

**UNITED NATIONS DEVELOPMENT PROGRAMME
Office of Audit and Investigations**



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**AUDIT
OF
UN WOMEN COUNTRY OFFICE
IN
GEORGIA**

Report No. 1437

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Report on the audit of UN Women Country Office in Georgia Executive Summary

The UNDP Office of Audit and Investigations (OAI) conducted an audit of the UN Women Country Office in Georgia (the Office) from 8 to 26 July 2015. The audit aimed to assess the adequacy and effectiveness of the governance, risk management and control processes relating to the following areas and sub-areas:

- (a) governance and strategic management (organizational structure and delegations of authority, leadership/ethics and values, risk management, planning, monitoring and reporting);
- (b) gender coordination (gender mainstreaming in development programming);
- (c) programme activities (programme and project management, partnerships and resource mobilization); and
- (d) operations (human resources, finance, procurement, information and communication technology, knowledge management, general administration, safety and security, UNDP support to Office).

The audit covered the activities of the Office from 1 January 2014 to 31 March 2015. The Office recorded programme and management expenditures totalling \$3.1 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*.

Overall audit rating

OAI assessed the Office as **satisfactory**, which means, "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."

The audit did not result in any high (critical) priority recommendations. There is one medium (important) priority recommendation, which means, "Action is required to ensure that UN Women is not exposed to risks that are considered moderate. Failure to take action could contribute to negative consequences for UN Women." This recommendation includes actions to address unclear guidance to UN Women field offices on gender mainstreaming in the development programming mandate.

The recommendation aims to ensure the effectiveness and efficiency of operations.

Management comments and action plan

The Director of UN Women's Coordination Division accepted the recommendation and is in the process of implementing it. Comments and/or additional information provided had been incorporated in the report, where appropriate.



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Issues with less significance (not included in this report) have been discussed directly with management and actions have been initiated to address them.


Helge S. Ostveiten
Director
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I. About the Office

The Office, located in Tbilisi, Georgia (the Country), was established in 2013, initially to address gender gaps in a humanitarian setting and in the aftermath of war. Current UN Women interventions in the Country aim at the provision of support to state and non-state partners towards the achievement of substantive gender equality. The empowerment and active involvement of conflict-affected women in post-conflict situations became one of the key programmatic directions of UN Women in the Country. The Office places special emphasis on work towards: (a) ending violence against women; (b) promotion and support to women, peace, and security agenda; (c) economic empowerment of women; and (d) mainstreaming of gender into national planning and budgeting processes. Along with these key priority areas that constitute UN Women's mandate, the Office's interventions in the Country are anchored in the Development Assistance Framework of the United Nations Country Team.¹

Under the leadership of a Country Representative, the Office had 8 personnel, comprised of 1 international and 5 local staff, and 2 service contract holders. In addition, 17 service contract holders were assigned to three project teams: Women for Equality, Peace and Development; Joint Programme to Enhance Gender Equality; and Innovative Action for Gender Equality.

II. Audit results

Satisfactory performance was noted in the following areas:

- (a) Governance and strategic management. OAI assessed the adequacy and reliability of the governance and strategic management function as satisfactory. There was a good system in place for ensuring the achievement of the UN Women mandate in the Country.
- (b) Programme and project management. The Office complied with UN Women's policies and procedures on programme and project management. The programme was well rounded and was based on a thorough assessment and analysis of the Country's context and priorities. Projects were inter-linked and lessons learned were systematically collected and used for the next programming cycle. Also, a good monitoring and reporting system was established.
- (c) Partnerships and resource mobilization. OAI reviewed the Office's resource mobilization strategy and project funding sources, and its overall relationship with partners. Feedback from donors and stakeholders indicated a satisfactory working relationship with the Office. No reportable issues were noted.
- (d) Operations. No reportable issues were identified concerning human resources management, financial management, procurement, general administration, information and communication technology, safety and security, and UNDP's operational support to the Office. Also, assets, leave, and travel management were found to be in line with established policies and procedures.

OAI made one recommendation ranked medium (important) priority.

Low priority issues/recommendations were discussed directly and agreed with the Office and are not included in this report.

¹ The United Nations Country Team comprised of representatives of: UNDP, UNFPA, UNHCR, UNICEF, UNOPS, DSS, ILO, IOM, ODC, OHCHR, WHO, IMF and the WB.

Medium priority recommendation:

- Provide clear guidance to Country Representatives on gender equality and women's empowerment (Recommendation 1).

The detailed assessment is presented below, per audit area:

A. Gender coordination (gender mainstreaming in development programming)

Issue 1 Corporate Issue: Unclear guidance on gender mainstreaming in development programming mandate

The UN General Assembly resolution on system-wide coherence (A/RES/64/289) in 2010 mandated UN Women to lead, coordinate and promote the accountability of the UN system in its work on gender equality and women's empowerment, and to support gender mainstreaming across the United Nations system. In order to help bridge the gaps between global norms and actual implementation at the country level, UN Women issued a guidance note on gender mainstreaming in development programming in November 2014. The guidance note provided principles for implementing gender mainstreaming at the field level, describing the substantive and technical programming aspects. Furthermore, the 'Implementation Strategy for the System-wide and Inter-agency Mandates and Functions of UN Women' (Implementation Strategy) was issued in December 2014. The main focus of the Implementation Strategy was the system-wide and inter-agency coordinating role of UN Women. In 2015, corporate gender mainstreaming indicators were developed and added to the annual performance indicators of Country Representatives. These indicators sought to strengthen the field level implementation of UN Women's coordination mandate.

