AUDIT

OF

UN WOMEN REGIONAL OFFICE

FOR

WEST AND CENTRAL AFRICA

IN

SENEGAL

Follow-up of OAI Report No. 1608 dated 10 June 2016

Report No.1778

Issue Date: 8 August 2017

(REDACTED)

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**Report on Follow-up Audit of UN Women Regional Office
for West and Central Africa in Senegal
(Previous OAI Report No. 1608, 10 June 2016)
Executive Summary**

From 3 to 7 July 2017, the Office of Audit and Investigations (OAI) of the United Nations Development Programme (UNDP) conducted an on-site follow-up audit of the UN Women Regional Office for West and Central Africa in Senegal (the Office). This on-site follow-up audit was undertaken, in addition to regular desk reviews, in view of the 'unsatisfactory' audit rating assigned by OAI in Report No. 1608 dated 10 June 2016. The follow-up audit was conducted in conformance with the *International Standards for the Professional Practice of Internal Auditing.*

Audit scope and approach

The follow-up audit reviewed the implementation of 14 audit recommendations. OAI conducted appropriate tests of transactions and activities by the Office from 3 to 7 July 2017 and interviewed management and staff concerned to determine whether the reported corrective actions were indeed implemented, as reported by the Office in the Comprehensive Audit and Recommendation Database System (CARDS).

Audit results

Of the 14 audit recommendations, the Office had fully implemented 13 and initiated action on 1 resulting in an implementation rate of 92.86 percent as at 8 August 2017.

Implementation status	Number of recommendations	Recommendation Nos.
Implemented	13	1, 2, 3, 4, 5, 6, 8, 9,10, 11, 12,13,14
In progress	1	7
Not implemented	0	-
Withdrawn	0	-
Total	**14**	

The detailed implementation status of the 14 recommendations has been updated by OAI in CARDS.

Section I summarizes the 14 recommendations that are in progress and implemented. OAI encourages the Office to continue to take appropriate actions to address the remaining recommendation. OAI will continue to monitor the progress of the implementation of the recommendation as and when updates are provided by the Office in CARDS.

Management comments and action plan

The Director of Programme Division provided the revised implementation dates for the outstanding recommendation.

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I.   Details of recommendations in progress and implemented

Rec No.	Issue Title	Recommendation	Implementation Status reported by UN Women	OAI Assessment during Audit Follow-Up Fieldwork
1	Absence of a well-defined office structure	**High (Critical)** The Programme Division, in collaboration with the Office of Human Resources, should urgently address the issues with the Office's structure by:(a) fast tracking the human resources and business process review to ensure that the Office's structure is in line with the corporate priorities and to determine the staffing resources required to efficiently operate the Office; and (b) updating all job descriptions and the Office's organization chart to reflect and clearly define staff roles, responsibilities and accountabilities, and reporting lines.	**Implemented** A new organization chart was developed and job profiles/descriptions revised to clarify reporting lines.	**Implemented** The Programme Division and the Office of Human Resources have taken corrective action by updating the Office's organization chart, job profiles were revised to clarify reporting line. The Office has implemented the new organization chart and the job descriptions.
2	Corporate Issue: Lack of Standard Basic Assistance Agreements between UN Women and two countries in region	**Medium (Important)** The Programme Division should actively engage with the Permanent Missions of the Republic of Senegal and Federal Republic of Nigeria to the United Nations to advance the negotiations regarding the Standard Basic Assistance Agreements.	**Implemented** The Programme Division uploaded communications on the Senegal and Nigeria Standard Basic Assistance Agreements (SBAAs) in CARDS.	**Implemented** The Office was able to secure applicability of all the outstanding Standard Basic Assistance Agreements (SBAA). The exchange letters received from the host country governments have been shared with the audit team via CARDS.
3	Lack of advisory services tracking system	**Medium (Important)** The Office should, in collaboration with the Information Systems and	**Implemented** The global advisory tracking tool has been officially launched by	**Implemented** The Office had two systems to track service and advisory requests. The Office was using the Headquarters-

