

PROGRAMME PRESENCE OFFICE AUDIT

INTERNAL AUDIT REPORT
UN WOMEN PROGRAMME PRESENCE
OFFICE IN SERBIA



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EXECUTIVE SUMMARY

Audit objective and scope

The UN Women Internal Audit Service (IAS) of the Independent Evaluation and Audit Services (IEAS) conducted an internal audit of the UN Women Programme Presence Office in Serbia from May to November 2021. Due to restrictions associated with the COVID-19 pandemic, this audit was conducted remotely.

UN Women management is responsible for adequately designing and effectively maintaining governance, risk management and control processes to ensure that UN Women's objectives are achieved. IAS is responsible for independently assessing the adequacy and effectiveness of these systems and processes.

The internal audit aimed to assess the adequacy and effectiveness of the governance arrangements, risk management practices and control processes relating to the following areas and sub-areas:

- **Programmes and project management:** programme and project management, selection and management of programme partners, coordination of gender mainstreaming, advocacy, and resource mobilization.
- **Governance, risk management and internal control system:** office structure and delegation of authority, control environment, risk management, data quality and implementation of recommendations from prior oversight reports.
- **Operations:** management of procurement, human resources (HR), finance and budget, information, and communication technology (ICT), travel, assets, and safety and security.

The internal audit covered the state of governance, risk management and internal controls based on a sample of office activities related to priorities and programmes from 1 January 2019 to 30 November 2021. For operations controls, the sample covered transactions from 1 January 2019 to 30 April 2021. Atlas-recorded

expenditure for the Programme Presence Office totalled approximately US\$1.6 million, US\$2.1 million, and US\$ 505,912 for 2019, 2020 and 2021 (up to end of April) respectively.

As this audit was performed remotely, IAS was not able to physically visit offices, project sites, stakeholders, partners, and beneficiaries or to physically observe and assess the control environment and culture in the Programme Presence Office.

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

Audit opinion and overall audit rating

IAS acknowledges several achievements and good practices by the Programme Presence Office, including visibility through advocacy and coordination for gender equality and women's empowerment and the use of different communication tools. Furthermore, the office is seen as a useful interlocutor between the government and civil society, maintains a master monitoring tracker for project risks and uses the In-tend e-procurement system.

IAS assessed the overall state of governance, risk management and internal controls in the Programme Presence Office as **Satisfactory**, meaning that "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."

IAS identified the following areas for enhancement to consolidate good practices and advance the Programme Presence Office mandate and priorities:

- **Strategic priorities, programme planning and implementation:** Need to monitor cost-effectiveness of the advocacy and communication plan, need for

additional funding to increase the sustainability of coordination activities; and need to strengthen the results reporting framework, implementing lessons learned from projects and addressing feedback from programme partners.

- **Governance, risk management and internal controls:** need to strengthen the office structure to ensure business continuity.

IAS made two recommendations to address the areas for improvement. Moreover, IAS made several advisory notes in the report as suggestions for the office to enhance their programmes and operations and consolidate good practices identified in the report.

One out of two recommendations was ranked as high priority and the other was ranked as medium priority. A high (Critical) priority recommendation means that “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.” It included:

Recommendation 1: The Head of Office to consider lessons learned to better prepare for future projects requiring governmental participation through feasibility assessment, risk identification, mitigation, and monitoring during the project design stage: for example, tripartite agreements between parties involved before implementation activities are initiated. Moreover, the effectiveness and sustainability of the monitoring system in Montenegro should be monitored and reported..

The medium (Important) priority recommendation means that “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.” This recommendation is focused on strengthening the office structure to ensure the successful delivery of results.

Management comments and action plan

The Head of Office and the Europe and Central Asia Regional Office (ECARO) accepted the above recommendations and provided the action plans that are

included in this report. Implementation of some of the recommendations has already begun. Management comments and additional information provided have been taken into account in this report, where appropriate.

Low-priority issues are not included in this report but were discussed directly with management, and actions have been initiated to address them.

