



AUDIT

OF

UN WOMEN COUNTRY OFFICE

IN

THE REPUBLIC OF MOLDOVA

Report No. 1774
Issue Date: 4 April 2017

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Report on the Audit of UN Women Country Office in the Republic of Moldova Executive Summary

The UNDP Office of Audit and Investigations (OAI) conducted an audit of the UN Women Country Office in the Republic of Moldova (the Office) from 20 February to 3 March 2017. 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, and UNDP support to the Office).

The audit covered the activities of the Office from 1 January to 31 December 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, "The assessed governance arrangements, risk management practices and controls were adequately established and functioning well. Issues identified by the audit, if any, are unlikely to affect the achievement of the objectives of the audited entity/area."

Good practices

The audit identified two good practices:

- Programme activities/Project management. Within the project that supports NGOs running a shelter for women and girls that are survivors of domestic violence, the Office had established close cooperation with the various multi-disciplinary teams. This resulted in a significantly increased outreach to the project beneficiaries.
- Operations/Travel management. The Office developed and implemented a payment / travel request form used to process the various financial transactions involved, while also providing a checklist for the supporting documentation and information to be used in the required Atlas (enterprise resource planning system of UNDP) account codes, thereby reducing incidences of errors and omissions.

Key recommendations: Total = 1, high priority = 0

The audit did not result in any high (critical) priority recommendations. There was one medium (important) priority corporate recommendation, which means, "Action is required to ensure that UN Women is not exposed to risks. Failure to take action could result in negative consequences for UN Women." The recommendation includes actions to address the deadlines for the global roll-out and implementation of the Business Continuity Plan testing regime for field offices.

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

Management comments and action plan

The Headquarters Global Security Advisor accepted the recommendation and is in the process of implementing it. Comments and/or additional information provided have 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.



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I. About the Office

The Office is located in Chisinau, in the Republic of Moldova (the Country). To promote gender equality and the empowerment of women in the Country, UN Women offers projects and initiatives that focus on: 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 13 projects within the 2016 programme and had an administration budget of \$2.2 million. The Office had a total of 20 personnel at the time of the audit.

II. Good practices

OAI identified good practices, as follows:

Programme activities/Project management. Within the “Women and girls live a life free of violence” programming area, the Office supported an NGO that ran a shelter for the survivors of domestic violence and a centre that worked with the perpetrators of domestic violence. The Office established close cooperation with the members of the multi-disciplinary teams, including district police, judicial bodies and local public authorities. In addition, the Office: (i) successfully tested a new modality of engagement with minors for improving the survivors’ protection; (ii) introduced changes to the reporting cases of violence to police; and engaged with community/religious leaders in the promotion of healthy relationships among young couples. Thus, the outreach to the survivors of violence increased significantly.

Operations/Travel management. The Office developed and implemented a payment / travel request form used to process the various underlying financial transactions while providing a checklist for the supporting documentation and information on the Atlas account codes to be charged, thereby reducing incidences of errors and omissions.

III. Audit results

Satisfactory performance was noted in the following areas:

- (a) Governance and strategic management. Management established and implemented various risk management, compliance, and control functions, serving as a good second line of defense. Staff were aware of the Office’s mandate, priorities, challenges and objectives of management controls. No reportable issues were noted.
- (b) Gender mainstreaming in development coordination. There were over 20 resident and non-resident UN agencies, funds and programmes in the Country. Taking part in 5 out of 11 UN joint programmes and initiatives that were being implemented in the Country, the Office was chairing/leading the following groups: UN Gender Theme Group, UN Theme Group on Monitoring and Evaluation, UNDAF Results Group on Social Inclusion, and the Donor’s Group on Gender. Continuous support to the Government, Parliament, and to civil society in promoting gender equality and the empowerment of women was provided through the Office’s membership and participation in many other key platforms, including Government/Donors Board on decentralization, elections, social protection, statistics, and innovation. No reportable issues were noted.
- (c) Programme activities/project management. The Office was in compliance with UN Women’s policies and procedures on programme and project management. Based on a thorough analysis of the Country context, the programme portfolio was strategic, well designed, and results-based, with synergies

between the different programmatic areas and innovations introduced wherever possible. No reportable issues were noted.

