the status of completion of all mandatory training. While an issue has not been raised relating to training, OAI discussed with management the need, based on the results of the audit, to identify and address the individual training needs of personnel.

3.2 Finance

Unsatisfactory

The Office had one Finance Associate during 2012 and recruitment for an international Operations Manager was ongoing at the time of the audit. As such, the Office relied on the East and Horn of Africa Sub-Regional Office for all disbursement approvals and on the UNDP Country Office for the paycycle process. From 1 January 2012 to 28 February 2013, the Office raised 595 payment vouchers in Atlas totalling \$1.6 million.

Issue 4 Improper allocation of expenditures and inadequate filing of supporting documents

UN Women Financial Regulation 24.4 indicates that all commitments of funds and recording of expenses shall be made on the basis of the supporting documents. In addition, adequate financial management of projects requires that all relevant costs be properly charged to the assigned donor and project expense code in Atlas to ensure that costs allocated to individual projects are accurate and represent approved project activities, and to ensure accountability for donor funds.

Review of a randomly selected sample of 48 disbursement vouchers totalling \$1.1 million, indicated that 13 vouchers totalling \$0.3 million related to development expenditures were incorrectly posted to the management Project 81114. Management explained that, in error, all the expenses related to one donor had been posted to the management project. OAI noted that the incorrect postings included one voucher

(00012035) for \$6,000 that should not have been posted to the Office but to a UN Women Sudan project. The incorrect postings to the management projects were corrected, but the incorrect posting to the Office of \$6,000 had not been reversed at the conclusion of the audit.

In addition, OAI noted that 28 disbursement vouchers totalling \$0.5 million did not have sufficient supporting documents and were primarily supported by copies of invoices and other documents which had been scanned by the Office and sent to the Sub-Regional Office to support approval and payment and remained electronically available. In response to OAI's request for the original supporting documents, the Office personnel indicated that not all of the documents could be located due to poor filing practices and the backlog of work which prevented the timely filing of documents.

The lack of awareness of the impact and the improper posting of transactions in Atlas, and the lack of adequate support documentation significantly increases the risk of incorrect or fraudulent payments being made, and of inaccurate reporting to management as well as to donors.

Priority	High (Critical)
Recommendation 4:	
The Office should ensure compliance with the Financial Regulations and the accuracy of its reporting by ensuring that: (a) original invoices and delivery documentation are required to support voucher preparation to reduce the possibility of duplicate payments and to validate that goods or services were received and/or the agreed upon results were achieved; and (b) staff are adequately trained to accurately allocate expenditures to Atlas project accounts.	
Management comments and action plan: <input checked="" type="checkbox"/> Agreed <input type="checkbox"/> Disagreed	
Management will implement standard operating procedures for the procurement of goods and services and all payments. In addition, Following the training on programme and operations management in May 2013, the Finance Associate now ensures adequate and required documents are in place to support voucher preparation to avoid duplicate payments and validate that goods or services were received. the Office will further strengthen the capacity of all staff on programme and operational matters as well as provide systematic orientation on the Programmes and Operations Manual. Training on the use of Atlas will be part of the performance assessment for all staff members. The Office will also utilize the Standard Operating Procedures that were prepared by the Regional Office in consultation with Country Offices.	

3.3 Procurement

Unsatisfactory

During the audit period, the Office raised 102 purchase orders totalling \$0.3 million which included amounts ranging from \$73 (travel related) to \$64,500 (vehicle). OAI reviewed a sample of 11 purchase orders valued at \$0.2 million, which included salary advances, the procurement of a vehicle, payment of rent for the Office premises through a lease agreement, internet services, mobile phone charges, security for the Office premises, and supplementary cleaning services.

Issue 5 Weaknesses in the procurement process

The Programme and Operations Manual requires that offices conduct procurement planning and adequate due diligence of vendors to ensure the receipt of value for money and the timely supply of goods and services of the correct quality and quantity to the correct location.

