

**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**

**SOUTH SUDAN**

**Report No. IEAS/IAS/CO/2018/008**

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## Report on the Audit of UN Women Country Office in South Sudan

### 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 South Sudan (the Country Office) from August to October 2018, with a field visit to the Country Office from 19 September to 11 October 2018. 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) Programme activities (programme and project management, gender mainstreaming in development, partnerships and resource mobilization).
- (c) Operations (human resources, finance, procurement, information and communication technology, general administration, and safety and security).

The audit covered Country Office activities from 1 January to 31 December 2017. Where changes in key processes were noted between 2017 and 2018, audit testing of selected processes was extended to 30 September 2018. During 2017, the Country Office recorded approximately US\$ 5 million in total expenses. This was the second comprehensive internal audit of the Country Office since its establishment. The Office of Audit and Investigation, UNDP conducted the first review in 2013<sup>1</sup>. A Country Portfolio Evaluation (CPE) was conducted for the period 2014–2018 in June 2018.

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 control processes 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: developing a longer-term HR for sustainable office structure to deliver its strategic priorities for 2019-2021.
- Programme Activities: (i) improving UN coordination; (ii) strengthening management of project implementation and closure; and (iii) managing resource mobilization.
- Operations: (i) enhancing the capacity of Implementing Partners (IPs) (ii) complying with UNDSS security requirements; and (iii) enhancing controls over the procure-to-pay cycle.

### Good practices

**Strategic planning:** Preparation of the 2019–2021 Strategic Note (SN) was a highly participatory process involving key stakeholders. A series of workshops were held to identify priorities and to discuss the SN drafts.

**Operations. The humanitarian context:** Prompted by the scarcity of gender disaggregated data on the status of women in South Sudan, the Country Office carried out needs assessments with other UN agencies, which helped to identify the priorities of conflict-affected women and to plan targeted humanitarian interventions.

<sup>1</sup> Audit Report No. 1221, 31 October 2013: UN Women South Sudan

**Operations. Use of Long-Term Agreements (LTAs):** The local market is restricted in the variety of goods and services available and in the number of reliable vendors. As a result, the UNCT/Operations Management Team (OMT) identified areas where LTAs would be useful and the Country Office used these arrangements effectively to ensure regular supplies (even during shortages) and efficient services to obtain best value for money.

**Key recommendations: Total = 9, 1 high priority, 8 medium priority**

IAS made one high (critical) 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:

Improvement was needed in the alignment of staffing, functions and available funding with programme priorities (Issue 1)	The effectiveness and delivery of programme priorities was affected by insufficient staffing due to staff turnover and unpredictable funding.  <b>Recommendation:</b> The Representative to revise the Country Office’s existing staffing and structure to ensure the office has adequate capacity to deliver its programme priorities.
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In addition, eight medium (important) priority recommendations were raised, 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.*” These recommendations include actions to improve implementation and closure of projects and activities; UN Women’s coordination capacity; IP and finance management; and the procure-to-pay cycle.

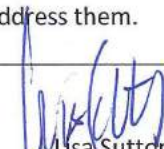
IAS categorized the audit recommendations according to the internal control objectives stated in the UN Women Internal Control Framework:

Internal Control Objectives	Recommendation No.	Priority Rating
Operational (strategic and operating objectives, effectiveness and efficiency, safeguarding of resources)	1, 2, 4, 5, 6, 8	No.1 – High No.2,4,5,6,8 – Medium
Financial (safety and maintenance of records and preparation of reliable financial and operational information)	9	all – Medium
Compliance (regulations and rules, policies and procedures)	3, 6, 7, 8, 9	all – Medium

**Management comments and action plan**

The Representative accepted all recommendations and is 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 also not included in this report, but have been discussed directly with management and actions have been initiated to address them.



Lisa Sutton  
Director  
Independent Evaluation and Audit Services

## Acronyms and abbreviations

AWP	Annual Work Plan
BCP	Business Continuity Plan
COAT	Country Office Assessment Tool
CPE	Country Portfolio Evaluation
CPI	Corruption Perception Index
DRP	Disaster Recovery Plan
GDI	Gender Development Index
GEWE	Gender Equality and Women Empowerment
GII	Gender Inequality Index
HCT	Humanitarian Country Team
HDI	Human Development Index
HDR	Human Development Report
IAS	Internal Audit Service
IEAS	Independent Evaluation and Audit Services
ICF	UNCT Interim Cooperation Framework
IP	Implementing Partner
LTA	Long-Term Agreement
OEEF	Organizational Effectiveness and Efficiency Framework
PCA	Project Cooperation Agreement
POM	Programme and Operations Manual
RM	Resource Mobilization
RMS	Results Management System
RP	Responsible Party
SN	Strategic Note
SSA	Special Service Agreement
TOR	Terms of Reference
UNCT	United Nations Country Team
UNDP	United Nations Development Programme
UNDSS	United Nations Department of Safety and Security
UNMISS	UN Mission to South Sudan

## I. Background

### (a) About the Country<sup>2</sup>

The Republic of South Sudan achieved independence in 2011 after 50 years of conflict. Renewed internal conflicts in December 2013 and July 2016 undermined the development gains achieved during the first two years of independence and worsened the humanitarian situation. According to the UNDP Human Development Report (HDR) for 2017, hundreds of thousands of people have been killed, more than 4.2 million people have been displaced both internally and to neighbouring countries, and about 5.3 million (nearly half the population) face severe food insecurity. Women and children were the hardest hit and represent the largest proportion of the displaced population in South Sudan.

