



**AUDIT**

**OF**

**UN WOMEN COUNTRY OFFICE**

**IN**

**ALBANIA**

**Report No. 1610**  
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## Report on the Audit of UN Women Country Office in Albania Executive Summary

The UNDP Office of Audit and Investigations (OAI) conducted an audit of the UN Women Country Office in Albania (the Office) from 18 April to 6 May 2016. 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, business continuity, monitoring and reporting);
- (b) gender mainstreaming in development coordination;
- (c) programme activities (programme and project management, partnerships and resource mobilization); and
- (d) operations (human resources, finance, procurement, information and communication technology, general administration, safety and security, UNDP support to office).

The audit covered the activities of the Office from 1 January 2015 to 29 February 2016. The Office recorded programme and management expenditures of approximately \$2 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."

### Good practice

The Office had proactively identified a "niche" of comparative advantage and played an essential role *vis-à-vis* both the European Union and the Government, thus contributing to the adoption of the 'EU Gender Equality acquis'<sup>1</sup> by the Country. This is the monitoring and accountability framework for measuring the progress on gender equality and girls' and women's rights and empowerment in the developing, neighborhood and enlargement association countries to the European Union.

The audit did not result in any recommendations.

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<sup>1</sup> The 'EU Gender Equality acquis' are the accumulated legislation, legal acts, and court decisions that constitute European Union law.

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



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## I. About the Office

The Office is located in Tirana, Albania (the Country), and is a middle-income country of 2.8 million citizens, a member of the North Atlantic Treaty Organization, a European Union Candidate Member State, and a member of the Human Rights Council. However, women in the Country continue to face challenges such as limited participation in political and economic decision-making, despite recent improvements in electoral codes and processes. Since 2007, when the Country Programme was set up, the Office had been working closely with the Government and civil society to design and implement the laws, policies, programmes, and services needed to improve the status of women and achieve global standards for gender equality. Within the 'One UN' programme, the Office leads on gender equality issues and provides coordination and support to related activities. Within this framework, the Office focuses on the following four priority areas: leadership and political participation; economic empowerment; ending violence against women; and national planning and budgeting. During the period under audit, the Office was implementing a total of 15 projects with the 2015 budget of \$2.5 million. The Office had a total of 40 personnel, comprised of 1 international and 3 local staff, 10 service contractors, 25 contractors under special service agreements, 1 individual on secondment from a donor country, and one international fellow.

## II. Good practice

The audit identified a good practice, as follows:

Gender mainstreaming in development coordination. The Office had proactively identified a "niche" of comparative advantage and played an essential role *vis-à-vis* the European Union and the Government, by seeking to ensure that Gender Equality Mainstreaming was embedded through the European Union budgetary support to key government reforms. By ensuring the Government's adoption of the 'EU Gender Equality acquis', which is the collective name for all European Union equality legislation and directives, there was a clear shift from the perception of gender equality as an add-on, to its recognition as an integral aspect of accession to the European Union. As a result, going forward, all countries wishing to join the European Union may be obliged to adopt the 'EU Gender Equality acquis'. This was made evident by the fact that one more country in the region had already started following the same approach that was designed by the Office. The European Union Directorate-General for the European Neighbourhood Policy and Enlargement Negotiations had hoped that this approach would be adopted more widely.

## III. Audit results

Satisfactory performance was noted in the following areas:

- (a) Governance and strategic management. The Office's management established and implemented various risk management and compliance functions, serving as its second line of defense. Additionally, staff were aware of the Office's priorities, challenges and control objectives regarding ethical behaviors and there was a 100 percent mandatory course completion rate.
- (b) Gender mainstreaming in development coordination. The audit assessed the effectiveness and efficiency of the Office in delivering UN Women's mandate of "leading, coordinating and promoting the accountability of the United Nations system in its work on gender equality and the empowerment of

women." As confirmed in three corporate reports,<sup>2</sup> the Office played a substantive role in collaborating with other agencies under the Programme of Cooperation and made remarkable progress in promoting gender equality and women's empowerment. Also, when the Country Representative periodically served as the UN Resident Coordinator *ad interim* for approximately 60 days during the period under review, this further supported the role of the Office in leading and coordinating the UN Country Team's work on gender equality and the empowerment of women.

- (c) Programme and project management. The Office complied with UN Women's policies and procedures on programme and project management. The programme was based on a thorough analysis of the Country's context and was implemented within the framework of 'Delivering as One', was strategic, well designed, and results-based. In addition, synergies existed among the different initiatives. This was also confirmed by the 2015 Mid-Term Review of the Strategic Note. Also, the Office designed and systematically applied a proactive and robust system of project monitoring and reporting.
- (d) Partnerships and resource mobilization. The audit reviewed the Office's resource mobilization strategy, the programme/project funding sources, and the overall relationship with partners. Feedback received by the audit team from 4 donors and 12 stakeholders indicated a good working relationship with the Office, which was viewed as a reliable, resourceful and trustful partner. As of March 2016, the Office had surpassed its annual resource mobilization target of \$1.1 million and had already mobilized a total of \$1.4 million.
- (e) 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. The assets, leave, and travel management activities were found to be in line with established policies and procedures.

The audit did not result in any recommendations.

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

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<sup>2</sup> Regional Evaluation of UN Women's Contribution to UN System Coordination on Gender Equality and the Empowerment of Women in Europe and Central Asia; Evaluation of the Government of Albania and UN Programme of Cooperation 2012-2016; Eight Case Studies on Integrating the UN Normative and Operational Work.

## 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.