

**United Nations Entity for Gender Equality and  
the Empowerment of Women**  
Independent Evaluation and Audit Services  
Internal Audit Service



**AUDIT**

**OF**

**UN WOMEN COUNTRY OFFICE**

**IN**

**COLOMBIA**

**Report No. IEAS/IAS/CO/2018/003**

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## Report on the Audit of UN Women Country Office in Colombia

### Executive Summary

The UN Women Internal Audit Service (IAS) of the Independent Evaluation and Audit Services (IEAS) conducted an audit of the UN Women Country Office in Colombia (the Country Office) from 30 April to 18 May 2018. The audit aimed to assess the adequacy and effectiveness of the governance arrangements, risk management practices and control processes related to the following areas and sub-areas:

- (a) Governance and strategic management (organizational structure and delegations of authority, risk management, planning, business continuity, monitoring and reporting).
- (b) Programme activities (programme and project management, partnerships and resource mobilization).
- (c) Operations (human resources, finance, procurement, information and communication technology, general administration, safety and security, and UNDP support to the Office).

Based on a preliminary risk assessment by IAS, the audit covered selected Country Office systems, processes and activities from 1 January to 31 December 2017. Where changes were noted between 2017 and the time of the audit, audit tests of selected systems and processes were extended to 31 March 2018. The Country Office recorded programme and management expenses of approximately US\$ 6 million during 2017. The Country Office was last audited by the UNDP Office of Audit and Investigations (OAI) in 2013.

IAS followed the *International Standards for the Professional Practice of Internal Auditing* in conducting this audit.

### Overall audit rating

IAS assessed the Country Office as **partially satisfactory (some improvement needed)** meaning, “*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.*” This rating was mainly due to improvements needed in:

- Governance and strategic management: (i) effectively managing risks identified by IAS in the area of operations; and (ii) formulating a longer-term human resources strategy.
- Operations: (i) recording expenditure; (ii) cash advances to staff for programme activities; (iii) managing system user accounts and email resources; and (iv) asset management and disposal.

### Good practice

IAS identified a good practice in the implementation of the Safe Cities and Safe Public Spaces Global Flagship Programme Initiative in the city of Medellin. Motivated by the visit of the Executive Director in 2015, the City of Medellin asked to participate in the initiative and currently is the most advanced in implementation. In 2016, during the first stage of the programme, UN Women Colombia provided technical assistance on the initial scoping study and during the second stage, the city of Medellin used its own budget to undertake a baseline study and design the programme. In 2017, based on the scoping study and baseline data, Manrique, one of the municipalities in Medellin, was identified as the first pilot area. This is a good practice in leveraging government resources and ownership and demonstrating sustainability and scalability of interventions with better results.

**Key recommendations: Total = 8, high priority = 1, medium priority = 7**

IAS made one high priority recommendation meaning “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.” This recommendation is presented below:

<p>Corporate Issue<sup>1</sup>: Major discrepancies in financial data (budget and expenditure) between Atlas and Results Management System (Issue 3)</p>	<p><i>Major discrepancies were noted between the Country Office data in Atlas, RMS and the Executive Dashboard for the 2017 year-end.</i></p> <p>Recommendation: To ensure consistency and accurate recording of financial data in both Atlas and RMS and to allow for real-time monitoring, accurate reporting and proper assessment of performance, the Strategic Planning Unit (SPU) and Information Systems and Telecommunications (IST) to look into the discrepancies between Atlas and RMS and make the necessary corrections.</p>
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In addition, IAS made seven medium (important) priority recommendations, meaning “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.”