The HDR indicates that the Human Development Index was 0.388 in 2017, which is well below the average of 0.537 for countries in Sub-Saharan Africa and ranks South Sudan at 187 of 189 countries. The HDR also uses a set of indices (the Gender Inequality Index (GII) and the Gender Development Index (GDI)) to measure or assess gender-based inequalities and achievements in four key areas: reproductive health, empowerment, education and economic activity. The GII was not calculated for South Sudan in 2017 due to the lack of country information. The GDI is calculated for 164 countries and its value in 2017 for South Sudan was 0.826, placing it below the average of 0.893 for Sub-Saharan Africa. The Corruption Perception Index for 2017 and 2018, ranked 180 countries and territories based on perceived levels of public sector corruption. South Sudan ranked at number 179.

### (b) About the Country Office

UN Women has had a Country Office in Juba, South Sudan since 2011, when it transitioned from UNIFEM<sup>3</sup>. The Country Office, and all other UN agencies, are under the general lead of the United Nations Country Team (UNCT) and collaborate with UN Mission to South Sudan (UNMISS). Donor partners also established offices in Juba in 2011 and are currently focusing on support to the peace process and establishing the groundwork for longer-term development.

The Country Office extended the Strategic Note (SN) 2014–2016 through 2017 to 2018 to align it with the UNCT Interim Cooperation Framework (ICF). The Framework was extended to the end of 2018 due to the impact of the conflict on the government's capacity to function. The Country Office's Annual Work Plan (AWP) for 2017 built on lessons learned from previous years and focused on strengthening women's organizational capacity to benefit effectively from humanitarian responses, and in supporting women's participation in the peace process. The AWP had a total available budget of US\$ 4.8 million<sup>4</sup> and an estimated delivery of 97 per cent<sup>5</sup> at the end of December 2017. For 2018, the AWP aimed to further strengthen women's engagement in the peace process, support transformational leadership skills, strengthen gender coordination and improve gender analysis in the assessment of humanitarian interventions. The total available budget was US\$ 4.92 million<sup>6</sup> of which US\$ 3.43 million was non-core resources.

The CPE conducted in July 2018 concluded that Country Office activities:

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<sup>2</sup> Information provided from UN Women Country Office (Juba) documentation, UNDP Human Development Reports on South Sudan and the Transparency International 2017 Corruption Perception Index.

<sup>3</sup> The Country Office is part of UN Women's Eastern and Southern Africa Region.

<sup>4</sup> Source RMS: 2017 DEF available budget of US\$ 3.21 million + OEEF available budget of US\$ 1.59 million.

<sup>5</sup> Source COAT: 2017 programme delivery.

<sup>6</sup> Source RMS: 2018 DEF budget \$3.43m, OEEF was \$1.49 million. Delivery as at end September 2018 was DEF 39 per cent, and OEEF 85 per cent of total available budget.



- (a) Were strategically positioned across its entire portfolio, relevant and relatively effective.
- (b) Supported its normative work and were in line with its comparative advantage.
- (c) Were delivered efficiently and the Country Office was seen as the point of reference for gender mainstreaming within UNCT and Government of the Republic of South Sudan.
- (d) Supported local ownership and enhanced local capacity to address gender equality and human rights.

The CPE identified the following areas for improvement: the need to strengthen the Country Office's gender equality and women's empowerment (GEWE) coordination profile and activities; and to explore small-scale interventions with IPs, focusing on transformative gender action and social norm change. A recommendation was that IPs should report effectively against results and support their work with evidence.

At the time of the audit mission in October 2018, the Country Office was in the final stages of obtaining approval for the 2019–2021 SN and had started the process of developing the AWP for 2019.

The Country Office was housed in private premises. However, relocation during 2019 was being considered pending the final decision on whether to construct offices at the UN House compound or to find alternative accommodation, possibly with other UN agencies. The Country Office had six staff with fixed-term contracts and 25 staff with Special Services Agreement (SSA), Service Contract (SC) and UN Volunteer (UNV) contracts. The Representative intended to further improve technical and administrative capacity in time to implement the 2019 AWP.

## II. Good practices

Good practices were noted in the following areas:

- (a) Strategic planning: Preparation of the 2019–2021 SN was a highly participatory process, involving key stakeholders such as government ministries and departments, IPs, donors and other UN agencies. A series of workshops were held to identify priorities and to discuss the SN drafts. The final version of the SN was circulated for comment before its submission to the Regional Office and headquarters for review and approval. This kept stakeholders informed of UN Women's vision of GEWE in South Sudan, involved them in charting the direction of its programmes for the next three years and created general support for the SN objectives.
- (b) Operations. The humanitarian context: The scarcity of gender disaggregated data on the status of women in South Sudan, especially in the Protection of Civilians camps (PoCs), prompted the Country Office to carry out needs assessments with other UN agencies concerned (HCR, OCHA, UNFPA, WFP). The analyses helped to identify the priorities of conflict-affected women and to plan targeted humanitarian interventions. It also helped the Country Office to identify the working priorities for its targeted support, to structure its engagement with donors and partners and contributed to strengthening UN Women's credibility.
- (c) Operations. Use of Long-Term Agreements (LTAs): The local market is restricted in the variety of goods and services available and in the number of reliable vendors. As a result, the UNCT/Operations Management Team (OMT) identified areas where LTAs would be useful and the Country Office used these arrangements almost exclusively for security, fuel, telecommunications, printing and travel. In this way, the Country Office was able to ensure regular supplies (even during shortages) and efficient services to obtain best value for money.