Lisa Sutton

Lisa Sutton, Director
Independent Evaluation and Audit Services

ACRONYMS AND ABBREVIATIONS

CSO	Civil Society Organization
DRF	Development Results Framework
ECARO	UN Women Regional Office for Europe and Central Asia
FTA	Fixed-Term Appointment
GTG	Gender Theme Group
HR	Human Resources
IAS	Internal Audit Service
ICT	Information and Communication Technology
IEAS	Independent Evaluation and Audit Services
OEEF	Organizational Efficiency and Effectiveness Framework
RMS	Results Management System
SC	Service Contract
SPRED	UN Women Strategic Planning Resource and Effectiveness Division
SSA	Special Service Agreement
UNCT	United Nations Country Team
UNCT-SWAP	United Nations Country Team System-wide Action Plan
UNDAF	United Nations Development Assistance Framework
UNSDCF	United Nations Sustainable Development Cooperation Framework
UN Women	United Nations Entity for Gender Equality and the Empowerment of Women

I. BACKGROUND

About the Programme Presence Office

The UN Women Programme Presence Office in Serbia has been in operation since 2006. Under UN Women's regional architecture, it reports as a Programme Presence Office to the Regional Office for Europe and Central Asia (ECARO). The office is located in Belgrade and is co-located with other United Nations offices.

The Programme Presence Office mainly focuses on the strategic pillars of Leadership and Political Participation and Elimination of Violence Against Women. The Strategic Note and annual workplans of the office covered the period 2019–2021. The 2021 Annual Workplan included two outcomes under the Development Results Framework (DRF). It also included eight outputs under the Organizational Efficiency and Effectiveness Framework (OEEF).

According to the OneApp HR dashboard, as of July 2021 the Programme Presence Office employed 1 personnel with a Fixed-Term Appointment (FTA) and engaged 16 individuals on Service Contracts (SCs) and 2 consultants on Special Service Agreements (SSAs).

The budget and expenditure of the Programme Presence Office are summarized below.

Table 1. Office target and actual budget, total expenditure, and delivery rate

	2019	2020	2021
DRF budget target (US\$)	1,682,841	3,026,660	2,315,586
DRF actual budget (US\$)	1,524,590	2,898,471	1,809,146
Resource mobilization targets	91%	96%	78%
DRF expenditure (US\$)	1,405,471	2,092,807	1,888,132
Financial implementation rate	92%	72%	104%
OEEF budget target (US\$)	157,000	164,642	239,880
OEEF actual budget (US\$)	209,870	96,196	282,238
Resource mobilization targets	134%	58%	118%
OEEF expenditure (US\$)	166,253	89,874	266,031
Financial implementation rate	79%	93%	94%

Source: Project Delivery Dashboard and Results Management System (RMS) as of 16 February 2022.

For the period under review (2019–2021), the funding for the office comprised of 11 non-core funded projects with a total budget of approximately US\$6.1 million, funded by a range of donors, some from regional programmes, including:

- Bilateral donor funding for the Gender Equality Facility and the Ending Violence Against Women project (US\$ 3 million); funding for the Improved Safety for Women project (US\$1.6 million and US\$ 197,840); and funding for Gender-Responsive Governance and Gender-Responsive Budgeting projects (US\$858,857).
- Multi-Donor Trust Fund for the Rights of Women with Disabilities project (US\$78,114).
- Joint Programme funding for the Response to Ending Violence Against Women project (US\$356,915).

Atlas-recorded expenditure for the Programme Presence Office totalled US\$1.6 million in 2019, US\$2.1 million in 2020 and US\$505,912 up to end of April 2021. Overall, this consisted of: staff costs (4 per cent); other personnel costs (38 per cent); procurement of goods and services (33 per cent); maintenance, utilities and common services (1 per cent); personnel travel (4 per cent); training and hospitality costs, including external participant travel (5 per cent); other operating expenses (3 per cent) and support cost charges (12 per cent). For the year 2019 to April 2021, 31 per cent of the total expenditure was incurred through liquidation of advances or reimbursements to programme partners. According to the Partner and Grant Agreement Management System's One-App dashboard, as of 8 February 2022 the office has managed a total of 32 partners.

II. AUDIT RESULTS

A. Programme planning and implementation

This section of the audit covers the office's strategic positioning; advocacy and coordination; development and implementation of strategic priorities; monitoring and reporting; field programme management; and individual project cycle phases based on sampled projects.