IAS categorized the audit recommendations according to the internal control objectives stated in the UN Women Internal Control Framework:

Internal Control Objectives	Recommendation No.	Priority Rating
Operational (strategic and operating objectives, effectiveness and efficiency, safeguarding of resources)	1, 2, 6	Nos. 1, 2, 6 – Medium
Financial (safety and maintenance of records and preparation of reliable financial and operational information)	3, 4, 5	No. 3 – High Nos. 4, 5 – Medium
Compliance (regulations and rules, policies and procedures)	4, 7, 8	Nos. 4, 7, 8 – Medium

**Management comments and action plan**

The Representative accepted all recommendations made to the Country Office, and the Chief of SPU accepted one recommendation, and are in the process of implementing them. Comments and/or additional information provided have been incorporated in the report, where appropriate.

Medium priority recommendations that the Country Office implemented and could be tested during the audit as adequately achieved and sustained are not reported. Low priority issues are not included in this report, but have been discussed directly with management and actions have been initiated to address them.



Lisa Sutton  
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<sup>1</sup> ‘Corporate Issue’ means action is required from a headquarters’ bureau.

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## Acronyms and abbreviations

AWP	Annual Work Plan
IP	Implementing Partner
IEAS	Independent Evaluation and Audit Services
IAS	Internal Audit Service
ICF	Internal Control Framework
IST	Information Systems and Telecommunications section
PPG	Policy, Procedure and Guidance Framework
RMS	Results Management System
SN	Strategic Note
SPU	Strategic Planning Unit
UNDAF	United Nations Development Assistance Framework
UNDP	United Nations Development Programme

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## I. About the Country Office<sup>2</sup>

The UN Women Country Office in Colombia is located in Bogota. Colombia is an upper-middle income country with an estimated population of 49.1 million people (2018<sup>3</sup>) with wide ethnic diversity. The economy's average growth rate between 2010 and 2014 was 4.8 per cent, one of the highest in the region. However, the country is characterized by strong regional inequalities and internal armed conflict lasting more than five decades, resulting in a humanitarian crisis situation which has disproportionately impacted the lives of women.

The Country Office was in the first year of implementing the revised Strategic Note (SN) 2017–2019. The Country Office consolidated its programmatic structure by restructuring the Annual Work Plan (AWP) 2017 to eight outcomes and recruited outcome managers to provide programmatic focus on inclusion of gender equality in the peace process and for greater accountability towards results. While the AWP 2017 focused on the post-conflict scenario and aligned with the four impacts of the UN Women Global Strategic Plan, the AWP 2018 was fully aligned with the United Nations Development Assistance Framework (UNDAF), the National Development Plan and the Cooperation Framework signed between the Government of Colombia and UN Women.

To address challenges and obtain benefit from new funding opportunities including the Multi-Donor Trust Fund of the United Nations for Post-Conflict and the Peace Fund for Colombia, the Country Office implemented its resource mobilization strategy and strengthened its field presence by establishing sub-offices in the country's five territories (Antioquia, Cauca, Choco, Meta and Nariño).

During the audited period, in 2017 the Country Office had 11 staff members with fixed-term appointments, 41 service contract holders, one intern and a United Nations volunteer.

## II. Good Practice

The audit identified a good practice in partnerships and leveraging government resources. Motivated by the visit of the Executive Director in 2015, the City of Medellin asked to participate in the Safe Cities and Safe Public Spaces Global Flagship Programme Initiative. It is one of five cities in Colombia participating in the programme and is the most advanced in implementation.

In 2016, UN Women Colombia provided technical assistance during the initial scoping study to gather specific data to ensure deep understanding of sexual harassment and violence in public spaces to help identify appropriate interventions. During the second stage, the city of Medellin used its own budget to undertake a baseline study and design the programme. The city of Medellin allocated a budget of around US\$ 400,000 for the first three years of the programme and US\$ 150,000 for 2018, demonstrating how to leverage government resources and a commitment to sustain the interventions. In 2017, based on the scoping study and baseline data, Manrique, one of the municipalities in Medellin, was identified as the first pilot area. This is a good practice in leveraging government resources and ownership and demonstrating sustainability and scalability of interventions with better results.