### III. Audit results

Satisfactory performance was noted in the following areas:

- (a) Governance structure for internal controls: The Country Office had established governance structure for internal controls, with necessary tools in place to support the structure, including: delegation of authority; mechanisms to comply with UN Women's financial regulations and rules and Policy, Procedure and Guidance (PPG) Framework; development of the office's internal control framework; risk register and standard operating procedures (SOPs).
- (b) Governance. Previous oversight reports: Progress was being made on agreed actions from earlier oversight reports, including the 2016 mid-term evaluation of the 2014–2017 field programme.
- (c) Programme planning: The SN 2014–2018 priorities were linked to AWPAs and cross referenced with: (i) the UNCT Interim Cooperation Framework; (ii) national priorities arising from the peace agreements; and (iii) regional and global UN Women objectives and programme priorities. The Representative was actively engaged with the government, donors, UNCT, the UN Humanitarian Country Team (HCT) and various other actors involved in activities related to UN Women.
- (d) Operations. Human resources: Systems and procedures for managing human resources covering recruitment, onboarding and performance assessment were established. The Country Office promoted continuous learning and development through a 'Learning Friday' where all staff were encouraged to complete their mandatory learning courses and to make staff presentations on areas of interest.
- (e) Operations. General administration: Systems and procedures for general administration were established. Travel, vehicles and premises were being controlled.
- (f) Operations. Asset management: The Country Office had procedures for recording, identifying and verifying assets. Audit sample verification showed that assets were properly recorded in the system, barcoded and correctly classified.
- (g) Operations. UNDP support to the Country Office: Services outsourced to UNDP were covered by the service agreement and the Country Office was satisfied with the services received from UNDP, though they were considered costly.

IAS provided one recommendation ranked high (critical) and eight recommendations ranked medium (important) priority.

#### High priority recommendation:

- (a) The Representative to revise the Country Office's existing staffing and structure to ensure the Office has adequacy capacity to deliver its programme priorities (Recommendation 1).

**Medium priority recommendations**, arranged according to significance, are that the Representative ensures the Country Office:

- (a) Strengthen/expand UN Women coordination activities through development of a detailed implementation plan, allocation of sufficient resources, and subsequent monitoring and reporting on the plan's effectiveness (Recommendation 2).
- (b) Fully comply with safety and security standards: (i) Test Business Continuity Plan; (ii) consistently report security incidents to UNDSS and UN Women Security Unit; and (iii) update and test the Disaster Recovery Plan (Recommendation 6).



- (c) Comply with PPG and act on all projects in Atlas that are due for operational and financial closure by: (i) systematically reviewing the programme portfolio; (ii) updating the information in the system as appropriate; and (iii) completing the actions needed for final closure (Recommendation 3).
- (d) Include all the elements of the standard UN Women Project Document in a chapeau project document to provide clarity of roles and responsibilities for all parties, especially where several IPs are involved in project delivery, or where donor requirements vary significantly from the standard UN Women Project Document template (Recommendation 4).
- (e) Incorporate IP capacity gaps into monitoring plans and subsequently address, monitor and report on the status of enhanced capacity during project implementation (Recommendation 5).
- (f) The Operations Unit to (i) review procurement processes to ensure established controls are functioning effectively. This could include periodic spot checks of a sample of transactions to ensure the process complies with UN Women policies; (ii) plan in advance for specific complex interventions such as construction works to ensure that there is adequate capacity to manage the contracts; and (iii) update the vendor register to keep it current with market and policy changes (Recommendation 7).
- (g) Write-off all items that are no longer of service but are still on the asset register, and transfer those that were purchased using project funds, in accordance with the donor agreements, so that projects can be closed in a timely manner (Recommendation 8).
- (h) Improve financial management and internal controls by establishing an appropriate workflow: (i) train Programme Managers to review FACE liquidation documents; (ii) train staff responsible for recording transactions in the Atlas system, as well as IP finance staff, on the correct use of expense account codes; (iii) relieve the Finance Associate from the role of Argus Focal Point (alternate) and designate another staff member to this function; and (iv) perform ad hoc spot checks on all financial transactions to ensure documentation complies with current financial rules (Recommendation 9).

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

The detailed assessment is presented below, per audit area.

## A. Governance and strategic management

### 1. Alignment of staffing, functions and available funding with programme priorities

#### **Issue # 1**      Office structure and resources were not well aligned to achieve the SN's priorities

The UN Women Policy, Procedure and Guidance framework (PPG) for developing Country Office SNs highlights that when planning AWP, offices should take into account all resource requirements needed to ensure successful delivery of the planned outputs for the period.