Based on the review of the procurement process and the selected sample of purchase orders, OAI noted the following deficiencies:

- (a) The January - March 2013 Procurement Plan submitted to OAI made reference to procurement activities that should have taken place in March 2012, which instead had taken place in March 2013. OAI questioned the value of the Plan in assisting the Office with its procurement activities as it only covered a limited time period. Further, documentation to support the adequacy of the review/approval process was lacking.

In response to the draft audit report, management informed that the 2013 procurement plan was developed and that it was being updated on a quarterly basis.

- (b) The staff member that had been given the buyer profile in Atlas and members of the Local Asset Management Review Committee were not procurement certified and had not availed themselves of procurement training. This deficiency could negatively impact their knowledge and understanding of the procurement rules, modalities and procedures to be followed to ensure competition, transparency and best value for money are achieved.
- (c) One procurement process for \$23,600 contained an error whereby the quantities and prices quoted by the vendor were inadvertently switched during the evaluation of the bids, which was only discovered by the Office after the goods were received. The error resulted in an increased cost of \$1,400, due to inadequate review by the Local Asset Management Review Committee and the poor receiving procedures used by the Procurement Unit which had signed for receipt of the goods without matching them against the requisition.
- (d) All documents provided to the audit team for procurement activities were copies. This included 3 transactions performed by the Office, 4 through UNDP or using UNDP long-term agreements and 4 through the Sub-Regional Office. While it was expected that the supporting documents for UNDP would primarily be duplicates because the procurement process was being undertaken by UNDP using their policies and procedures, it was unknown why the same situation existed for the procurements performed by the Office and the Sub-Regional Office.
- (e) For the procurement process to secure new office premises, a Local Acquisition Management Review Committee was convened. However, there was no evidence that the Committee had terms of reference or that members had been appointed to the Committee. Management at the Office mentioned that the procurement process had been supported by a staff member from the UN Women Office in Kampala, Uganda. While such support is reasonable, OAI believes that personnel at the Office should have clarity on the procurement advisory structure, and should have clear terms of reference to ensure the Office is able to operate effectively.

In response to the draft audit report, management clarified that members of the Local Acquisition Management Review Committee were formally appointed in March 2013 via letters clearly delineating their functions and that terms of reference had been developed for the Committee.

The lack of adequate supporting documents, inadequate planning, insufficient review and the lack of capacity of the staff and the local review committee may result in non-transparent procurement activities and a lack of best value for money.

Priority	High (Critical)
Recommendation 5:	
<p>The Office should improve the procurement process and comply with the Programme and Operations Manual by:</p> <ul style="list-style-type: none"> (a) ensuring that a comprehensive procurement plan is developed, used, monitored and updated regularly; (b) requiring that staff with buyer profiles and the chairperson of the procurement review committee are procurement certified; (c) ensuring that the Local Acquisition Management Review Committee is created and that the members have terms of reference which delineate their role and responsibilities; (d) developing a system to ensure that adequate documentation is received, reviewed, reconciled and maintained as outlined in the administration section of the manual; and (e) taking steps to improve contract management by monitoring the services procured. 	
<p>Management comments and action plan: <input checked="" type="checkbox"/> Agreed <input type="checkbox"/> Disagreed</p> <p>Management has initiated the following actions to implement the recommendation:</p> <ul style="list-style-type: none"> (a) The Office will ensure that a 2014 procurement plan is prepared in a more comprehensive manner and implemented and monitored regularly. (b) The buyer will be procurement certified by November 2013. (c) The Committee will be reconstituted to ensure that the Chair of the Committee is procurement certified as per regulations and the audit recommendation. All members of the Local Acquisition Management Review Committee and senior management are expected to be procurement certified by the first quarter 2014. (d) The procure to paycycle process will be mapped and roles will be clearly defined and documented. A system to ensure adequate documentation is received, reviewed, reconciled and maintained was developed in July 2013. The Operations Manager will be responsible for the implementation of this system during the fourth quarter of 2013. The Operations Manager, under the overall guidance of the Country Representative, will also oversee strengthening of the contract management process. <p>Additional information provided by management has been incorporated into the audit observation.</p>	

3.4 Information and communication technology

Partially Satisfactory

Issue 6 Inadequate management of information and communication technology resources

The Programme and Operations Manual section on information and communication technology identifies a requirement for offices to safeguard critical data and information in order for UN Women to carry out its mission. To support this, it singles out management of information assets to ensure that critical data remains confidential,

integral, and available for UN Women staff. The relevant control processes on how to manage this information, and the adequate monitoring of such processes, is a responsibility to be exercised at the office level.