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<sup>2</sup> Based on SN AWP narrative report prepared by the Country Office

<sup>3</sup> Based on UNDP Human Development Reports, 2018

### III. Audit Results

IAS included eight recommendations in this report, one ranked high (critical) and seven ranked medium (important) priority. Medium priority recommendations that the Country Office implemented and could be tested during the audit as adequately achieved and sustained are not reported. Low priority issues/recommendations were discussed directly and agreed with the Country Office and are also not included in this report.

**High priority recommendations**, arranged according to significance:

The corporate high priority recommendation:

- (a) To ensure consistency and accurate recording of financial data in both Atlas and RMS and allow for real-time monitoring, accurate reporting and proper assessment of performance, SPU and IST to look into the discrepancies between Atlas and RMS and make the necessary corrections (Recommendation 3).

**Medium priority recommendations**, arranged according to significance:

The Representative ensures that the Country Office:

- (a) Proactively consider risks in the context of the Country Office's business processes. This may be accomplished by identifying business process objectives and inherent risks to their achievement (including the risk of fraud) and by establishing and implementing appropriate risk mitigating actions that should be regularly monitored for effectiveness. Moreover, the Representative should enhance the Country Office control environment by raising awareness and training staff on the importance of internal controls in mitigating risks, including the area of fraud prevention and detection (Recommendation 1).
- (b) In coordination with the Human Resources Section in headquarters, analyse its current and future programme priorities, available resources, and existing staffing and contractual arrangements to define a longer-term HR strategy for more effective and efficient delivery of programmes (Recommendation 2).
- (c) Pay project participants or suppliers directly through banks or similar institutions, and follow standard procurement procedures for suppliers. If cash advances are still the only option, the Representative to ensure that (i) the role of disbursement officer is properly defined, including clear personal accountability for handling the cash diligently and liquidating the advance in a timely manner; (ii) incompatible duties are segregated; and (iii) the liquidation of advances is properly monitored and validated by the Finance Assistant (Recommendation 6).
- (d) Follow procedures for activation and deactivation of user accounts in a timely manner, i.e. the activation and deactivation of user accounts and email are part of the onboarding and offboarding process, and any changes in user contracts are promptly reflected in Atlas (Recommendation 7).
- (e) Establish mechanisms to ensure compliance with the provision of Financial Rule 1402 requiring that programme activities, commitments and disbursements are approved and implemented subject to the availability of resources (Recommendation 4).
- (f) Train relevant staff on the appropriate coding of transactions; validate transactions as correctly coded prior to approval and recording; and periodically review recorded transactions to identify coding errors and make adjustments as necessary (Recommendation 5).
- (g) Tag all assets as soon as received; immediately record assets to their respective inventory lists; and dispose of assets in accordance with prescribed procedures (Recommendation 8).

The detailed assessment is presented below, per audit area:

## A. Governance and strategic management

### 1. Control environment

**Issue 1**      The Country Office should strengthen its control environment to more effectively manage risks identified by the internal audit in key operational areas

According to the UN Women Internal Control Framework, the control environment sets the tone for the organization, influencing the control consciousness of its personnel. While the Country Office periodically updated its risk register in line with the instructions for preparation of AWP and SNs, IAS noted that the Country Office did not always proactively consider risk in the context of implementation of its business processes, to define the right balance between efficiency in delivery and adequacy of internal control to ensure effective management of funds.

IAS observed that some processes in the areas of finance and procurement did not always adhere to corporate rules and policies, and that in some of these instances the Country Office had not always established effective actions to mitigate the risks involved. For example, there were several cases of sole source contracting, which while justified may still create a perception of lack of transparent recruitment. Numerous cash advances to staff to implement programme activities (such as organization of workshops), while not disallowed *per se*, represent high inherent risk, so effective controls must be established to ensure that this practice is used with caution, and that mechanisms are in place to ensure proper safeguarding and liquidation. Another example related to adjustments of expenditure between projects. This may also pose inherent risk if not properly managed. While IAS was pleased to note that the Country Office reported it had taken steps during the course of the audit to strengthen its systems and processes, the root cause for these and further issues reported later in this report indicate a need to strengthen the Country Office's control environment and risk management processes.