**Staffing constraints:** During the period under review (January 2017–September 2018), IAS noted that capacity in the Country Office was stretched due to insufficient staffing to deliver planned priorities. This had also been noted by the CPE: “the effectiveness of the technical competent Country Office team has been noticeably affected by human resource constraints due to insufficient staff members”. IAS observed that up to June 2018 (when the new recruits were onboarded) the existing staff had to absorb implementation of activities from AWP 2017 and 2018.

The Country Office was structured along functional lines and the staffing plans developed for 2017 and 2018 supported the needs of the AWP. Focal points were identified for each AWP outcome and staff Terms of Reference (TOR) were defined appropriately. However, in practice, the lengthy administrative recruitment process and staff turnover in the Programme Unit impacted on continuity and knowledge management. This weakened the Country Office's overall capacity to respond to external stakeholder requests in a timely manner. Some external stakeholders interviewed by IAS observed that it was difficult to identify a contact person in the Country Office and that responses to, or inputs on, technical issues were often delayed. In mid-2018, additional professional staff were recruited to increase staffing levels in order to implement the 2018 AWP.

**Task distribution:** Insufficient staffing resulted in inadequate task distribution. The Operations Unit is responsible for finance, administration, ITC, asset management and logistics, under the leadership and guidance of the Operations Manager. However, this reporting responsibility was not reflected in the TOR of the staff concerned, e.g. the Finance Assistant, whose TOR dated back to 2012 when the Operations Manager post had not yet been established. The Finance Assistant's TOR also included tasks such as budget management and monitoring implementation of the AWP, which should be the responsibility of the Budget Owner/Programme Unit. Task distribution between staff in the Operations Unit appeared unbalanced, which could result in inadequate segregation of duties, delayed payment processing and consequently higher transactional costs.

**Need to enhance some functions:** The CPE report noted that "Resource mobilization is challenging and unpredictable for UNW. One over-arching issue for UNW South Sudan to address as it designs its SN 2019-2021 is how best to balance uncertain non-core funding ceilings with optimizing normative, coordination and programmatic inputs...". While resource mobilization (RM) is a critical function, it was not included in the proposed new organizational chart. Country Office management considered RM to be one of the Representative's key responsibilities and therefore did not include the function in the organizational chart. The review of RM efforts showed that the Country Office was able to mobilize adequate non-core resources in 2016 and 2017 to cover most of the revised activities for 2017 and 2018. The new SN 2019-2021 requires the Country Office to raise at least US\$ 5 million non-core resources per year, which is higher than the annual amounts mobilized in the past. Achieving this target in the current donor environment in South Sudan will require extra effort which the Country Office had recognized in its SN 2019-2021. IAS believes that including the RM function in the organizational chart would ensure RM is kept visible in the Country Office's planning horizon, the necessary focused and sustainable capacity is created, and dedicated financial resources are provided for short-term RM expertise as required.

Improving the alignment of current staffing, functions and available funding with the priorities in the SN 2019-2021 would enhance performance and reduce the risk of weakened capacity to deliver programme objectives. Country Office management acknowledged this was the situation in 2017, but that during 2018 staffing had improved with the onboarding of four new technical personnel in mid-2018. Country Office management also advised that the office structure would be reviewed to create teams of expertise and TOR would be revised to provide greater technical focus. In so doing, responsibilities for cross-cutting activities, e.g. GEWE coordination (see Issue #2) need to be addressed to avoid slippage in achieving Organizational objectives. Though funding of additional staff was still a constraint, it was expected that changes would be in place by year-end to facilitate implementation of the 2019 AWP.

<b>Priority</b>	High (Critical)
<b>Recommendation 1:</b>	
<p>The Representative to revise the Country Office’s existing staffing and structure to ensure the Office has adequacy capacity to deliver its programme priorities, in particular:</p> <ul style="list-style-type: none"> <li>(a) Carry out a staffing and capacity gap analysis of the current and anticipated structure needed to implement the planned SN, mapping the capacity required to deliver the SN to the available funding.</li> <li>(b) Prepare a long-term HR strategy.</li> <li>(c) Incorporate the required capacity, staffing and resources into incoming projects and programmes.</li> </ul>	
<b>Management action plan:</b>	
<p>The process has started, and a new capacity and staffing structure has been developed, with new terms of reference for all programme and operations staff members, recruitment modalities and costing to align to the new Strategic Note 2019 – 2021. The HR Plan will be approved separately by the UN Women HQ and its implementation will be dependent on resources mobilized for the implementation of the Strategic Note. Once the HR strategy is approved and funding for Strategic Note secured, the CO will start the recruitments based on the aligned Organogram and HR strategy.</p>	
<b>Estimated completion date:</b> 30 June 2019	

## B. Programme management

### 1. Coordination strategy for the Country Office

**Issue # 2**      The Country Office actively participated in coordinating GEWE, but would benefit from a specific strategy to cement its leadership role

Coordination of gender mainstreaming is one of the three pillars of UN Women’s mandate. According to guidance on coordination of gender mainstreaming, the Country Office is expected to lead and coordinate the gender mainstreaming process at country level through:

- (a) Working with UNCT and its thematic groups.
- (b) Sharing knowledge on gender mainstreaming with all stakeholders.
- (c) Establishing tools for monitoring the progress towards gender equality.
- (d) Supporting government efforts to develop and implement gender equality policies and priorities.