UNDP South Sudan was supporting the Office by providing end user support and internet connectivity. This arrangement was facilitated by the fact that the Office was located in the UNDP compound in the Country. However, critical IT functionalities, such as data back-ups for disaster recovery and business continuity were not covered in the services provided by UNDP South Sudan, and were not being managed by the Office in a consistent manner. At the time of the audit, OAI found that the Office had procured 10 external drives for storing data and was developing an e-filing system with the support from a consultant. However, no policy regarding the back-up and physical storage of back-ups had been developed and the use of the external drives was inconsistent. One of the staff members indicated that he had not been using his external drive for several months due to a computer virus that had compromised the drive earlier in the year. None of the external drives was being stored off-site and the on-site storage was not in a secured safe, which would have provided some security in case of a disaster. The Office was developing an e-filing system but it was not operational at the time of the audit. No disaster recovery or business continuity plan was in place for the Office.

Without proper management and the necessary resources for an information and communication technology function, including security and disaster recovery procedures, the Office is at risk of exposing its corporate information to improper access and/or loss, and the Office's ability to recover and continue operations in the event of an emergency or disaster cannot be assured.

Priority	Medium (Important)
Recommendation 6:	
The Office should strengthen its information management by:	
<ul style="list-style-type: none"> (a) developing a formal policy regarding the security, backup and storage of data and back-up devices; (b) directing all staff to use the external drives and back-up critical data prior to the move to the new premises; and (c) developing a disaster recovery plan linked to a business continuity plan. 	
Management comments and action plan: <input checked="" type="checkbox"/> Agreed <input type="checkbox"/> Disagreed	
Management has initiated the following actions to implement the recommendation:	
In August 2013, the Office had developed a draft Business Continuity Plan, which incorporates the Disaster Recovery Plan and details relating to the back-up and storage of data, which is being reviewed for final approval. Also, all data is currently backed up on a temporary server while the permanent servers are being installed at the new office premises. Furthermore, the Office recruited an Information Technology Specialist who will further strengthen the management of information in the Office.	

3.5 General administration

Partially Satisfactory

OAI reviewed the three travel logs for the Office vehicles to determine if each trip had been properly recorded and found that, in one case, the log was not signed by the passenger. When OAI inquired about the driver responsible for the vehicle, it was explained that the driver was unaware of the requirement. Unless the

passenger signs off on a specific trip, there is no control mechanism in place to ensure that the vehicle is being used for official purposes and for the distance specified. OAI discussed with management the need to remind drivers and passengers of the requirement that passengers sign the vehicle log for all travel for which an Office vehicle is used.

OAI also reviewed a sample of receipts for fuel usage for a two-month period and found that the gas mileage was within reason and generally consistent. Since there were two issues raised, this area was rated as “partially satisfactory”.

Issue 7 Weaknesses in reconciling funds advanced to travellers

The Programme and Operations Manual stipulates that all travellers whose travel is paid for by the organization must settle the funds advanced to them by filing a UN Voucher for Reimbursement of Expenses form (F.10), no later than two weeks after each trip. Travellers must demonstrate that the monies advanced to them by UN Women prior to their trip correspond to the actual expenses incurred. Travellers cannot undertake further travel unless the funds advanced for all previous travel have been reconciled. A properly filed F-10 requires boarding passes and receipts for any additional expenses incurred in relation to the trip.

OAI was not able to determine the total number of trips undertaken by staff and other personnel which were paid for by the Office, since the records provided were incomplete. OAI noted that the F-10’s were not centrally located in a travel file. Instead, F-10 travel claim forms were attached to staff Rest and Recuperation travel and annual leave records (and retained by UNDP South Sudan), and in other instances were attached to either procurement or accounts payable vouchers. Because the Office was not able to provide OAI with a total number of trips taken, OAI reviewed all F-10 forms that were made available. Of the 18 F.10 forms, 10 of them generally appeared to be pre-filled by someone other than the traveller. Only eight F-10 forms were completed and included the corresponding boarding passes.