Not adequately considering risk in the implementation of business processes can affect the management of funds. It may also lead to exceptions becoming the norm without adequate justification, and accountability for non-compliance not being established.

<b>Priority</b>	Medium (Important)
<b>Recommendation 1:</b>	
The Representative to ensure that risk is proactively considered in the context of the Country Office's business processes. This may be accomplished by identifying business process objectives and inherent risks to their achievement (including the risk of fraud) and by establishing and implementing appropriate risk mitigating actions that should be regularly monitored for effectiveness. Moreover, the Representative enhances the Country Office control environment by raising awareness and training staff on the importance of internal controls in mitigating risks, including the area of fraud prevention and detection.	
<b>Management action plan:</b>	
UN Women Colombia office acknowledges the recommendation. Colombia office carries out periodic risk assessment to keep updated the UN-Women Colombia risk register and in line with the instructions for the	



preparation of Annual Work Plan and Strategic Notes. We also would like to emphasize that since the office's establishment, ICFs processes were created to follow the corporate rules and regulations to ensure compliance with the UN Women rules and regulations and have an adequate segregation of duties to strengthen the control environment, which has been periodically updated to be in line with the growth and new requirements of the office.

Additionally, at corporate level, we will be part of the train the trainers (ToT) fraud risk management workshop in Q1 2019 to improve identified internal risks and enhance internal control environment and key control activities. The risk validation exercises will be expected to be completed twice a year. This will ensure that the risk management activity is sustained while making sure that the identified risks and related mitigating actions are kept up to date and sufficiently monitored.

**Estimated completion date:** Implemented during 2018. To be reconfirmed by 31 March 2019 after ToT on fraud risk assessment.

**IAS Comments:** IAS recognizes the efforts made by Country Office management in mitigating the inherent risks related to its expanding operations in the country. To fully close this recommendation, IAS would need to see the results of the operational risk assessment which includes fraud risks, and how the Country Office is planning to address the risks identified.

## 2. Organizational structure

### Issue 2 Overreliance on short-term service contract holders

The 2016 corporate evaluation of the regional architecture of UN Women pointed out that overreliance on short-term service contract holders can limit capacity for efficient and effective delivery and affects the sustainability of programme implementation. The evaluation quoted the 2015 Human Resources Report indicating that 58 per cent of the total UN Women workforce were non-staff.

At the time of the audit, service contract holders in the Country Office accounted for 78 per cent of the total workforce. In addition, the turnover rate for these contractors was as high as 39 per cent. Due to this, the number of hiring exercises for service contractors was 90 per cent of total hiring during the audit period (new hire as well as rehire), but the retention rate was only 36 per cent. This implies that for those who were hired, not even half remained with UN Women, which impacts on the continuity, knowledge management, efficiency and sustainability of Country Office programmes and operations.

One donor's 2017 annual report identified the frequent changes in personnel at the Country Office as a major challenge as the entire core personnel that managed the activity had changed. The report pointed out that procedures, direct contact with institutions, and the strategic path had to be rebuilt to secure effective implementation of the planned actions. The report further emphasized the inefficiency and difficulty of re-training a new set of personnel on the technical, financial and administrative aspects of the project.

Country Office management was fully aware and recognized this challenge. It had already requested that the Human Resource Section in headquarters assist with the review of its HR strategy and staffing structure.