		Telecommunications Section, develop and implement a service management system that will help receive, document, manage and report on all advisory services.	Headquarters on 12 June 2017. In addition, the Regional Office developed its own service tracking tool using an Excel Worksheet. All staff in the Region was informed about this new tool.	developed Request Management System (QMS) available on the UN Women Oneapp SharePoint site, and a MS Excel based tool to track various requests from the field offices under its purview.
4	Corporate Issue: Weaknesses in the Office's senior management set up	**High (Critical)** The Programme Division, in collaboration with the Office of Human Resources, should develop and implement a strategy to ensure a more robust senior management system for the efficient and effective handling and monitoring of the operations of the Office.	**Implemented** Both the Regional Director and the Deputy Regional Director have taken up their positions at the Regional Office for West and Central Africa.	The Regional Director and the Deputy Regional Director took office in August and October 2016 respectively. The Deputy Regional Director represents the Office and the Senegal Programme Presence in the UNCT meetings. The Letter of Accreditation gives the Regional Director the overall oversight over both the Regional Office and the Senegal Programme Presence.
5	Corporate Issue: Special Services Agreements chapter of 'Programme and Operation Manual no longer relevant to field operations	**High (Critical)** The Office of Human Resources should improve its guidance to all offices on contracting individuals by: (a) updating the Special Services Agreement (SSA) chapter of the 'Programme and Operations Manual' taking into consideration the conflict between the existing guidelines and practices in leave and contract renewal processes and controls to be implemented over contracts with individuals; and (b) communicating the new or updated guidelines	**Implemented** The recommendation vis-à-vis weaknesses in the management and use of SSAs have been addressed and implemented through improvements and interventions over a period of time. During 2016-2017 the following actions were finalized to strengthen the process: • Issued a new Delegation of Authority with specific clarifications and guidance on the use of Consultants and contractors. • Updated the procurement manual to revise the thresholds for	**Implemented** The Audit team met with the Headquarters Human Resources Unit and were informed that a revised SSA policy has been drafted. The policy was subject to finalization of some aspects such as income limit for retirees; visa issuance protocol for consultants and part time employees; insurance for service incurred liabilities. At the time of the audit fieldwork, the SSA chapter of the procedures was in progress to be updated to reflect some of the changes that have been effected in the Delegation of Authority (DoA) or to reflect the transitioning of the SSA management process from Procurement to Human Resources. During the audit fieldwork, the audit team reviewed 4 SSA contracts and

		to all field offices and headquarters units.	Procurement Review Committee cases pertaining to Consultants and contractors. This has facilitated further decentralization and at the same time strengthened the oversight mechanisms. • With a view to specifically address audit concerns, in April 2017 – the entire management of consultants was transitioned from procurement to Human Resources. Human Resources is now responsible for end to-end processing of consultancy requests including creation of vendors and sourcing purchase orders. • UN Women established a new Associate role (at G7) in Human Resources to specifically strengthen the capacity in the area of consultancy management and the recruitment has been finalized. The additional capacity will also contribute towards strengthening oversight. The changes were communicated to all staff. Specific guidance is provided to offices on the application of the SSA chapter in the procedures to ensure consistency between guidelines and practice.	noted that in one instance, the Office had engaged an SSA contractor to provide staff related services contrary to the requirements of the SSA chapter of the Programme and Operations Manual. The Headquarters HR team indicated that it had performed several trainings to the Office's personnel on the various staff contracting modality in the recent past. The Office also indicated that it will ensure full compliance with the requirements of the SSA chapter the POM going forward. In addition, the Regional Office will closely work with the HR Unit at Headquarters to make sure that the appropriate contractual modalities are adopted. The Office of Human Resources issued guidance on the updated SSA / consultancy policy to the Regional Offices on 3 August 2017. OAI reviewed this guidance in CARDS and changed the recommendation status to implemented.
6	Mandatory courses not completed	**High (Critical)**	**Implemented** As of 19 November 2016, the Office's rate of completion was 98	**Implemented** The audit team reviewed the status of completion of mandatory courses and tested the records of three Office