Programme Presence Offices in general are not expected to fully comply with several of the above criteria because their main focus is programme implementation. In several criteria assessed by IAS, the office management complied the corporate requirements, for example in identifying and documenting priorities, such as those detailed in the Strategic Note Cover developed with the assistance of ECARO and linked to the ECARO Strategic Note for 2019–2021. Office management actively manages the project portfolio and pipeline, as demonstrated by regular meetings and timely reporting on individual projects, thus ensuring proper and timely project implementation and closure. Based on the audit sample, IAS noted that office management applied adequate implementation modalities and instruments, diligently selected its programme partners, and monitored their performance.

Overall, IAS notes that office management understands well the role of the Programme Presence Office in the country in all areas of the UN Women triple mandate, demonstrates its relevance in the country and advocates on its overall mandate. IAS assessed the office's coordination of gender mainstreaming in the country as satisfactory. While a Programme Presence Office is not expected and funded to fully lead coordination in gender equality and empowerment of women in the country, IAS noted that the office management demonstrated leadership in this area through leading/participating in key thematic groups and contributing to the development of a new United Nations Sustainable Development Cooperation Framework (UNSDCF) and providing normative support to the government and civil society organizations (CSOs). Stakeholders within and outside the United Nations system noted the highly visible efforts of UN Women in the country on coordination for gender equality and empowerment of women.

KEY OBSERVATIONS AND CONCLUSIONS

Observation 1: Need to monitor cost-effectiveness of the advocacy and communication plan

The Programme Presence Office understands its role in all areas of the UN Women triple mandate. Overall, the office meets the expectations of stakeholders. Its Strategic Note Cover for 2019–2021 is aligned with the United Nations Development Assistance Framework (UNDAF) timeline and structure. Interviewed internal and external stakeholders appreciated the active and visible role of UN Women in the country, including its technical leadership, contributions to the United Nations Country Team (UNCT) and responsiveness.

Stakeholders acknowledged UN Women's advocacy and communication efforts with government counterparts at national, provincial, and local levels and among emerging

and traditional donors. They also acknowledged proactive communication of UN Women policies and programmes through national social media and diverse campaigns, raising UN Women's visibility in the country.

The interviewed stakeholders noted the following good practices:

- The office has been a useful interlocutor between the government and civil society, including through forums and consultative meetings to present ideas and discuss key issues. This role of UN Women should be enhanced to foster such collaboration.
- The office was open and responsive during the COVID-19 lockdown, refocusing programmatic work to respond to the challenges and needs created by the pandemic.
- The office provided quality and timely support to its programme partners.
- The office used novel communication styles on campaigns such as the 16 Days of Activism against Gender-Based Violence.

- Local stakeholders acknowledged the technical expertise of personnel at the Programme Presence Office and the constant and substantial support received in different technical areas.

In terms of areas for improvement, stakeholders noted some issues with regard to overlapping programme activities among United Nations entities in the area of gender equality.

The office has a communication team and in 2019 developed communication guidance on various areas of internal and external communication. IAS noted that the office includes vision for advocacy and communication work in the annual communications and advocacy plan. The communication team maintains an active UN Women Serbia Facebook account. It also assists the UN Women Serbia programme teams to advocate for gender equality and empowerment of women through the implementation of global campaigns and initiatives on key international days. IAS also noted that the team developed a mobile “communication tracker” application, which measures the reach of project events and campaigns.

Advisory Note 1:

The office should continue its advocacy and communication efforts and monitor the cost-effectiveness of its annual communication and advocacy plan, embedding it in future incoming projects so as to pool funding for the plan implementation.

Observation 2: Need for additional funding to sustain coordination activities

While United Nations system coordination is not an expected responsibility for a Programme Presence Office and is therefore not fully funded, the audit observed that the office demonstrated leadership in gender mainstreaming coordination in the country.

Stakeholders within and outside the United Nations system noted UN Women’s visible efforts in coordination for gender equality and empowerment of women. The UN Women Programme Presence Office in Serbia is regarded as leading agency on the

gender coordination mandate of the UNCT. Stakeholders noted that the office was represented at key meetings and considered active in the United Nations system.

The office chairs the Gender Theme Group (GTG) and has spearheaded gender mainstreaming of the UNSDCF through substantial involvement in the design process and the review of the outcomes, outputs, and indicators, as well as the entire narrative.