Priority	Medium (Important)
<b>Recommendation 2:</b>	<p>In the upcoming review of its staffing structure and based on the ongoing change management process on country typologies, in coordination with the Human Resources Section in headquarters, the Representative to ensure that the Country Office analyse its current and future programme priorities, available resources, and existing staffing and contractual arrangements to define a longer-term HR strategy for more effective and efficient delivery of programmes.</p>
<b>Management action plan:</b>	<p>UN Women Colombia acknowledges the observation. The proposed action was addressees to carry out a functional analysis of Human Resources and we refer to our management response of this observation during the audit exercise. Considering this as an opportune time to evaluate the current structure and capacity of the office, as well as identifying positive aspects and areas for improvement with the personnel team, as well as issues related to contracts, levels, etc.</p> <p>This analysis took place on October 2018 performed by HR and Operations personnel from HQ and Regional office for LAC.</p> <p><b>Estimated completion date:</b> 30 June 2019</p>
<b>IAS comments:</b>	<p>IAS recognizes the efforts made by Country Office management to develop a longer-term HR strategy and functional analysis is an important milestone and basis for it.</p>

## B. Programme Management

### 1. Financial monitoring and reporting

**Issue 3**      Corporate Issue: Major discrepancies in financial data (budget and expenditure) between Atlas and Results Management System

The Results Management System (RMS) Guidance Note of 2017 states that the RMS is the corporate system for all offices to plan, monitor and report on their SN and AWP. RMS serves as a hub for all Country Office plans and links with the Strategic Plan and Flagship Programme, along with all monitoring and reporting data collected throughout the year, while Atlas is used for financial management. These two systems are not well aligned for effective management of financial resources in the planning and implementation of programmes and projects.

Given that the 2017 financial books of accounts were already closed and finalized at the time of audit, IAS expected that the financial data in Atlas would have been consistent with RMS. However, major discrepancies were

identified between the Country Office data in Atlas, RMS and the Executive Dashboard for the 2017 year-end<sup>4</sup>, as follows:

	Atlas	RMS	Executive Dashboard
Total budget	5,907,681	6,505,876	5,910,000
Total delivery commitment control	5,802,267	3,416,726	5,880,000
Delivery rate	98%	53%	87%

The Strategic Planning Unit (SPU) plans to flag and discuss the discrepancies in the expenditure figures with the Information Systems and Telecommunications (IST) section.

Discrepancies in the financial data between Atlas and RMS could hinder effective assessment of performance, real-time monitoring, performance reporting and management decisions.

<b>Priority</b>	High (Critical)
<b>Recommendation 3:</b>	
To ensure consistency and accurate recording of financial data in both Atlas and RMS and to allow for real-time monitoring, accurate reporting and proper assessment of performance, SPU and IST to look into the discrepancies between Atlas and RMS and make the necessary corrections.	
<b>Management action plan:</b>	
SPU will work with IST to make necessary adjustments and improvements to Result Management System (RMS) to have a robust system with up-to-date and accurate financial data from ATLAS which is useful for effective planning, monitoring and reporting on results and help in decision making by management and other stakeholders.	
<b>Estimated completion date:</b> 30 May 2019	

## C. Operations

### 1. Finance

**Issue 4**      Frequent adjustment of expenditure between projects and transfers from non-core to core funding

<sup>4</sup> RMS and Atlas data for the year ended 31 December 2017 was downloaded as of 29 May 2018, and as of 11 October 2018. Two downloads had significant discrepancies so IAS used the most recent, as of 11 October 2018, for the analysis in the table.

UN Women Financial Rule 1402 stipulates that programme activities, commitments and disbursements are approved and implemented subject to the availability of resources. Testing of financial transaction sample indicated that:

- Expenses amounting to US\$ 325,000 (221 transaction entries) were reclassified, of which 60 per cent or US\$ 216,000 were processed towards the end of the year in October 2017. Some reclassifications were processed to move expenses between projects.
- Reclassifications processed in November and December 2017 with a total of US\$ 47,000 were made to transfer expenses from non-core to core funds. It is indicative that this was to use core funds by the end of the year.

The Country Office explained that:

- They were transactions associated with payroll (some personnel were not being correctly charged), and UNDP had been asked to make the corresponding adjustments.
- The donors concerned had agreed to the transfer of expenses from one donor to another (however, IAS noted that the Country Office was not able to provide formal documentation of this agreement).