		The Office should ensure that the mandatory courses are completed by: (a) requesting copies of completion certificates from individuals that already completed the mandatory courses and update the learning records; and (b) establishing a time frame within which all personnel should complete the mandatory training courses.	percent. One staff had one pending course: "Information Security Awareness" which is a new course launched in October 2016 and staff had until February 2017 to complete it. The second staff had technical issue related to access to the Learning Management System (LMS) and so far, Headquarters had not yet been able to address it. All the issues were subsequently addressed and all Office personnel were able to complete the mandatory trainings.	personnel who were randomly sampled. All Office personnel had completed the required mandatory courses.
7	Corporate Issue: Outdated distribution criteria for core funds allocation	The Division of Management and Administration should review and update the 'Programme and Operations Manual' to include the criteria used for allocating core funds to field offices and distribute the information to the field offices to facilitate better planning by UN Women offices and units.	**In Progress** The Programme Division is working on creating the necessary guidance on the criteria for the allocation of Core programmable to the countries in a region. In addition, the Programme Division created a Core Allocation Tool for the consideration of Management. This tool takes into account various criteria which have been selected to facilitate the decision on core allocation.	**In Progress** The audit team reviewed the Core Allocation tool that was uploaded in CARDS. However, no details on methodology, rationale and criteria for funds allocation were provided. While the tool provided some indication that some type of analysis is being done, it was not clear where the data/information is coming from or how the points assigned to each field office were calculated. The audit team requested the Programme Division to provide additional background information on this tool and its connection to the Allocation, Planning and Budget Cycle chapter of the Programme and Operations Manual. The recommendation status has been retained as "In Progress". UN Women management indicated that it had initiated the review of the core allocations, this resulted in a tool that uses data from RMS, Atlas, LEADS,

				and DAMS to simulate possible core allocations.
				While reflecting on the status of core UN-Women wide contributions recorded and forecasted for the planning period, existing commitments in terms of staff and non-staff resources as well as the flexibility needed to re-prioritize in case of funding constraints, the tool looks at the Country Office in terms of the funding gap to the New core request, Delivery capacity of the office, active LEADS and size, Use of core for staffing, Past agreements signed which provides Points being assigned. This tool is expected to support the Regional Offices in the Core allocation to the offices.
				The tool will be updated on an annual basis in line with the annual allocation of core resources to the Country Offices. The tool will take into account the funding allocations made to the Regions in line with the Core Programme Allocation based on the distribution methodology approved by the UNIFEM consultative group.
				UN Women expects the guidance and tool to be ready for the AWP 2018 process.
				Agreed revised implementation date: **September 2017**
8	Inadequate financial management of resources	**Medium (Important)** The Office should continue to improve its financial management by: (a) maintaining continuous and rigorous financial discipline in planning, reporting and reviewing the Office's budgets through its budget	**Implemented** The budget monitoring tool is prepared and reviewed on a monthly basis. Actual expenditures and forecasts are managed with this tool. Monitoring has been standardized through a formal memorandum signed by the Deputy Regional	**Implemented** The audit team reviewed the actions implemented by the Office and noted that: a) A monthly budget versus expenditure management tool that is prepared by the Finance Assistant and Reviewed by the Regional Operations Manager.