The Head of Office provides a regular gender briefing at UNCT meetings that includes global and national developments regarding gender equality and empowerment of women as well GTG and UN Women efforts. UN Women supported gender equality capacity-building of the UNCT through the provision of tailor-made training. Furthermore, the Programme Presence Office led and monitored implementation of the UNCT–System-wide Action Plan (SWAP) Gender Equality Scorecard and annual progress reporting. The status of most indicators was completed, and ongoing indicators were marked for reassessment in the fourth quarter of 2021. Implementation of the remaining tasks in the Action Plan was planned throughout the year and coordinated and discussed in GTG meetings.

As part of the enhancement of GTG/UNCT efforts on gender equality and empowerment of women, the office created the “Open Doors with Women CSOs” platform to help with CSO priorities, as well as planning and challenges.

The Programme Presence Office supported development of two national strategic documents: the 2016 -2018 National Strategy for Gender Equality and the 2021 -2025 National Strategy on Combating Gender-Based Violence against Women and Domestic Violence. The office also supported development of the annual reports on the National Action Plan on Gender Equality 2016–2018 and supported the Government of Serbia in monitoring and reporting on achievements, challenges, and gaps in the implementation of the National Strategy for Gender Equality 2016–2020, in line with the international standards on women’s rights. In addition, it assisted the Government with the evaluation of the National Action Plan 2016–2018 as well as ex post analysis of the National Strategy for Gender Equality 2016–2020.

The Programme Presence Office supported the Serbian Ministry of European Integration and the Coordination Body for Gender Equality in ensuring gender mainstreaming of EU and bilateral support. Through this process, the office is in regular contact with donors.

While the above-mentioned coordination work is time- and resource-consuming for a small office, there was no formalized strategy to make visible the work conducted by the office and to ensure its cost-effectiveness. Reportedly, the Programme Presence Office included the outcome for coordination in its 2022 workplan under Development Results Framework. Management also reported that they secured funds for the coordination activities and coordination posts, such as Coordination Associate and the Head of Office.

Advisory Note 2:

ECARO and the Head of Office should work with the Strategic Planning Resource and Effectiveness Division (SPRED) to secure necessary core funding for the coordination work of the office for sustainability, as opposed to project funding. The office is growing, and there is an increased expectation of advocacy and coordination from external stakeholders. Core funding will enable sustain coordination and advocacy.

Advisory Note 3:

The office should continue its coordination efforts and monitor the cost-effectiveness of its workplans, reporting on its achievements. In order to ensure the longer-term sustainability and visibility of the current coordination efforts, the office could benefit from a long-term strategy with indicators and associated funding which is built on the current success and lessons learned.

Observation 3: Need to strengthen the results reporting framework

The Programme Presence Office is not required to have a full Strategic Note. It has annual workplans that are coherent with its field programme. The key priorities from the Strategic Note Cover 2019 - 2021 were Strategic Pillar 1 –Leadership and Political Participation and Strategic Pillar 3 – Elimination of Violence Against Women.

As a Programme Presence Office, the office is included in the ECARO Resource Mobilization and Partnership Strategy. However, the office is also currently preparing its own resource mobilization strategy as part of the biennial workplan. The office approaches donors for pipeline projects. The current donor structure is quite diverse, with funding from different types of sources. Leads Management on the OneApp

dashboard is regularly updated with funding pipeline initiatives. Table 1 in the background section of this report shows the budget target versus actual budget and delivery rate. The office has a good balance between budget targets and actual resources mobilized. The resource mobilization rate varied between 2019–2021 but was lowest in 2021 (only 78 per cent of DRF targets were mobilized).

The office explained in its Strategic Note Cover that in the coming years, UN Women will seek to expand its partnership with stakeholders in climate change, resilience, and disaster risk management, namely, to engage with the Global Environment Facility and the Green Climate Fund, to expand opportunities for diverse support programmes and funding modalities. However, the office acknowledges that these new partnerships might be difficult to achieve, as corporately UN Women is not yet accredited with both climate action funds.

IAS noted that the office systematically reports progress against the Strategic Note and workplans in the quarterly and annual reports of the Results Management System (RMS). The latter are reviewed by the ECARO team. IAS noted that all activities from the RMS portal were reported as on track or achieved for 2019–2021, with the exception of activity relating to the Electronic Management System (see Observation 4).