The CPE report referred to significant achievements in coordination where UN Women had: (i) supported development and operationalization of the UN ICF; (ii) developed, facilitated and chaired the Gender Theme Group; and (iii) provided inputs to the 2016 gender scorecard assessment, which enabled UNCT to review some of the indicators for gender responsiveness. Areas for improvement noted in CPE related to: (i) the Gender Theme Group was acknowledged as somewhat dormant and in need of swift and effective revitalization; (ii) urgent need to support further expansion and institutionalization of gender-disaggregated and responsive data collection and analysis; and (iii) greater resource allocation to support government institutions in reviewing instruments specific to gender.

IAS’s own review of the coordination activities conducted by the Country Office concluded the following:

Both SNs outlined a vision for mainstreaming gender aimed at supporting UN Women’s leadership and coordination of GEWE in South Sudan. In the SN 2019–2021, the Country Office made links between coordination, communication, advocacy and RM and outlined a general approach for how these elements would complement each other to enable the Country Office to achieve its objectives. However, the Country Office had not yet operationalized this general approach into a detailed implementation plan. This should include, inter alia: (i) effective management of associated risks and emerging opportunities to support coordination activities identified in the AWP; (ii) revitalization of the gender network to support coordination; and (iii) assignment of competing priorities in case of funding constraints.

IAS found that the 2017 and 2018 AWP outputs and activities, which supported coordination and knowledge sharing, were funded by non-core and core resources. In 2017, the Organizational Effectiveness and Efficiency Framework (OEEF) budget for specific coordination activities was estimated at roughly US\$ 190,000 of which 69 per cent was from non-core resources, which IAS considers to be quite limited.

All stakeholders interviewed by IAS were appreciative of UN Women’s involvement in the work of the UNCT/Programme Management Team and its coordination activities, especially its co-chairing of UNCT ICF Output 5<sup>7</sup>, and the gender training provided to other UNCT thematic groups and the HCT clusters. The partners acknowledged the key role that UN Women played in supporting women’s involvement in the peace process and felt that normative activities of this nature were the strategically correct niche for UN Women. For example, stakeholders thought that in the current environment GEWE service provision activities at community level was less strategic in view of the significant resource requirements to create the necessary impact versus the limitations of UN Women’s funding and capacity. Further, with each agency having its own gender unit/focal point and approach to addressing gender in their programmes, it is essential that:

- (a) A harmonized approach to the collection of gender disaggregated data, analysis and reporting is agreed.
- (b) The use of gender markers is further developed to monitor progress on GEWE.
- (c) There is greater coordination and joint programming on gender among UN agencies, including the UNMISS Gender Unit.

Implicit in these observations is that, at country level, GEWE was not yet adequately coordinated and that UN Women is strategically placed to address these gaps, provided it has the technical staffing capacity to ensure prompt responses.

<b>Priority</b>	Medium (Important)
<b>Recommendation 2:</b>	
The Representative to ensure the Country Office strengthen/expand UN Women coordination activities through development of a detailed implementation plan, allocation of sufficient resources, and subsequent monitoring and reporting on the plan’s effectiveness. The plan should be built on effective partnership with other UN agencies.	
<b>Management action plan:</b>	
<ul style="list-style-type: none"> <li>• The coordination activities of UN Women CO are detailed in the approved AWP 2019. The implementation of the plan will be conducted in partnership with the Resident Coordinator’s Office.</li> </ul>	

<sup>7</sup> Thematic group on ‘Improvement of the Status of Women and Youth’

- UN Reform has been identified by the CO as an opportunity to position itself as the gender mainstreaming arm of the UN, strengthening its coordination and normative mandate, and providing opportunities for scaling up its operational activities in fulfilment of its operational mandate to deliver services to women who live through different and multiple layers of vulnerabilities in a conflict setting. UN Women will take advantage of the UN Cooperation Framework (2019 – 2021) to strengthen joint gender analysis in key areas of focus (livelihoods, agriculture, GBV, women’s leadership, social services) and access additional resources to implement through joint programmes and supporting the implementation of women focused interventions on behalf of other UN agencies (UNDP, FAO, WFP). The CO will provide technical support to a strengthened and more empowered Resident Coordinator to take a more active role and accountability for Gender Mainstreaming/GEWE in the country through its coordination functions. In fulfilling the coordination and normative function, UN Women is positioning as the gender technical arm – there is no Gender Mainstreaming position in approved new Resident Coordinator structure –to develop programmes on behalf of the RC and in the humanitarian coordination role, on the capacity building of key staff on gender equality principles and norms, track and monitor the achievement of gender parity, including supporting policies and practices, including on Affirmative Action Procurement.
- Through existing mechanisms (Gender Theme Group, UNCF Outcome Group on Women and Youth, Humanitarian Cluster gender Focal Point Group which UN Women coordinates/chairs), the CO will provide opportunity to strengthen better work planning, reporting and mandate clarity among other UN agencies, especially sister agencies with strong overlapping mandate (UNDP, UNFPA, UNICEF).

**Estimated completion date:** 31 December 2019

## 2. Programme and project management

### Issue # 3 Protracted operational and financial closure of projects

PPG requires projects to be operationally closed at the project end date as per the original or extended agreement, and financially closed within 12 months of the operational closure date.

