

COUNTRY OFFICE AUDIT

INTERNAL AUDIT REPORT

UN WOMEN COUNTRY OFFICE IN PAPUA NEW GUINEA



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PAPUA NEW GUINEA



INDEPENDENT EVALUATION AND AUDIT SERVICES (IEAS)

Internal Audit Service (IAS)

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TABLE OF CONTENTS

EXECUTIVE SUMMARY	I
ACRONYMS AND ABBREVIATIONS	IV
I. BACKGROUND	1
II. AUDIT RESULTS	2
A. STRATEGIC PRIORITIES, PROGRAMME PLANNING AND IMPLEMENTATION	2
B. GOVERNANCE, RISK MANAGEMENT AND INTERNAL CONTROLS	9
C. OPERATIONS	12
III. RECOMMENDATIONS AND MANAGEMENT ACTION PLAN	16
ANNEX 1. DEFINITIONS OF AUDIT TERMS, RATINGS AND PRIORITIES	18

EXECUTIVE SUMMARY

Audit objective, scope and background

The UN Women Internal Audit Service (IAS) of the Independent Evaluation and Audit Services (IEAS) conducted an internal audit of the UN Women Country Office in Papua New Guinea between June and August 2022.

The objectives of the internal audit were to assess the adequacy and effectiveness of the governance arrangements, risk management and control processes relating to the following areas and subareas:

- **Strategic priorities, programme planning and implementation:** strategic positioning, priorities setting, programme and project management, management of programme partners, coordination of gender mainstreaming, advocacy and resource mobilization.
- **Governance, risk management and internal controls:** office structure and delegation of authority, control environment, risk management, data quality, internal control framework and implementation of prior oversight recommendations.
- **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 Country Office activities primarily from 1 January 2020 to 30 August 2022. Atlas-recorded expenditure for the Country Office totalled US\$ 5.3 million in 2020, US\$ 7.3 million in 2021 and US\$ 1.9 million for the period ended

on 30 June 2022. Despite several requests, the Country Office did not manage to organize meetings for the IAS team with representatives of the National Statistical Office, the Government of Australia and the Government of Japan which are the office's main partners.

The Representative commenced work in June 2021, the Deputy Representative in May 2020 and the Operations Manager in March 2021.

IAS followed the *International Standards for the Professional Practice of Internal Auditing* in conducting this audit.¹

As part of its regular procedures, IAS conducted an anonymous personnel survey on the working environment in the office. The response rate was 47 per cent, the results of which have been incorporated into observations throughout the report.

Audit opinion and overall audit rating

IAS assessed the overall state of governance, risk management and internal controls in the Country Office as **Some Improvement Needed** meaning that "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".

IAS found the following areas generally **satisfactory** in:

Strategic priorities, programme planning and implementation: The Country Office understands its role and responsibilities in the country. UN Women was well respected in Papua New Guinea and was seen as a leader for gender equality and the

¹ <https://na.theiia.org/standards-guidance/recommended-guidance/practice-guides/Pages/Auditing-Third-Party-Risk-Management-Practice-Guide.aspx>

empowerment of women. The Country Office chaired the Peace Priority Working Group and contributes to the Prosperity Priority Working Group. The Human Rights and Gender Working Group is currently being re-established, having not met for “some years” (according to the UNCT-SWAP scorecard it was missing), with Terms of Reference currently under development. The Country Office has dedicated communication personnel as well as a Communications and Knowledge Management Strategy. UN Women actively communicates about its programmes and interventions, with numerous examples of communications products and campaigns made available in the country for both specific programmes and the organization’s work in general.

Operations: (a) The Country Office actively participated in the UN Business Operations Strategy process in the country which was almost complete; (b) management had implemented adequate and effective controls to manage its ICT resources appropriately; (c) satisfactory controls were in place to manage the travel function, and sufficient documentation was available for the selected sample of travels.

IAS identified the following areas with **some improvement needed in:**

- **Strategic priorities, programme planning and implementation:** (a) Coordination efforts to lead the UN Country Team in implementation of the UNCT-SWAP scorecard recommendations have not been always consistent and the Country Office’s own coordination strategy had not yet been developed; (b) while the Country Office’s resource mobilization efforts resulted in increased funding over the last three years, the office needed to update its future resource mobilization strategy; (c) the Country Office needed to regularly evaluate the relevance and effectiveness of its strategic priorities and programmes.
- **Governance, risk management and controls:** (a) A functional analysis of the Country Office’s current structure has not yet been conducted to ensure personnel have adequate capacity and skills to deliver on the office’s mandate; (b) the risk management process did not always record emerging risks in the risk register and risk mitigating measures were not always embedded in Country Office operations; (c) some data inserted into corporate data management systems was incomplete and inaccurate; (d) some deficiencies were found in filing/archiving and workflows for the timely processing of operational transactions, which would benefit from the

introduction of an electronic filing system; and (e) agreed recommendations from oversight reports were not always implemented in a timely manner.