However, not all the indicators were reported as achieved. In most cases, some progress was made, but in others no changes were reported. The 2020 Annual Report in the RMS showed that 27 per cent of the 11 DRF output indicators were reached or surpassed and 36 per cent of the 24 OEEF output indicators had a no change or regression rating. The office explained to IAS that for the indicators with the no change rating, they are either already achieved in the previous period or that the office was not working on the Global Indicators assigned in the Results Monitoring System.

Lastly, IAS noted that the number of OEEF indicators are more than DRF indicators, yet OEEF is the least funded, presenting a risk of not delivering on the OEEF indicators. (See Table 1 in the background section of this report for a breakdown of funding). The high number of activities and indicators can make it difficult to focus efforts and monitor results effectively. Considerable administrative time is required to set up data collection, validation, and monitoring. For a Programme Presence Office with limited capacity and resources, the lengthy work planning, consultations and quality assurance processes may be particularly challenging.

Advisory Note 4

To be able to effectively and efficiently measure the results achieved, the Head of Office should enhance the results framework with fewer indicators, if possible, and feasible and measurable targets considering the size, capacity, and resources of the Programme Presence Office.

Observation 4: Need to implement lessons learned from projects

During the COVID-19 pandemic, the office was seen by stakeholders to respond quickly to the crisis, reorganizing existing project implementation models to address emerging issues, e.g., it provided short-term support to its partners providing services to women at risk of gender-based domestic violence for a period of three months to ensure that SOS helpline services were available to women in need without disruption.

External stakeholders interviewed by IAS generally confirmed their satisfaction with implementation, reporting, communication, and results. The sampled projects had inception documents, defined objectives, workplans linked to the annual workplan and a budget, as well as appropriate management and personnel structures based on objectives and needs. Elements of sustainability were observed: two projects had more than one phase, and project managers engaged with CSOs on project close-out plans.

Based on sampled projects reviewed by IAS, the Programme Presence Office generally ensured timely implementation of projects and sought justified short-term extensions from donors where required. It generally submitted required donor reports (comprehensive narrative reports and financial statements) on time. No reports were outstanding at the time of the audit.

With the exception of the issue detailed below, sampled projects appeared to be on schedule, in line with their workplans, and within their budget parameters. Based on discussions with donors, partners and programme personnel, key requirements of the projects were being met. Project financial delivery was on track.

The remote audit did not note any significant issue with the identification and selection of beneficiaries. Based on the sampled projects, project documents included specific criterion for project beneficiaries that guided the process of selection. Sampled

programme partners explained that UN Women project managers regularly check in and visit during field missions.

The office, in cooperation with governmental institutions, has been implementing the Improved Safety of Women in Serbia project for the period of 2020–2022. One of project outputs is the implementation of a pilot programme of electronic monitoring of the implementation of emergency measures imposed under the Law on Prevention of Domestic Violence, including monitoring system with hardware, software, and bracelets. This included 100 bracelets for offenders, 100 GPS monitoring for offenders and 100 for victims, server and offender management system, their installation, configuration, maintenance (2 years) and warranty (3 years). Procurement policies for the purchasing of programme equipment for the total amount of US\$744,938 were complied with, where only two bidders submitted their proposals. Procurement was approved by HQ Procurement Review Committee, and the office proceeded procuring the system. However, there were changes in the governmental partners and a Memorandum of Understanding to launch the implementation of electronic monitoring system was not signed. As a result, the governmental partner did not accept the bracelets to launch the electronic monitoring system, impacting on the project implementation. At the time of the audit, the donor was informed about the implementation challenges.

Subsequent to the audit, after consultations with ECARO, UN Women Legal and the donor, the office reported that the issue was resolved through donation of the equipment to the Ministry of Justice Human and Minority Rights in Montenegro. A donation agreement with the Ministry of Justice, Human and Minority Rights of Montenegro was signed in December 2021, and the electronic monitoring equipment was received by Ministry of Justice Human and Minority Rights in Montenegro in early March 2022. Reportedly the Montenegro counterpart has experience, legal framework, and skilled personnel in this area hence the donation of the equipment is reported to be timely to assist the efforts of the government.

IAS already raised the recommendations on improving the Project Life Cycle in its Project Cycle Gap Assessment in 2019. This includes enhancing its project design, approval and implementation processes, and post-closure review, evaluations, and

knowledge management¹.