The Country Office had 26 projects in its portfolio as at October 2018, of which 19 were ongoing and seven operationally closed. While there was a monitoring process in place that followed organizational systems, IAS identified the following issues, which can be attributed to the lack of systematic follow-up actions to ensure effective project closure:

- Two projects listed as ongoing had an end date of 31 December 2017.
- Four projects had been operationally closed since 2016, yet had not been financially closed. This was because transfer of assets had not yet been addressed.

<b>Priority</b>	Medium (Important)
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#### **Recommendation 3:**

The Representative to ensure the Country Office comply with PPG and act on all projects in Atlas that are due for operational and financial closure by:

- (a) Systematically reviewing the programme portfolio;
- (b) Updating the information in the system as appropriate; and
- (c) Completing the actions needed for final closure.

**Management action plan:**

All 6 projects will be operationally closed by the estimated completion date.

**Estimated completion date:** 31 March 2019

**Issue # 4**      Project design corresponded to the SN/AWP, but did not include all elements of the standard Project Document

According to the Programme Formulation Policy, SN/AWPs are comprised of “...component projects, described in Project Documents (ProDocs). Project Documents (ProDocs) and Preparatory Assistance (PA) initiatives...results and strategies in ProDocs must be aligned with those in the approved Programme (currently SN/AWP) and with the overall UN Women strategic plan”.

The Country Office ensured all projects were linked to the SN/AWP irrespective of the funding source, and each project was supported by a concept note, a donor agreement (for non-core funded projects), Project Document, a technical proposal from a prospective IP and a Project Cooperation Agreement (PCA).

In the sample reviewed, Project Documents varied in the extent to which they followed the standard template. Typically the sections on ‘implementation and management’ arrangements, ‘strategy and partnerships’ and a detailed exit/hand-over strategy were omitted, except where the donor agreement had requested this information. Details of the IP/UN Women roles and responsibilities, especially where UN Women had specific technical assistance commitments, were not usually reflected in Project Documents. The SN/AWP narratives included some aspects of sustainability and general implementation and management arrangements, but the notes were not project specific.

The Country Office indicated that the donor agreements varied in the standard details required and the emphasis was on ensuring the donor agreements were completed satisfactorily. The absence of details on implementation arrangements creates a lack of clarity, leaves room for slippage in project delivery and leads to misguided expectations of stakeholders. With respect to exit strategies, the Representative indicated that in a conflict situation, donors were more inclined to fund short-term interventions and therefore the SN/AWP had focused on creating building blocks for sustainability through working with local institutions to build capacity.

**Priority**              Medium (Important)

**Recommendation 4:**

The Representative to ensure the Country Office include all the elements of the standard UN Women Project Document in a chapeau project document to provide clarity of roles and responsibilities for all parties, especially where several IPs are involved in project delivery, or where donor requirements vary significantly from the standard UN Women Project Document template.



**Management action plan:**

All Agreements with partners include project documents and the CO will develop an annex that includes specific roles and responsibilities of all parties on additional support including capacity building, gender mainstreaming and analytical skills, and institutional support to be provided to implementing partners by the CO, and the level of capacity building, including understanding and mainstreaming of gender and deconstructing gender roles that Implementing Partners have to provide to project beneficiaries.

**Estimated completion date:** 31 March 2019

**C. Operations**

**1. Implementing partners and capacity building**

**Issue # 5**      Need to strengthen capacity of Implementing Partners (IPs)/Responsible Parties (RPs)

UN Women guidance on identifying, selecting and working with IPs is laid out in its note on due diligence procedures. Emphasis is placed on the IP's comparative advantage and its capacity to deliver programme outputs as outlined in the SN/AWP.

The 2016 Mid-Term Evaluation of the 2014–2017 SN identified capacity weaknesses in many of the IPs and suggested in Recommendation 4 that the Country Office “.....refocus on implementing a coherent M & E system for the NTLI (*National Transformational Leadership Institute*) and other flagship programmes, entailing joint annual reviews, reporting, ensuring taking timely actions to deal with any emerging challenges or constraints”. Management accepted the recommendation and indicated that specific actions would be reflected in the 2017 AWP.

Based on the sample of transactions reviewed, overall, the Country Office managed its IPs/RPs satisfactorily. In particular, the Country Office: (i) used correct contractual agreements; (ii) complied with IP/RP selection and capacity assessment procedures; and (iii) monitored the implementation of activities and results achieved by IPs/RPs.

The following areas for improvement were identified:

- (a) Capacity assessments were carried out comprehensively through engagement of Programme and Operations staff. However, for selected IPs with some capacity gaps, no capacity development plan had been prepared to address these gaps, and subsequent monitoring did not demonstrate how these gaps/needs had been addressed and how the IP's capacity had been enhanced. However, interviews with sampled IPs did confirm that the Country Office had initiated action to improve their capacity.
- (b) Some sampled field visit/onsite monitoring reports had documented recommendations. However, these recommendations had not been followed up in the next report or monitoring activity.

The IPs interviewed by IAS emphasized their capacity constraints and their desire to grow so that they could deliver as expected and be better able to negotiate their funding directly with donors. The CPE had also highlighted the need for IPs to become more independent from UN Women, through strengthened reporting on milestones and outcomes and through diversification of IP funding so as not to rely on UN Women as a sole funder. This change of relationship would require an individual risk-based approach towards each IP, identifying its specific capacity gaps,

developing a capacity enhancement plan, and regularly monitoring and measuring capacity improvements over time.