The audit indicated that the Implementation Strategy did not provide clear guidance to users at the field level. Based on discussions with management, partners and other UN agencies, the success of UN Women's role in gender mainstreaming significantly depended on factors beyond the control of UN Women field offices. The success also depended on the interpretation of UN Women's leadership role by UN Women itself and by UN Country Teams. The audit further disclosed that there was insufficient guidance on the following prerequisites stated in the Implementation Strategy:

- Chapter 1, page 17, on the 'Enhanced UN system coherence and mobilization of joint action for gender equality and empowerment of women' requires that field offices ensure that UN Country Teams and the Resident Coordinators' system have the capacity to advance gender equality as one of the highest priorities of UN Women. The chapter further requires UN Women to take on leadership roles in countries where it has the capacity to do so, including chairing the UN Gender Theme Groups, in coordination with other UN agencies. Despite these requirements, chapter 1 also stated that other entities would continue to chair or lead in UN Country Team settings where they were already doing so, if UN Women leadership was not feasible. Due to the fact that the UN Development Group was responsible for issuing guidance for UN Country Teams and the Resident Coordinator system, it was not clear which standards should be used to determine whether UN Women offices had the required capacity to ultimately take on leadership roles.
- Chapter 2, page 22, on 'Increased system-wide gender mainstreaming' states that UN Women should not take overall responsibility for the implementation of gender mainstreaming. Instead, it indicates that the role of UN Women is to be a "catalyst to support initiatives, help cross-fertilize and disseminate knowledge, as well as to establish accountability standards and mechanisms." On the other hand, as mentioned previously, chapter 1 requires UN Women to undertake a leadership role which may not conform to the catalyst role described in chapter 2. The wording of chapter 2 may lead to different interpretations as the

role of catalyst might be understood differently from the role of “effective leader, coordinator and promoter of accountability for the implementation of the gender equality commitments across the UN system” as stated in the UN Women Strategic Plan 2014-2017.

Furthermore, based on the ‘Performance Management and Development Corporate Results and Indicators’, UN Women Country Representatives are expected to “lead effectively on the achievement of UN Country Teams results, specifically those for which UN Women is responsible.” Given the lack of clarity in the available documents cited above, this performance indicator may be overly ambitious. In its response to the draft report, management indicated that the corporate performance indicators were only being rolled out in 2015 to all Country Representatives and that it may have been premature to conclude that the expectations were unrealistic. As the indicators were in the process of being implemented globally, it was important to ensure that the indicators were achievable, given the capacity and resources within the control of the Country Representatives.

In addition to the Implementation Strategy, UN Women Country Representatives were also guided by the ‘Resource Book for Mainstreaming Gender in UN Common Programming’ (issued by the UN Development Group Task Team on Gender Equality). There was a lack of coherence between these documents, which created confusion for the UN Women Country Representatives. In addition, there was a generic job description for the Resident Coordinator role (issued by the UN Development Group), which added to the confusion.

Unclear or conflicting guidance provided to Country Representatives may lead to different interpretations of UN Women’s gender mainstreaming mandate, and to ineffective coordination and inconsistent policy issues. In addition, UN Women’s mandate on inter-agency coordination may not be fulfilled.

Priority	Medium (Important)
Recommendation 1:	
<p>UN Women’s Coordination Division and the UN Development Group should provide clear guidance to Country Representatives by aligning all documents guiding UN Women on gender equality and women’s empowerment by:</p> <ul style="list-style-type: none"> (a) clarifying the process of assessing the capacity of the UN Women field office to lead UN Country Teams, including defining relevant benchmarks, indicators and responsible persons; (b) defining the catalytic versus the leadership role and applying appropriate terms across all relevant resource documents; and (c) monitoring and redefining, as necessary, the corporate results and indicators for UN Women Country Representatives related to “leading effectively the achievement of UN Country Team results.” 	
Management action plan:	
<p>Management agreed on the importance of ensuring consistency and on the alignment of different guidance from different sources. Management plans to use the ongoing comprehensive formative evaluation of the first four years of implementation of its coordination mandate to consolidate UN Women’s overall coordination strategy and to ensure that the UN system delivers results effectively for gender equality and the empowerment of women. The evaluation will also help to confirm the issues that require a corporate response, including with respect to developing and communicating guidance to the field. This, together with the planned midterm review of the Strategic Plan 2014-2017 and the work on UN Development Group mechanisms, should ensure consistency and alignment of different guidance from different sources.</p>	



Pending the above, management will implement a multifaceted approach, whereby guidance is complemented by other measures, including for example on-demand tailored support, advice and coaching to country representatives and coordination staff, as well as leadership skills development, increased coordination capacity (subject to availability of resources), and knowledge management.

Estimated completion date: February 2017

Definitions of audit terms - ratings and priorities

A. AUDIT RATINGS

- **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.
- **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.
- **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.

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 that are considered moderate. Failure to take action could contribute to 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.