I.

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Weak management of Contribution Agreement (Issue 2)

Lack of compliance with the Contribution Agreement requirements for activities implemented in 2014, for Project No. 85260, resulted in an amount of €598,235 (25 percent of reported expenditures), being deemed potentially ineligible by the donor. The costs were deemed to be ineligible due to an absence of implementation details in the narrative report and the absence of documentation to demonstrate compliance with the donor’s visibility requirements.

Recommendation 2: The Office should strengthen management of the Contribution Agreement by: (a) in collaboration with Headquarters Programme and Finance Divisions, negotiating with the donor and documenting a resolution on the issue of ineligible costs as quickly as possible to ensure adequate funding of the project; (b) coordinating with the donor to determine the appropriateness of complying with the visibility requirements; (c) implementing project activities in compliance with donor requirements; and (d) ensuring all activities carried out during the reporting period are properly presented in the progress report.

Corporate Issue: Ineffective oversight of mandatory training course completion (Issue 5)

Corporate Issue: While UN Women allowed access to mandatory courses by all personnel, the mandatory training policy had not been updated and only required completion by staff holding fixed-term or permanent contracts. Further, the policy did not include a deadline for completion of the courses. In addition, the corporate processes for monitoring the completion of mandatory training courses was inefficient and ineffective, in part due to the offering of courses on multiple platforms, which were external to UN Women and which did not include any reporting to the Office of Human Resources. While the Office of Human Resources informally requested that certificates be provided from the field offices to allow manual updating and tracking of course completion, compliance with certificate submission and the accuracy of the reporting could not be assured.

Corporate Recommendation 6: The Office of Human Resources should strengthen mandatory course completion, monitoring and reporting by: (a) formalizing and updating its mandatory course requirements policy to include: clarification of which personnel (contractual modalities) must complete the mandatory courses, a formal deadline for completion, and a requirement for written justification for exceptions; and (b) reviewing the current information gaps and developing efficient processes and systems to improve oversight and allow for accurate reporting of compliance.

Corporate Issue: Lack of adherence to Delegation of Authority Framework (Issue 9)

Corporate Issue: The Country Director signed two contracts (amounting to $119,354 and $118,835) and a staff member approved in Atlas the corresponding purchase orders, which exceeded their delegation of authority limitation of $100,000. Further, there was no automated corporate oversight of compliance with the Delegations of Authority Framework.

Recommendation 9: The Office should comply with the limitations, review and signatory authority requirements stipulated in the Delegation of Authority Framework and in the written delegations of authority for staff members.
Corporate Recommendation 10: The Division of Management and Administration should develop and implement a process for corporate oversight on adherence to the Delegations of Authority Framework and establish a policy regarding the consequences for non-compliance.

"Corporate issue" means action is required from a headquarters’ bureau.

Management comments and action plan

The Country Representative accepted the eight recommendations, and the Directors of the Division of Management and Administration and the Office Human Resources accepted the two corporate recommendations. They are in the process of implementing them. Comments and/or additional information provided had been incorporated in the report, where appropriate.

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. Osttveiten
Director
Office of Audit and Investigations
A. Gender Mainstreaming in Development Coordination

1. m a n d m a n d
   - i n t e r n a t i o n a l

4. i n c o p r a t e d
   - i n r e s p e c t

7. t h e
Recommendation 1:
The Office should strengthen gender mainstreaming in development coordination by allocating resources and assigning appropriate responsibilities for mainstreaming and coordinating gender advisory services, considering the joint programming and gender mainstreaming roles, functions, and services available from the Office and other inter-agency forums. Development Coordination Group Gender Theme Group meetings are held on a regular basis and are used to effectively implement the gender mainstreaming strategy.
Recommendation 2:
The Office should strengthen management of the donor's contributions in the following areas:

1. Ensure that the funds are used in accordance with the terms of the agreement with the donor.
2. Establish a system for monitoring the use of funds to ensure compliance with the terms of the agreement.
3. Establish a system for reporting on the use of funds to the donor on a regular basis.
4. Establish a system for dispute resolution in cases of non-compliance.

Project activities in compliance with donor requirements are presented in the attached documents.
Recommendation

Strengthen its donor reporting processes by developing a systematic process for the capture and review of donor reporting details to support continuous monitoring and to allow for identification and correction of reporting process bottlenecks, ensuring that each report process is initiated in a timely manner;

Collaborating with the Regional Office/Headquarters to streamline the review process and establish mutually agreed timelines for review; and

Suggesting that the Regional Office, in accordance with Policy and Programme, and the Regional Support Services Regional Office for the exchanges prior to finalising to Headquarters Strategic Partnerships Division.
C. Operations

1. sources
Recommendation 4:
The Office should improve its human resources processes by:
- coordinating with the Office of Human Resources in order to resolve the issue of non-competitive recruitment; and
- developing human resources operations and delivery, and appropriate contract levels and modality.
Recommendation 5: The Office should ensure completion of mandatory courses by:

- Completing a deadline within which all must complete.
- Implementing a certificate process for all personnel.
OAI Response

OAI acknowledges the action reported by management; this will be reviewed at a later stage as part of the standard desk follow-up process of OAI.

Corporate Recommendation

Human Resources should strengthen mandatory course completion, monitoring, and informalizing and updating its mandatory course requirements policy to include personnel (contractual modalities) must complete, a formal deadline for completion, and a requirement for written justification for exceptions; and reviewing the current and developing efficient processes and systems to allow for accurate reporting of compliance.
Recommendation 7:
The Office is requested to ensure that all recruitments under the special services agreement modality in the Programme and 

OAI Response
OAI acknowledges the action reported by management; this will be reviewed at a later stage as part of the standard desk follow-up process of OAI.

2. Financial management
**Recommendation 8:**

The Office of the UN System must ensure compliance with the prohibition on presenting false financial reports to donors regarding delays in the start or continuation of project activities if contributions are delayed, and redesigning processes to ensure monitoring and reporting to ensure timely compliance with donor requirements and release of contribution tranches.
| Recommendation to correct the miscoded expenditures because the Statement of Expenditures has already been finalized. T [Agreed], in the future, to record all expenditures to the correct account codes in Atlas based on the nature and purpose of the underlying. |

**Procurement and supplies management**

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Recommendation

The Office [redacted] limitations, review and signatory authority requirements [redacted] Delegation of Authority Framework and in the written delegations of authority for staff members.

OAI Response

OAI acknowledges the action reported by management; this will be reviewed at a later stage as part of the standard desk follow-up process of OAI.

Recommendation 10:

The Division of Management and Administration should develop and implement a process for corporate oversight of adherence to the delegations of authority framework and establish a policy regarding the consequences for non-
B.

PR