<b>Priority</b>	Medium (Important)
<b>Recommendation 5:</b>	
The Representative to ensure the Country Office incorporate IP capacity gaps into monitoring plans and subsequently address, monitor and report on the status of enhanced capacity during implementation.	
<b>Management action plan:</b>	
The Representative will strengthen the capacity assessment tool to make more robust in assessing IPs' capacity gaps beyond operational, reviewing its history of funding, staffing including staff turnover, visioning and influence and impact of Board on the activities, including capacities of IPs' staff members to mainstream gender into all their activities and support initiatives to promote social norms that favor non-discrimination and bridging gender gaps. This tool will then be used to develop an action and resource plan for each IP being supported by the CO.	
<b>Estimated completion date:</b> 31 March 2019	

## 2. Safety and security

### Issue # 6 Business Continuity Plan and Disaster Recovery Plan were not tested and incidents not regularly reported to UNDSS

The UN Women PPG states that Security Risk Management (SRM) is an integral part of day-to-day operations and must be incorporated into operations during the engagement acceptance, commitment, implementation and post-implementation phases of a programme.

Country Office management assigned the Operations Manager as security focal point, ensured active participation in the warden system and carefully monitored the security situation in Juba and other parts of the country with UN Women programme activities. The Country Office's self-assessed security compliance rating in 2017 was 97 per cent. However, IAS noted the following issues:

- (a) A Business Continuity Plan (BCP) was in place, but had not been tested due to the absence of the Operations Manager on detailed assignment to another duty station. The Country Office stated that the test would be conducted on his return. Reportedly, in June 2018, the UN Resident Coordinator's Office sent a template to all agencies in South Sudan so that a consolidated UN BCP for the whole country could be prepared.
- (b) Reporting security incidents to UNDSS was inconsistent. The Country Office completed incident reports only when it was felt that UNDSS follow-up was required.
- (c) The Disaster Recovery Plan (DRP) was last updated and tested in September 2017. It should be updated to reflect changes in the local market place and to take note of staff changes during 2018.

In addition, Wi-Fi issues had become more difficult to manage in recent times, with problems noted in sending and receiving emails and connecting to the internet.

Not having an up-to-date and tested BCP and DRP could expose the Country Office to the risk that it is unable to recover its files and to continue its business in case of emergencies or disasters. These are both high risks in the current environment in South Sudan.

<b>Priority</b>	Medium (Important)
<b>Recommendation 6:</b>	
The Representative to ensure the Country Office fully comply with safety and security standards:	
<ul style="list-style-type: none"> <li>(a) Test BCP as per UN template requirements.</li> <li>(b) Consistently report security incidents to UNDSS and UN Women Security Unit.</li> <li>(c) Update and regularly test the DRP.</li> </ul>	
<b>Management action plan:</b>	
The BCP is currently being reviewed and will be tested. The disaster Recovery Plan will be updated and regularly tested.	
<b>Estimated completion date:</b> 28 February 2019	

### 3. Procurement management

#### Issue # 7 Control over procurement processes required strengthening

UN Women guidance on procurement indicates the delegated authority for transactions at country level, and outlines the processes to be followed in accordance with its principles of best value for money, fairness, integrity, transparency and effective competition.

The Country Office used LTAs established by UNDP, UNMISS or UNICEF to ensure best prices for items such as fuel and security. One of the challenges reported was that some suppliers, e.g. printing suppliers, were reluctant to accept UN Women orders as they were considerably smaller than those from UNICEF or UNDP.

IAS's review of a sample of procurement transactions indicated that, in general, the Country Office conducted procurement in accordance with existing policies and procedures. IAS identified three areas for improvement to better ensure best value for money:

- (a) Lack of transparency in the tendering process for procurement of water pumps costing US\$ 26,600. Two of three companies that tendered were not identified on the list of invitees to tender and the prices quoted differed from the winning bid by 0.2 per cent and 0.4 per cent. The Procurement Advisory Committee reviewed the documentation before approving the transaction and the Operations Manager approved the Purchase Order in conformity with the established procurement process.
- (b) Bills of quantities issued for a tender to construct women empowerment centres did not include perimeter walls. The tender, without the perimeter walls, complied with procurement procedures and was approved at headquarters. However, the perimeter walls were later added at an additional cost of US\$ 34,300 directly negotiated with the contractor. This occurred as a result of inadequate in-house technical expertise to properly plan the construction and provide timely follow-up on construction issues.

- (c) The vendor register was not systematically reviewed and updated in view of the difficult economic situation in the country and the constantly changing local market conditions.

Failure to adequately comply with procurement procedures reduces transparency, raises the risk of uneconomic procurement and weakens internal control over the process.

<b>Priority</b>	Medium (Important)
<b>Recommendation 7:</b>	
The Operations Unit to:	
(a) Review procurement processes to ensure established controls are functioning effectively. This could include periodic spot checks of a sample of transactions to ensure the process complies with UN Women policies.	
(b) As a lesson learned, for any future complex interventions such as construction works, plan in advance to ensure that there is adequate capacity to manage the contracts.	
(c) Regularly update the vendor register to keep current with market and policy changes.	
<b>Management action plan:</b>	
Recommendations will be implemented within the timeframe indicated and on a rolling basis. Management will develop a plan to ensure Representative/Deputy Representative undertakes spot checks on sample transactions every month to ensure controls are working effectively, identify potential risks and address.	
<b>Estimated completion date:</b> 28 February 2019	

#### 4. Asset management

**Issue # 8**      Several items on the assets register should be written off or transferred

Section 5.2.6 of the Asset Management Policy states that assets should be transferred or be disposed of at the completion of a project. In addition, the vehicle management manual states that official vehicles over five years old, or that have over 100,000 kilometres, must be considered for disposal unless the vehicle is still in good, usable condition.