- (d) Partnerships and resource mobilization. OAI 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 two donors and 12 stakeholders indicated a good working relationship with the Office, which was recognized as a reliable, resourceful and trustful partner. Upon a detailed appraisal of the Office's capacities to deliver, the Government of Sweden decided to fully support the core mandate and programmatic support to the Office's Strategic Note for a duration of five years, thus ensuring resources for its functioning until 2020. No reportable issues were noted.
- (e) General administration. The audit team reviewed fixed assets, leave, motor vehicle management, and travel-related activities. No reportable issues were noted.
- (f) UNDP support to the Office. The Office had a good working relationship with UNDP Moldova. A service level agreement had been signed with UNDP Moldova effective from 5 April 2016. No reportable issues were noted.

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.

Medium priority recommendation:

- The Safety and Security Unit should develop and communicate the global roll-out plan for the Business Continuity Plan testing (Recommendation 1).

The detailed assessment is presented below, per audit area:

A. Operations

1. Safety and Security

Issue 1 Corporate issue: Lack of global roll-out and implementation of Business Continuity Plan testing regime for field offices

According to the UN Women 'Business Continuity Management Framework', one of the objectives of the Business Continuity Management programme is to ensure that UN Women personnel are trained to implement it through testing and simulation.

During the audit fieldwork, the audit team noted that the Office had not tested its Business Continuity Plan. The Office's management informed the audit team that UN Women's Safety and Security Unit at Headquarters was in the process of conducting a global roll-out of the Business Continuity Management testing regime as part of the Security Compliance Survey. The Safety and Security Unit was developing the Business Continuity Management testing regime, and all field offices would be required to complete the Business Continuity Plan testing before the end of 2017. However, the exact date for the roll-out had not yet been established.

In addition, key implementation milestones for the testing regime had not been shared with the field offices to facilitate planning for the successful testing of the Business Continuity Plan within the planned deadline.

If the Business Continuity Plan is not tested, field offices may not be able to adequately prepare for potential disasters or business disruptions.

Priority	Medium (Important)
Recommendation 1:	
The Safety and Security Unit should develop and communicate to field offices and units the global roll-out plan for the Business Continuity Plan testing regime with specific implementation dates.	
Management action plan:	
A new temporary testing format has been circulated to all UN Women offices. However, it should be noted that this is a temporary measure pending the development of a new UN Women Business Continuity Smart Phone Application and process, and that the previous process remained valid at the time of the audit.	
The UN Women HQ Security Section through the newly appointed UN Women Business Continuity Manager will continue to communicate with UN Women offices with regard to compliance and improved developments to the UN Women Business Continuity Management process.	
Estimated completion date: March 2017	
OAI Response	
OAI acknowledges the action taken by management; this will be reviewed at a later stage as part of the standard desk follow-up process of OAI.	

Definitions of audit terms - ratings and priorities

A. AUDIT RATINGS

- **Satisfactory** The assessed governance arrangements, risk management practices and controls were adequately established and functioning well. Issues identified by the audit, if any, are unlikely to affect the achievement of the objectives of the audited entity/area.
- **Partially Satisfactory / Some Improvement Needed** The assessed governance arrangements, risk management practices and controls were generally established and functioning, but need some improvement. Issues identified by the audit do not significantly affect the achievement of the objectives of the audited entity/area.
- **Partially Satisfactory / Major Improvement Needed** The assessed governance arrangements, risk management practices and controls were established and functioning, but need major improvement. Issues identified by the audit could significantly affect the achievement of the objectives of the audited entity/area.
- **Unsatisfactory** The assessed governance arrangements, risk management practices and controls were either not adequately established or not functioning well. Issues identified by the audit could seriously compromise the achievement of the objectives of the audited entity/area.

B. PRIORITIES OF AUDIT RECOMMENDATIONS

- **High (Critical)** Prompt action is required to ensure that UN Women is not exposed to high risks. Failure to take action could result in major negative consequences for UN Women.
- **Medium (Important)** Action is required to ensure that UN Women is not exposed to risks. Failure to take action could result in negative consequences for UN Women.
- **Low** Action is desirable and should result in enhanced control or better value for money. Low priority recommendations, if any, are dealt with by the audit team directly with the 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.