Recommendation 1 (High):

The Head of Office to consider lessons learned to better prepare for future projects requiring governmental participation through feasibility assessment, risk identification, mitigation, and monitoring during the project design stage: for example, tripartite agreements between parties involved before implementation activities are initiated. Moreover, the effectiveness and sustainability of the monitoring system in Montenegro should be monitored and reported.

Observation 5: Need to address partner feedback

Based on the audit sample, IAS noted that office management applied adequate implementation modalities and instruments, diligently selected its programme partners and conducted capacity assessments when selecting programme partners.

Project implementation by programme partners appears to be well monitored. IAS noted that the partners sampled had submitted quarterly narrative and financial reports that appear to be of satisfactory quality, with evidence of work done or links to any communication/media coverage of projects. IAS also noted that the office plans monitoring missions to the various partners.

The office develops capacities of partners through capacity development activities on specific areas of work and increasing certain skills and competencies.

Recommendations from partner audits are monitored and implemented. No significant issues were noted from the review of partner audit reports.

Some of the partners recommended that the office increase its capacity and resources so that it can provide partners more resources for implementing projects. IAS analysed the total expenditures versus partner expenditures. In general, the office spends 22 to 33 per cent of the total expenditures on partners.

¹ <https://www.unwomen.org/sites/default/files/Headquarters/Attachments/Sections/About%20Us/Accountability/Audit-reports/2019/IEAS-brief-2019-004-Project-life-cycle-gap-assessment-en.pdf>

Additional areas of improvement recommended by the stakeholders interviewed by IAS are listed below:

- CSOs suggested to have documentation submitted in the local language, as translation to English is an additional cost.
- Partners requested additional general training if possible.
- Partners highlighted that some of the requirements listed in the call for proposals, such as three years of experience, were not attainable or difficult to meet for small organizations.
- Partners surveyed by IAS highlighted that sometimes the administrative requirements for partners that received UN Women funding could be heavy compared to the budget allocated to the partners. It impacts the trust and effectiveness of partnerships.
- Several partners commented that the office could better organize the additional requests for information and feedback to the participants during the evaluation of received bids.
- Some partners surveyed commented that UN Women could further involve CSOs in its strategic priority planning, so the local needs are better defined. IAS noted that UN Women already involves the CSOs through the “Open Doors with Women CSOs” forum.

Advisory Note 5:

IAS advises that the Head of Office implement a formal feedback mechanism on partner management, as foreseen in the UN Women Policy, Procedure and Guidance framework, to better understand partner recommendations and, if feasible, work to implement them.

B. Governance, risk management and internal controls

See Background section of this document for key statistics on budget, delivery, and personnel.

IAS reviewed the office structure and delegations of authority, control environment, risk management and data quality. In general, IAS did not find material issues with data in UN Women systems. This was the first IAS audit of the Programme Presence Office. Office management has an effective and results-focused risk management process and therefore is assessed as satisfactory. IAS remotely assessed that the management had set up an adequate control environment and culture in the office. The office adheres to the month-end and year-end closure instructions in coordination with ECARO and headquarters units to ensure compliance with the UN Women Internal Control Framework Policy and timely action in support of corporate reports.

IAS noted that some improvements are needed for the office structure to ensure the delivery of results.

KEY OBSERVATIONS AND CONCLUSIONS

Observation 6: Need to strengthen the office structure

While ECARO did a functional analysis of the Programme Presence Office in 2019, the current country typology has not been clear in terms of how to fund UN Women offices like the one in Serbia, which is slowly growing from a programme presence office to a country office. The office would benefit from additional core resources to boost capacity and sustain non-project related roles, such as operations and coordination.

In 2021, the Programme Presence Office received partial delegation of authority. Based on the delegation of authority letter, IAS noted that the Head of Office in Serbia (who also has capacity as a gender specialist) is fully responsible and accountable for the performance of the office within the scope of their delegated authority. The internal control system is set up and the Internal Control Framework is regularly updated.