The total book value of assets held by the Country Office as at end September 2018 was US\$ 159,000. Twenty-six items on the inventory were of '0' book value, which included six Dell computers purchased in 2006 and a Toyota land cruiser purchased in 2005. In addition, a Honda motorcycle purchased in 2012 could not be used as the import documentation was misplaced by UNDP at the time of purchase and although this had been noted in several asset verification reports, the Country Office had not taken write-off action. Both the motorcycle and the land cruiser were parked at the UNDP compound and were exposed to the weather. The Country Office indicated that it was awaiting new government policies on disposal of assets by international organizations.

Other long delays in requesting write-off or transfer actions were noted, such as the case of a Honda motorcycle stolen on 13 December 2015 for which write-off was requested in August 2017. Five Thuraya satellite phones purchased under Project 80824 were still to be transferred to the Country Office to facilitate financial closure of the project, which was operationally completed in December 2016.

Delayed transfer of assets at the end of a project or its useful life not only causes delayed project closure but also results in an overstated asset register.

<b>Priority</b>	Medium (important)
<b>Recommendation 8:</b>	
The Representative to ensure the Country Office write-off all items that are no longer of service but are still on the asset register, and transfer those that were purchased using project funds, in accordance with the donor agreements, so that projects can be closed in a timely manner.	
<b>Management action plan:</b>	
This will be done within the completion date.	
<b>Estimated completion date:</b> 31 March 2019	

## 5. Financial management

### Issue # 9 Weaknesses in payment workflow and use of expense account codes

IAS observed the following weaknesses in oversight of the payments process:

- Delays in processing FACE liquidation documents ranging from three week to three months. This was due to: variable quality of documentation received from IPs; poor communication infrastructure between Juba and some programme locations; and the review process and division of workload in the Finance Unit. Prior to processing the liquidation documents, the Financial Associate met with the IPs to assess the completeness of documentation. Once the documents were submitted, they were reviewed by the Programme Managers who again verified their completeness and checked whether funds were spent in accordance with the terms of the advance. The documents were then forwarded to the Finance Unit for processing. The Financial Associate again reviewed the documents, made photocopies of the documentation for Country Office records and processed any related payments. This approach increased the Financial Associate's workload and resulted in delays in processing due to his other assigned tasks. Delayed processing of liquidation documents could result in delays in the release of funds for project activities and increases transactional costs.
- Incorrect use of expense accounting codes. IAS noted that there were frequent errors in applying the expense account codes by both IPs and the Country Office Finance Unit. For example, the IPs frequently used codes intended for UN Women direct charges such as 71605-international travel, 72710-hospitality and 71305-consultants to cover costs related to their workshops. The Finance Unit charged 71615-Daily Subsistence Allowance instead of 71205-International Consultants for an SSA contractor. Whenever these charges were identified they were corrected manually in the system. These issues arose due to misunderstanding of the chart of accounts and IPs' lack of understanding of its use. This could result in mis-statement of expenditure by account.
- The Finance Associate is a Verifying Officer in Atlas as well as an Argus Focal Point (alternate), allowing him to initiate and process user profile requests (new/modify/delete) in the absence of the substantive Focal Point. These two roles are incompatible.

- Petty cash advances were neither timely nor adequate and were not subject to random checks. At the time of the audit, the level of petty cash was US\$ 500, but replenishment was ad hoc and there were unpaid reimbursements of US\$ 170 going back to June 2018. In addition, some vouchers and receipts were not stamped paid. While the petty cash amount is small, inadequate management raises the risk of duplicate payments and weakens control over UN Women resources.

<b>Priority</b>	Medium (Important)
<b>Recommendation 9:</b>	
The Representative to ensure the Country Office improve financial management and internal controls by establishing an appropriate workflow:	
(a) Train Programme Managers to review FACE liquidation documents.	
(b) Train staff responsible for recording transactions in the Atlas system, as well as IP finance staff, on the correct use of expense account codes.	
(c) Relieve the Finance Associate from the role of Argus Focal Point (alternate) and designate another staff member to this function.	
(d) Perform ad hoc spot checks on all financial transactions to ensure documentation complies with current financial rules.	
<b>Management action plan:</b>	
The Representative has put the recommendations into place and ongoing. All Programme Managers' TORs have been reviewed to include budget owner/holders' responsibilities, with budget control responsibility and access to Atlas provided. All Programme Managers have Delegation of Authority to enable them manage their programming functions. The Finance Associate has been removed from the role of ARGUS focal point and another staff member appointed. All grants information is updated and staff members are nominated as. In addition, the RO Operation team also provided orientation session for all budget holders and non-budget holders on access to Atlas and budget control responsibilities and mechanism.	
<b>Estimated completion date:</b> 30 January 2019	



## 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 Country 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.