Without the submission of a complete and accurate F-10 upon completion of the travel, the Office cannot reconcile the funds advanced to the traveller. Thus, the Office has no way of knowing if the amount of funds advanced were appropriate, if additional money should be paid to the traveler, or if the Office must recover an overpayment of funds from the traveler.

Priority	Medium (Important)
Recommendation 7:	
The Office should adequately communicate the policies relating to travel and travel completion reporting. Further, the Office should ensure that all travellers file a completed F-10 after each trip and comply with the policy of not advancing additional funds for travel until the F-10 has been submitted for all prior trips.	
Management comments and action plan: <input checked="" type="checkbox"/> Agreed <input type="checkbox"/> Disagreed	
Management initiated the following actions to implement the audit recommendation:	
There is now regular communication with staff on the policies, including those related to travel. The Office now ensures that all F10 forms are up to date and filed; and that no travel is authorized without clearance of previous travel advances through F10 forms supported by signed reports, and boarding passes (where applicable).	

Issue 8 Inadequate records management

The Programme and Operations Manual states that all corporate records should be stored and maintained in a way that facilitates knowledge-sharing across the organization. It also emphasizes the importance of guaranteeing the integrity of the documents being retained. To facilitate this, the person in charge of the office should determine which structure for records management should be used by office personnel, ensuring that it is compliant with the corporate record retention policy in effect.

At the time of the audit, UN Women (globally) was transitioning to electronic record-keeping, and while the Office had taken steps to develop an e-filing system with the assistance of a consultant, it was still not operational. Based on the review of project, administration, and disbursement files, OAI found no logical system for filing original documents to support transactions and decisions taken. In addition, multiple copies of documents were maintained, and original documents were not easily available. In particular, OAI noted that:

- The Office had appended “notes to file” to some procurement documents and disbursement vouchers in support of waivers or exceptions. However, the validity of the documents was not readily ascertainable as the notes to file lacked the signatures of the preparer and the approving authority.
- Email communications with external parties were not considered as supporting documents and were maintained on individual computers and workstations. This resulted in an inadequate audit trail for decisions taken in the Office.
- Minutes of meetings and mission reports were neither signed by the secretary nor the chairperson, causing OAI to question the validity of the documentation and the approval of actions being taken.

Although the Office had started to correct the deficiency in its management of records, OAI experienced significant delays related to the retrieval of the requested support documents, and in some cases the Office had been unable to locate the documents.

Priority	Medium (Important)
Recommendation 8:	
The Office should improve its management of official records by developing and communicating a document management policy which should include guidance on the support documents required, decisions taken by authorized personnel and the filing system for all official documents.	
Management comments and action plan: <input checked="" type="checkbox"/> Agreed <input type="checkbox"/> Disagreed	
Management agreed with the recommendation and is working on the development of a policy, which will be completed by December 2013. In addition, the e-filing system is planned for completion by March 2014. Follow-up training on the policy, including coverage of the filing system and the roles and responsibilities of both programmes and operations colleagues for filing is planned for January 2014.	

3.6 Safety and security

Satisfactory

The security in the city of Juba was rated at level 3 (moderate), meaning that the UN had a high level of concern relating to the occurrence of natural hazards and crime, followed by a moderate likelihood of armed conflict. OAI met with the Chief Security Advisor of the UN Mission to South Sudan to determine if any security incidents appeared to have targeted UN Women projects in particular, or any other project related to women's empowerment and gender equality implemented by other UN agencies, in general. No incidents of that nature had been reported for the audit period. Since the Office shared office space with UNDP, OAI met with UNDP's Security Advisor and found that no security-related incidents affecting staff had been reported during the audit period. During the period covered by the audit, one asset had been stolen from the Office (see Asset management section).