The other reclassifications were related to programmatic adjustments. Some programmatic adjustments were due to the urgency of implementing programme activities (especially relating to the peace process where the timing of interventions is critical) awaiting the cash receipt and budget release, while the workplan had been approved and donor agreement had been signed. Entering into commitments and incurring expenditure prior to actual receipt of contributions and budget allocation could result in financial risk and is contrary to UN Women policy.

<b>Priority</b>	Medium (Important)
<b>Recommendation 4:</b>	
The Representative to ensure that the Country Office establish mechanisms to comply with the provision of Financial Rule 1402 requiring that programme activities, commitments and disbursements are approved and implemented subject to the availability of resources. If the timing of an intervention is critical to the delivery of programme results and there are delays in the receipt of funds from donors, the Country Office should seek exceptional approval from the Director, Division of Management and Administration to pre-finance non-core activities.	
<b>Management action plan:</b>	
UN Women Colombia takes note of the recommendation and will continue ensuring that the funds are available for the programme activities implementation considering that the Country Context goes so fast and quick actions are required, especially with the Peace Process Implementation.	
<b>Estimated completion date:</b> 31 March 2019	
<b>IAS comments:</b> IAS recognizes the efforts by Country Office management to address the issues identified. IAS suggests that the Country Office conduct periodic reviews to verify continuing compliance, with an update due by 31 March 2019, so the recommendation can be fully closed.	

**Issue 5**      Incorrect coding, inappropriate and inconsistent use of expense account codes

Errors were noted in recording financial transactions. Testing of sampled transactions showed inconsistencies in recording expenses related to rent account code 73105, for example incorrectly posting: i) refunds of value added tax (US\$ 54,000); ii) utilities, office supplies, communications, professional fees, bank fees, insurance, internet and security; and iii) various rent related expenses to common services (US\$ 164,000).

Implementing Partner (IP) programme related cash advances of US\$ 1.4 million, liquidated and recorded as expenditure in 2017 (23 per cent of total expenditure of US\$ 6 million), as well as Country Office administrative expenses, were recorded in the same UN Women – direct implementation code 02001. Therefore, it was difficult to segregate the expenses for IP programme activities from the Country Office administrative expenses, resulting in a distorted programme expense ratio.

The above weaknesses were due to inadequate training of relevant staff and the absence of periodic reviews of accounts to identify errors and take corrective actions. Inaccurate account coding of financial transactions led to inaccurate financial reporting.

<b>Priority</b>	Medium (Important)
<b>Recommendation 5:</b>	
To enable accurate and consistent recording and reporting of financial transactions, the Representative to ensure that the Country Office:	
<ul style="list-style-type: none"> <li>(a) Train relevant staff on the correct coding of transactions.</li> <li>(b) Validate transactions as correctly coded prior to approval and recording.</li> <li>(c) Periodically review recorded transactions to identify coding errors and make adjustments as necessary.</li> </ul>	
<b>Management action plan:</b>	
UN Women Colombia takes note of the recommendation and will strengthen through:	
<ul style="list-style-type: none"> <li>a) Regularly training to ensure that all the personnel involved in financial transactions has the required knowledge of performing this kind of activities.</li> <li>b) Ensuring that the personnel in charge of creating the Requisitions, POs, and vouchers in ATLAS check prior to the approval process to avoid potential errors.</li> <li>c) During the monthly follow up on the projects implementation, we will assure that the transactions are correctly recorded in the right accounting code and take the appropriate actions in order to correct them if necessary.</li> </ul>	
<b>Estimated completion date:</b> [Implemented, Training to operations team made on August 30,2018]. To be reconfirmed on 31 March 2019	
<b>IAS comments:</b> IAS recognizes the efforts by Country Office management to address the issues identified, e.g. training all personnel. IAS suggests that the Country Office conduct periodic reviews to verify continuing compliance, with an update due by 31 March 2019, so the recommendation can be fully closed.	