		management tool so that all expenditures and commitments are tracked in detail on a monthly basis; (b) ensuring that the tool that was created by the Deputy Director is formalized through a standard operating procedure to be used in the future; and (c) engaging with headquarters units, on a quarterly basis, to obtain information on ad hoc requests for non-planned expenditures that should be included in its commitments along with applicable cost recovery efforts.	Director, instructing on the monthly use of the tool. Headquarters was contacted to provide quarterly information on ad hoc requests from the Regional Office.	b) The tool is shared via email with the Regional Director and the Deputy Regional Director.
9	Delays in liquidation of advances made to implementing partners	**High (Critical)** the management of advances to implementing partners by: (a) strengthening the existing action plan to reduce existing long outstanding advances – the plan should detail the actions to be taken to liquidate the outstanding advances and the individual that will have overall responsibility for completing the actions within the specific time frame; and (b) considering revising the advances schedule to make smaller	The Office has improved the management of advances to implementing partners by strengthening the action plan. From December 2014 to June 2016, the total outstanding balances older than 6 months, decreased by 74 percent. Individuals responsible for the partner monitoring have been identified. The Office liquidated old advances and eight requests for unilateral liquidation/write-off have been sent to Headquarters on 21 August 2016. The Office ensures that various installments are paid for within three months to	**mplemented** The Office has taken specific action in following up long outstanding advances such as: (a) Monthly follow ups with the Country Office in Democratic Republic of the Congo on outstanding advances as evidence by various emails between the Regional Operations Manager and the Country Office Operations Manager. (b) Write off proposals for outstanding advances at the Regional Office and in Ghana amounting to approximately $47,000 and $25,000 respectively. The Office was working with the Niger Programme Presence office to develop a write off proposal for Headquarters Finance Unit's review on old outstanding advances amounting to approximately $57,000.

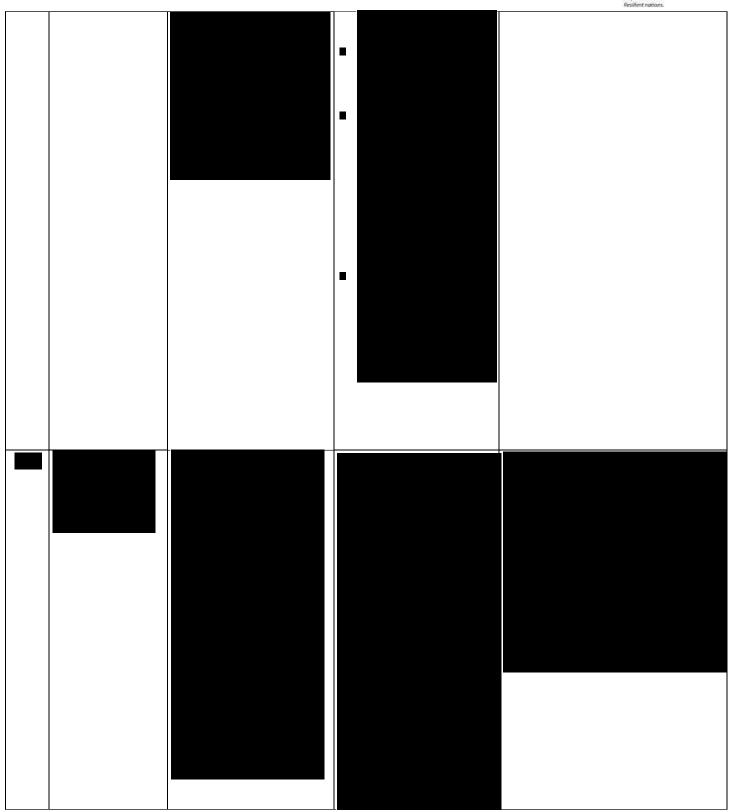|				
		payments to partners on specific milestones to facilitate timely reporting and liquidation of the advance.	facilitate timely reporting and liquidation.	
10	Inadequate procurement management	**High (Critical)** The Office should strengthen its procurement processes by: (a) obtaining and filing all the documents that support the procurement action taken, including waivers for direct procurement duly authorized by the head of the office; (b) organizing refresher courses on procurement to ensure that the Office's personnel engaged in procurement actions are up to date with the requirements of the 'Programme and Operations Manual'; and (c) performing, documenting and maintaining records of due diligence on all vendors in accordance with the 'Programme and Operations Manual'.	The Office has strengthened the filing of the documents supporting procurement actions. Two procurement staff have completed online procurement courses from Learning Management System (LMS) and the Procurement Associate has registered to the Chartered Institute of Procurement and Supply (CIPS). The procurement processes monitoring improved and a status report of all procurement actions is prepared and reviewed each month. The vendor creators and the vendors approvers have been reminded on the procedures to be followed and the need to include the review of vendor names against the list of suspended vendors.	**Implemented** The audit team takes note of the actions taken by the Office. The Procurement Associates are encouraged to work closely with requestors of procurement services in order to reduces instances of "urgent requests" that may be due to poor planning by the requestors. Performance improvement possibilities were discussed with the operations team.