Staffing wise, the office has only one FTA (Head of Office) and fully relies on short-term contracts with SCs and SSAs, including for processing operations. During the audit period, IAS noted that there were 16 SCs and 2 SSAs to compensate for the lack of fixed-term staffing, which could lead to loss of knowledge in case of personnel turnover as well as inefficiencies in recruiting, as sometimes the same consultants are repeatedly engaged. Personnel indicated that they felt overwhelmed by work and needed additional support. While external stakeholders did not notice particular issues with resources or authority,

their expectations are evolving and becoming more demanding and include all aspects of the UN Women triple mandate. It is noted that the Programme Presence Office is mainly funded from non-core funding to mainly focus on programme activities. Extra-budgetary and Core programmable funding amounting to US\$682,840 is only 10 per cent of the total funding of US\$6.8 million for 2019 through April 2021.

Reportedly, the office management initiated a post establishment for a National Professional Officer (NOB Level) for Operations Analyst position in quarter four of 2021 which was completed in 2022 by ECARO in consultation with the Serbia office. Furthermore, the Programme Presence Office has had sufficient operational capacity from ECARO through ECARO's personnel who provide direct and ongoing support to the Serbia office filling key roles in the Internal Control Framework.

Recommendation 2 (Medium):

ECARO, in consultation with the Change Management Team and Strategic Planning Resource and Effectiveness Division (SPRED), to align the expectations for the Programme Presence Office in Serbia with a new office typology, including (i) strategic rethinking about UN Women's footprint in the country and (ii) prioritizing its focus among normative work, technical advice, coordination and field programme implementation. This includes provision of adequate support and resources to sustain UN Women's position in the country.

C. Operations

See Background section of this report for key statistics on budget, financial implementation, and personnel. The office is in a shared compound with other United Nations agencies.

Since January 2021, the Programme Presence Office received a partial delegation of authority, whereas it previously operated with limited delegation of authority. The operation team consisted of an Operations Officer, Operations Assistant and Finance Assistant, all on non-staff contracts. The office operations was supported by ECARO, which conducted regular monitoring and oversight to ensure that controls were in place and complied with.

The Programme Presence Office processed 159 purchase orders, amounting to US\$1.67 million from January 2019 to April 2021.

Based on the audit sample, office management had established adequate controls over human resources management; selection, performance management and personnel development were assessed as satisfactory. Based on the samples reviewed, satisfactory controls were in place for the procurement and travel processes. IAS also noted as a good practice that personnel undertake a cost-benefit analysis between using a taxi or claiming mileage and select the least-cost option. Overall controls over information and communications technology (ICT), budgeting, accounting and financial management were found to be satisfactory.

Office management appears to have in place satisfactory controls for the safeguarding of assets. IAS advised the office to conduct an analysis and share with headquarters all fully depreciated assets. The safety and security (personnel, premises, and assets) and business continuity planning were assessed to be satisfactory. The business continuity plan was updated in May 2021. IAS advises the Head of Office to ensure that they attend the Security Management Team meetings without delegation to ensure that UN Women is represented.

Based on a sample of transactions reviewed, IAS assessed that, in general, capacity for procurement management could be enhanced.

KEY OBSERVATIONS AND CONCLUSIONS

Observation 7: Observation on the procurement function

At the time of the audit, the Programme Presence Office had started using the corporate e-procurement system (In-tend) in May 2019. According to the analysis of purchase orders created by the office from January 2019 to April 2021, 113 purchase orders totalling US\$282,000 were micro-purchasing (less than US\$5,000); 44 purchase orders totalling US\$593,000 were procurements below US\$50,000, where there is no need for public procurement; 1 purchase order totalling US\$53,000 was publicly conducted; and 1 purchase order for US\$745,000 was approved by headquarters. IAS sampled 9

procurement orders with values above US\$5,000, 2 were LTA, 1 received responses from 3 bidders and the remaining 6 had less than 3 bidders.

The office appeared to adhere to the principles of transparent procurement and has sufficient capacity to conduct its procurements. All purchase orders and e-procurements are still being approved by the ECARO Operations Manager. Evaluation of tenders is done by the Programme Presence Office. The office ensures representation from the project teams and is always composed of three different internal personnel. The Operations Officer also ensures that all evaluation committee members sign a confidentiality agreement.

Prior to the partial delegation of authority, the buyer role was performed by an Administrative Assistant and a Procurement Assistant from ECARO, who supported the

Programme Presence Office with procurement services. In January 2021, with the partial delegation of the office, the Operations Officer, who is certified in Chartered Institute of Procurement and Supply (CIPS) Level 3, was assigned the buyer role. IAS noted that the Operations Officer serves under a service contract, which presents a risk of loss of institutional memory in case the personnel leaves the organization.