**Issue 6**      Absence of policy for monitoring staff advances for programme activities

The Finance Manual and Standard Operating Procedures for field offices state that cash advances granted to staff to defray prepaid project expenses should be monitored carefully and liquidation should be conducted in a timely manner. In addition, according to Travel Policy, a low value Daily Subsistence Allowance (DSA) disbursements can be made by UN Women staff members, if the total value does not exceed US\$ 5,000, with the provision of proper controls and segregation of duties.

During the period under review, the Country Office used multiple cash advances to pay for transportation of participants, workshops and other related expenses. As the cash advances bear inherent financial risks, the Country Office needs to improve the following:

- The Country Office’s Internal Control Framework needs to clearly outline the role of disbursing officer, defining the responsibilities for handling and liquidating these cash advances.
- Some staff members cannot take on the role of disbursing officer as it may be incompatible with their current duties (staff processing or approving advances and their clearance should not be disbursing officers).
- Staff members should be held accountable for liquidating the advances promptly. In several cases, the Country Office granted a cash advance to a staff member, who was unable to liquidate the advance on time. In order to proceed with the programme activities, the Country Office had to issue a new cash advance to a different staff member.

<b>Priority</b>	Medium (Important)
<b>Recommendation 6:</b>	
The Representative to ensure that the Country Office pay project participants or suppliers directly through banks or similar institutions, and follow standard procurement procedures for suppliers. If cash advances are still the only option, the Representative to ensure that (i) the role of disbursement officer is properly defined, including clear personal accountability for handling the cash diligently and liquidating the advance in a timely manner; (ii) incompatible duties are segregated; and (iii) the liquidation of advances is properly monitored and validated by the Finance Assistant.	
<b>Management comment or action plan:</b>	
Regarding cash advance observation, UN Women Colombia took the necessary actions to mitigate the risk associated with cash management, leading and put in place the new interagency Long-Term Agreement process that includes the provision of cash delivery at field level, adhering to the observations previously noted.	
<b>Estimated completion date:</b> [Implemented, Cash Advances to Staff: Establishment of Interagency Long Term Agreement October 2017, startup first quarter 2018.] To be reconfirmed by 31 March 2019.	
<b>IAS comments:</b> IAS notes that the Country Office has taken steps to help mitigate this practice from recurring. IAS suggests that the Country Office conduct periodic reviews to verify continuing compliance, with an update due by 31 March 2019, so the recommendation can be fully closed.	

## 2. Information and communication technology

### Issue 7 Delays in activating and disabling user accounts and email resources

The Standard on Acceptable Usage of Information and Communication Technology (ICT) Resources and Data defines an authorized user as staff, consultant, contractor, partner, vendor, intern, fellow, volunteer or any other third party given authorization to use UN Women ICT resources. The Standard on ICT User Account Management states that the condition for access to UN Women ICT systems is that there is a valid contract. User accounts should be automatically disabled: (i) at midnight of the contract expiry or separation dates; (ii) if the account was not re-confirmed through the personnel validation system; and (iii) if the account has been inactive for more than 180 days. Accounts can be manually disabled by submitting a request to the IST service desk.

Email access should be provided during onboarding procedures, which gives the user access to UN Women intranet, dashboards and other systems. To ensure that only authorized users have access to emails, offices are required to verify contract end dates in the signed contract to Atlas on a monthly basis. Any discrepancies found should be reflected in Atlas, which updates the monthly validation data in OneApp and triggers deactivation. The audit testing showed several cases where personnel whose contracts had expired, or had been separated, still had active email accounts, which may indicate that Atlas dates in the system had not been corrected during monthly validation. The delay in disabling access creates the possibility that ICT resources and data, some of which are sensitive in nature, could be accessed by former staff or contractors who are no longer authorized users, posing a risk of breach in data integrity and confidentiality.