OAI also conducted a review of select items from the Safety and Security Assessment (self) Report submitted by the Office to UN Women's Global Security Advisor. OAI found that five Minimum Operational Residential Security Standards, or MORSS reports were not available for members of the Office. Some staff, on their own account, had taken it as a personal task to request this assessment while another claimed that a report had been conducted but somehow it had gotten lost. As this is the responsibility of the office personnel and UNDSS, no issue is being raised.

Also, OAI confirmed with UNDP South Sudan that its business continuity plan did not provide "umbrella" coverage for UN Women, contrary to what was reported by the Office. This provided a false sense of security for the Office, and its critical business functions and systems may not have been recoverable after a critical incident. While not raising an issue, OAI discussed the need to update the security assessment report in light of the upcoming move to new office premises, which was scheduled to occur in early June 2013. As Recommendation 6 already covers the need for the Office to develop a disaster recovery/business continuity plan, no additional recommendation is being made in this section.

3.7 Operational support provided by UNDP

Satisfactory

The Office was being supported by the UNDP Office in South Sudan for the provision of operational services under a Service Level Agreement. These included services in the areas of finance, procurement, travel, logistics, accreditation and protocol services, IT services, security services and office space. OAI found issues related to how annual leave was being recorded in Atlas by UNDP for staff at the Office (see section on Leave management).

3.8 Asset management

Unsatisfactory

Issue 9 Weaknesses in the management of fixed assets

The Programme and Operations Manual of UN Women prescribes the requirements for control over assets and the segregation of specific duties related to asset recording, custody, physical verification. Further, it requires that on a bi-annual basis, business units which have assets recorded in Atlas verify and certify the assets to Headquarters. UN Women offices may be required to verify assets recorded under one business unit which are physically located elsewhere, including in another country. The certification is done by the business unit under which the asset is recorded.

UN Women fixed assets in Juba were recorded under the KEN30 code in Atlas. KEN30 is the business unit code for the Regional Office, which was ultimately responsible for certifying them to Headquarters. OAI found several deficiencies in the labelling, recording, and management of fixed assets at the Office. First, the Office asset focal point was using more than one master list, which made the tracking of fixed assets cumbersome. Of a sample of 14 fixed assets listed as in-service (whose value was undetermined, given that the information was incomplete), OAI found that 6 lacked serial numbers. In conducting a physical inspection of assets, OAI was unable to locate one asset but found another asset, which was not being used, and which was not accounted for in the asset list. Also, the asset certification, which was conducted through the UN Women Sub-Regional Office in Nairobi, was done in September 2012. However, no information was made available on the verification and subsequent certification that should have occurred in November 2012, as required. OAI also reviewed a security report detailing the circumstances under which a laptop went missing (approximate value \$1,850). OAI found that the handling of the loss, in general, was poor, with the security incident reported 5 months after the laptop went missing and a final report issued by UNDP South Sudan security in April 2013, 10 months after the loss.

An inadequate asset management function can lead to incorrect recording and accounting for assets, fraud and/or waste of the resources of UN Women and may result in financial losses.

Priority	Medium (Important)
Recommendation 9:	
The Office should improve the safeguarding and management of assets by:	
<ul style="list-style-type: none"> (a) ensuring assets are properly identified, tagged and recorded; (b) ensuring that physical verifications are performed and any discrepancies are followed up upon in a timely manner; and (c) ensuring that asset certifications are reported to the UN Women Regional Office as required. 	
Management comments and action plan: <input checked="" type="checkbox"/> Agreed <input type="checkbox"/> Disagreed	
Management has taken action to implement the recommendation when the Office moved to its new premises in August 2013. All fixed assets has been properly identified, tagged and recorded, and a physical verification was performed. Also, the Assets Manager attended training organized by the Regional Office and will be responsible for ensuring compliance with the monthly certification requirements.	

3.9 Leave management

Partially Satisfactory

Issue 10 Inaccurate annual leave balances

Best practices recognize that the correct accrual and recording of different types of leave is central to managerial control. Also, under the International Public Sector Accounting Standards, staff holding fixed-term or temporary appointments can receive a cash payment of their unused annual leave upon expiration of their contract. As a result, annual leave is to be closely monitored since the “true cost” associated with employing staff on a monthly basis must be recorded at the beginning of the year, and all accrued annual leave for the organization is reflected as a liability in the financial statements of the organization.