11	Weaknesses in management of assets	its management of assets by: a) amending the Atlas records of the three printers capitalized in line with the requirements of the 'Programme and Operation Manual'; b) developing and implementing a process of assigning custody of small moveable assets and equipment located in common office space; and c) developing and updating the asset locations of all asset recordings in the Asset Module and reconciling the information with the Office's Microsoft Excel records to ensure that the Atlas Asset Management In-Service Report reflects the actual location of the assets.	Assets location: The assets locations have been updated in the assets register under WCA30 to reflect the actual physical location. Printers: The adjustments on the capitalization of three printers have been completed. Custodial process for small moveable assets: WCA30 projector and the projector of the field project in Louga have been returned to their actual location. Moreover, the responsible colleagues of the three projectors have been instructed to ensure that the projectors are kept in their office after each use and no longer kept it in the common areas. A memo has been issued to the assets focal point and the responsible colleagues in this regard.	The audit team reviewed the action taken by the Office and noted that some assets (for both the Regional Office and the Senegal Programme presence) still had multiple tags. OAI encourages the Asset Focal Point to take advantage of the mid year assets verification process to review all the assets of the Regional Office and the Senegal Programme Presence to ensure that each asset has only one valid asset tag. Opportunity for performance improvement noted and discussed with the operations team.
12	Weaknesses in management of motor vehicles and fuel consumption.	**High (Critical)** The Office should comply with the Vehicle Management chapter of the 'Programme and Operations Manual' by: a) having drivers complete the fuel receipt column of the daily vehicle logs; b) assigning the responsibility for verification and signing off daily vehicle logs to an applicable authority;	The drivers now complete the fuel receipt column of the vehicle log books (extracts of vehicles log books attached); The responsibility for the verification and sign-off of vehicle log books has been formally assigned to the Administrative Assistant through a memorandum; The Office now issues the online statements of fuel consumption from the vendor for all office	The audit team reviewed all the records related to the motor vehicles. The Office had taken steps to remedy the weaknesses that were identified in the previous audit.

| | | c) obtaining monthly invoices and statements from the vendor for all Office vehicles;

d) reconciling the Office's records of fuel consumption against the vendor's statement of account; and

maintaining individual files for each motor vehicle that contains details such as purchase information, registration and maintenance history, fuel consumption and other relevant information to facilitate the review of the motor vehicle records. | vehicles. They are issued on a monthly basis for reconciliation purposes;

The Office's records of fuel consumption are now reconciled against the vendor's statement of accounts on a monthly basis (reconciliations attached). Individual files for each vehicle have been created and contain all appropriate documentation on vehicles records. | |
| ■ | [**NOTE:** This section has been redacted as it is deemed to contain sensitive information.]

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ANNEX **Definitions of audit terms – implementation status, ratings and priorities**

A. IMPLEMENTATION STATUS

- **Implemented**   The audited office has either implemented the action as recommended in the audit report or has taken an alternative solution that has met the original objective of the audit recommendation.

- **In progress**   The audited office initiated some action to implement the recommendation or has implemented some parts of the recommendation.

- **Not implemented**   The audited office has not taken any action to implement the recommendation.

- **Withdrawn**   Because of changing conditions, OAI considers that the implementation of the recommendation is no longer feasible or warranted or that further monitoring efforts would outweigh the benefits of full implementation. A recommendation may also be withdrawn when senior management has accepted the residual risk of partial or non-implementation of recommendation.

B. 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.

C. PRIORITIES OF AUDIT RECOMMENDATIONS

- **High (Critical)**   Prompt action is required to ensure that UNDP is not exposed to high risks. Failure to take action could result in major negative consequences for UNDP.

- **Medium (Important)**   Action is required to ensure that UNDP is not exposed to risks. Failure to take action could result in negative consequences for UNDP.

- **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.