The Country Office explained that it had complied with UN Women’s existing ICT policy by conducting the monthly validation of personnel and account information through OneApp, including verification and updating of contract modality and contract end dates. The Country Office was not aware that information for staff, service contractors and UN volunteers is refreshed daily from Atlas, and if the dates in Atlas are not corrected, data in Atlas overwrites the OneApp personnel validation system. Unless Atlas is updated through a request to the IST service desk in a timely manner, the noted delays in activation and deactivation of user accounts will continue to occur.

<b>Priority</b>	Medium (Important)
<b>Recommendation 7:</b>	
The Representative to ensure, with guidance from IST, that the Country Office follow procedures for activation and deactivation of user accounts in a timely manner, i.e. the activation and deactivation of user accounts and email are part of the onboarding and offboarding process, and any changes in user contracts are promptly reflected in Atlas.	
<b>Management action plan:</b>	
UN Women acknowledges this observation and would like to refer to the corporate adoption and actions plan implemented by CO as follows:	
<ul style="list-style-type: none"> <li>▪ Every office must validate personnel and account information on a monthly basis, and check and update contract modalities and contract end dates.</li> </ul>	

<ul style="list-style-type: none"> <li>▪ Accounts will be automatically disabled by midnight the last day of the contract, as indicated in the personnel validation system;</li> <li>▪ Accounts may be disabled if the account is not re-confirmed monthly into the personnel validation system.</li> </ul> <p>The CO ensures proper observation for the activation and deactivation of user accounts in a systematic monthly basis and during the closure processes.</p> <p><b>Estimated completion date:</b> [Already implemented corporate policy from May 2018]. To be reconfirmed by 31 March 2019</p>
<p><b>IAS comments:</b> IAS notes that the Country Office has taken steps to help mitigate this practice from recurring but retains this issue to ensure action is sustained. IAS will validate that the Country Office has activated/deactivated the users as part of the on/offboarding process.</p>

**3. Asset management**

**Issue 8**      Asset management and disposal of assets needed improvement

The Policy, Procedure and Guidance Framework (PPG) on Asset Management states that an asset costing at least US\$ 1,000 is to be capitalized, tagged and recorded immediately upon receipt to facilitate oversight and control. Capital assets require certification exercises twice a year. Non-capital assets or those costing US\$ 500 to US\$ 1,000 do not require certification, but are to be verified annually. Disposal of assets costing less than US\$ 2,500 are to be requested by the Asset Focal Point, reviewed by the Asset Manager, approved by the Head of Office and reported to the headquarters Asset Management Unit for final processing.

At the time of audit in May 2018, some capital assets had not yet been tagged and/or entered on the inventory list, while non-capital assets were not checked annually. Disposal of assets was also not handled properly. Assets that were supposed to have been disposed of were reassigned to the ICT service contractor and were still showing as being in service.

There was a lack of oversight of asset management and the disposal of assets. The verification process was only conducted to ensure that all listed assets were accounted for. However, the list was not verified for accuracy and completeness of records. As a result, there is a risk that an asset could be lost, stolen or disposed of without anyone noticing.

<b>Priority</b>	Medium (Important)
<b>Recommendation 8:</b>	
The Representative to ensure that the Country Office:	
<ul style="list-style-type: none"> <li>(a) Tag the assets as soon as received.</li> <li>(b) Immediately record assets on the respective inventory lists.</li> <li>(c) Dispose of assets in accordance with prescribed procedures.</li> </ul>	



**Management action plan:**

UN Women Colombia takes note of the recommendation to perform adequate inventory process. Operations unit will ensure that all assets will be tagged as received, incorporating quarterly checks and develop an internal workflow to entry and disposal of assets process to ensure that we comply this recommendation.

**Estimated completion date:** [Implemented June 4 2018]. To be reconfirmed by 31 March 2019

**IAS comments:** During the audit mission, IAS observed that tagging took place and that the Country Office had conducted training on asset management. For the rest of the recommendation including disposals of assets, IAS suggests that the Country Office conduct periodic reviews to verify continuing compliance, with an update due by 31 March 2019, so the recommendation can be fully closed.

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## 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.