OAI tested a sample of leave records for 6 staff members, 5 holding fixed-term appointments and 1 holding a temporary appointment, and found the following variances from the paper-based leave records held on file at the Office by the leave monitor and the data uploaded into Atlas by UNDP South Sudan:

Staff	Annual Leave days as recorded at end of January 2013	
	In UN Women South Sudan physical records	In Atlas
1	38.5	51
2	9	25
3	18.5	36
4	13.5	17
5	0	5.5
6	39.5	70.5

OAI interviewed the focal point for leave administration in the Office, and when asked about how the leave information provided by UN Women to UNDP South Sudan for recording was verified for accuracy, the response was that UNDP verified its own data entry. One of the staff at UNDP who OAI liaised with had no access to e-services in Atlas for leave recording, which precluded her from reviewing input mistakes, if any. OAI was able to establish, from the leave records provided to UNDP South Sudan by UN Women, that only one of the staff members who had transferred from another UN Women office to Juba had, on record, a certificate of annual leave issued by the releasing unit.

Correct baseline data, and continued monitoring and accurate reporting of leave taken and accrued are essential as accrued leave is a liability which must be paid in cash upon the resignation, separation or retirement of a staff member.

Priority	Medium (Important)
Recommendation 10:	
The Office should improve the accuracy and management of leave balances by: (a) obtaining Early Clearance Action Forms from the releasing unit for all staff for which it was not provided previously; and (b) in coordination with the UNDP South Sudan Human Resources Unit, track and reconcile leave balances for all staff members and service contractors on a monthly basis, and immediately follow-up on and correct any discrepancies identified.	
Management Comments: <input checked="" type="checkbox"/> Agreed <input type="checkbox"/> Disagreed	
Management has initiated action to implement this recommendation. Leave taken by staff is now closely monitored with the respective staff and UNDP to ensure that correct and adequate records are maintained. The leave records of all staff members, except one, have been reconciled since June 2013, and monthly reconciliations are done by the Leave Monitor of UN Women and the UNDP human resources personnel. Any discrepancies identified will immediately be followed up with the relevant staff or units concerned to correct them.	

ANNEX Definitions of audit terms - ratings and priorities

A. AUDIT RATINGS

UNDP provides internal audit services to UN Women on the basis of a Service Level Agreement. Thus, the following definitions are also applicable to UN Women audits.

In providing the auditors' assessment, the Internal Audit Services of UNDP, UNFPA, UNICEF and WFP use the following harmonized audit rating definitions. UNDP/OAI assesses the Country Office or audited HQ unit as a whole as well as the specific audit areas within the Country Office/HQ unit.

- **Satisfactory** Internal controls, governance and risk management processes were adequately established and functioning well. No issues were identified that would significantly affect the achievement of the objectives of the audited entity. *(While all offices strive at continuously enhancing their controls, governance and risk management, it is expected that this top rating will only be achieved by a limited number of business units.)*
- **Partially Satisfactory** Internal controls, governance and risk management processes were generally established and functioning, but needed improvement. One or several issues were identified that may negatively affect the achievement of the objectives of the audited entity. *(A partially satisfactory rating describes an overall acceptable situation with a need for improvement in specific areas. It is expected that the majority of business units will fall into this rating category.)*
- **Unsatisfactory** Internal controls, governance and risk management processes were either not established or not functioning well. The issues were such that the achievement of the overall objectives of the audited entity could be seriously compromised. *(Given the environment offices operate in, it is unavoidable that a small number of business units with serious challenges will fall into this category.)*

B. PRIORITIES OF AUDIT RECOMMENDATIONS

The audit recommendations are categorized according to priority, as a further guide to UN Women management in addressing the issues. The following categories are used:

- **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 and may affect the organization at the global level.
- **Medium (Important)** Action is required to ensure that UN Women is not exposed to significant 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 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.