Observation 8: Feedback from personnel survey for management attention

From the personnel survey conducted by IAS, it was noted that personnel feel that they possess knowledge and skills to fulfil their duties and that they rely on regional and headquarters expertise in areas where they are lacking. The areas for which most personnel seek support are programme partner engagement, procurement, finance, United Nations system coordination, normative or technical issues, induction training, and monitoring and reporting. Personnel are generally satisfied with the services and support received by ECARO and headquarters.

Feedback from personnel on where and how support from the organization can be improved included:

- To ensure efficiency and workload reduction, there was a proposal to allocate additional operations/finance support to both the Programme Presence Office and ECARO to reduce delays.
- Online and regularly updated user-friendly briefs for new personnel that provide an overview of procedures, policies, and rules, with links to appropriate forms and completed examples of good practices including exact procedural steps and personnel in charge for clarification and guidance, would be beneficial.
- More internal training on operations and procurement is needed.
- Changes to templates and procedures are not efficient, as they are not provided with clear and detailed updates. This slows the work, as personnel need to consult the UN Women intranet if there are any changes.

Reportedly the office maintains an annual learning plan and joint work planning exercises, annual retreats, individual meeting, weekly staff stand up meetings, work life balance

survey and individual work plans. ECARO also provides training and support in finance, operations and programme finance and quarterly orientation is provided to all new personnel. In 2021 a Regional Programme and Operations training survey and plan was completed to include all technical training requirements for all offices including Serbia. Online ECARO repository of training and additional critical information is provided for operations on policies and procedures.

III. RECOMMENDATIONS AND MANAGEMENT ACTION PLAN

Issue	Recommendation	Responsible Unit	Priority	Action Plan	Implementation date
Observation 4: Need to implement lessons learned from projects	Recommendation 1 The Head of Office to consider lessons learned to better prepare for future projects requiring governmental participation through feasibility assessment, risk identification, mitigation, and monitoring during the project design stage: for example, tripartite agreements between parties involved before implementation activities are initiated. Moreover, the effectiveness and sustainability of the monitoring system in Montenegro should be monitored and reported.	Head of Office	High	Serbia Programme Presence office CO will prepare the Case Study on Electronic Monitoring System that includes lesson learned, specific risks and mitigation strategies in cases of high scale procurement.	June 2022
Observation 6: Need to strengthen the office structure	Recommendation 2 ECARO, in consultation with the Change Management Team and Strategic Planning Resource and Effectiveness Division (SPRED), to align the expectations for the Programme Presence Office in Serbia with a new office typology, including (i) strategic rethinking about UN Women's footprint in the country and (ii) prioritizing its focus among normative work, technical advice, coordination and field programme implementation. This includes provision of adequate support and resources to sustain UN Women's position in the country.	ECARO	Medium	CO will update the Organigram in line the Change Management typology. ECA RO will support with core funds gradual transition to the full Delegation of Authority and support the establishment of posts for the Operations Analyst, Finance Associate and Operations Assistant.	June 2022

Annex 1: 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.
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.
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.

UN WOMEN IS THE UNITED NATIONS
ORGANIZATION DEDICATED TO GENDER
EQUALITY AND THE EMPOWERMENT OF
WOMEN.

A GLOBAL CHAMPION FOR WOMEN AND GIRLS,
UN WOMEN WAS ESTABLISHED TO ACCELERATE
PROGRESS ON MEETING THEIR NEEDS
WORLDWIDE.

UN Women supports United Nations Member States as they set global standards for achieving gender equality and works with governments and civil society to design laws, policies, programmes, and services needed to ensure that the standards are effectively implemented and truly benefit women and girls worldwide. It works globally to make the vision of the Sustainable Development Goals a reality for women and girls and stands behind women's equal participation in all aspects of life, focusing on four strategic priorities: women lead, participate in and benefit equally from governance systems; women have income security, decent work and economic autonomy; all women and girls live a life free from all forms of violence; women and girls contribute to and have greater influence in building sustainable peace and resilience and benefit equally from the prevention of natural disasters and conflicts and humanitarian action. UN Women also coordinates and promotes the United Nations system's work in advancing gender equality.



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