- **Operations:** (a) the Country Office had a high personnel turnover in staff in the recent past which affected the sustainability of the office’s HR structure and business continuity; (b) there were delayed payments to vendors and partners; (c) discrepancies had been identified but not yet corrected in the physical verification of assets exercise; (d) not all personnel had completed the mandatory security training course, and security assessments for all locations had not yet been submitted; and (e) staff advances taken for operational purposes needed stricter oversight.

However, the following areas were assessed as **Major Improvement Needed:**

- There was a lack of regular communication between the Country Office and stakeholders involved in projects. Programme-related data was not independently validated by the monitoring and evaluation function before being reported; and the programme team suffered from high personnel turnover, with several vacant positions as at the date of the audit.
- Project management processes needed improvement to ensure beneficiary needs assessments were conducted for better project design and that monitoring of projects and the effectiveness of inputs is consistently undertaken. Grievance mechanisms were not always effective.
- Capacity assessment of programme partners needed improvement and programme partners should be trained **on financial management, prevention of sexual exploitation and abuse, prevention of fraud and corruption**. The IAS survey revealed that the Country Office needed to engage more proactively with its staff in terms of raising awareness of the internal control environment and personnel’s duty to report issues of potential misconduct.
- The procurement function was not adequately staffed and did not regularly conduct market surveys to update its supplier database used for procurement below US\$ 50,000.

IAS made 15 recommendations to address the areas requiring improvement: 2 recommendations were ranked as high priority and 13 as medium priority.

The two high (Critical) priority recommendations mean 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.”* These were addressed to the Country Office and related to the following issues:

- Recommendation 5: The Country Representative to strengthen the Country Office’s project management processes to include: (a) regular monitoring and post-implementation assessments, carried out independently of partners, to measure impact and beneficiaries’ satisfaction with UN Women interventions; (b) grievance mechanisms which beneficiaries are aware of; and (c) transparent delivery of agreed services, per diems and manuals.
- Recommendation 6: The Country Representative to strengthen Country Office programme partner management by developing and implementing plans to address gaps identified during partners’ capacity assessments, and monitoring the effectiveness of these efforts to update partners’ risk profiles.

The 13 medium (Important) priority recommendations mean 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”.*

The recommendations mainly focus on: updating the communication and knowledge management strategy; advocating for advancing the recommendations from the UNCT-SWAP assessment and developing a coordination strategy for the office; updating the resource mobilization strategy for its next Strategic Note; submitting timely and accurate donor reports and keeping stakeholders informed on the status of projects; incorporating discussions about standards of conduct, increasing awareness of key policies, duty to report and how to report potential wrongdoing and fraud risks into existing management and all-hands meetings on a regular basis; establishing an electronic data filing system; ensuring regular evaluations of key priorities and implementing recommendations from oversight reports; developing a procurement strategy and a procurement process time tracker; assessing and addressing the causes

of the significant turnover in personnel; assessing and addressing reasons for the delays in payments to vendors and partners; reminding personnel about the importance of ensuring accurate daily subsistence allowance calculations; rectifying discrepancies in the 2021 physical verification of assets exercise; and ensuring all personnel complete the mandatory security training and security surveys are completed for all locations.

Management comments and action plans

Management comments have been taken into account in this report, where appropriate. The Country Office accepted the audit recommendations and provided action plans included in this report.

Lisa Sutton

Lisa Sutton, Director
Independent Evaluation and Audit Services

ACRONYMS AND ABBREVIATIONS

CSO	Civil Society Organization
DRF	Development Results Framework
EVAW	Ending Violence Against Women and Girls
FACE	Funding Authorization and Certificate of Expenditures
HR	Human Resources
IAS	Internal Audit Service
ICT	Information Communications Technology
IEAS	Independent Evaluation and Audit Services
IST	Information Systems and Telecommunications Team
OEEF	Organizational Efficiency and Effectiveness Framework
PAPDU	Political Analysis and Programme Development Unit
PGAMS	Partner and Grants Agreement Management System
PMD	Performance Management and Development
RMS	Results Management System
SPRED	Strategy, Planning, Resources and Effectiveness Division
SSA	Special Service Agreement
SSCS	Security and Safety Compliance Survey
UN	United Nations
UNCT	UN Country Team
UNDP	United Nations Development Programme
UNDSS	UN Department for Safety and Security
UNFPA	UN Population Fund
UN Women	United Nations Entity for Gender Equality and the Empowerment of Women
US\$	United States Dollar
WEE	Women's Economic Empowerment

I. BACKGROUND

The UN Women Country Office is located in Port Moresby, Papua New Guinea. It implements its programme in 11 provinces of the country and reports to the Asia Pacific Regional Office.

The Representative commenced work in June 2021, the Deputy Representative in May 2020 and the Operations Manager in March 2021. According to the organization chart shared by the office, the current structure consists of 42 positions with 9 vacancies at the time of audit: 2 in operations and 7 in programme teams.

The Country Office's current Strategic Note covers the period 2018–2023. The three main impact areas are:

- National stakeholders ensure an enabling legislative and policy environment is in place and translated into action.
- Women and girls live a life free from violence, and women and girls are safe from all forms of violence in public spaces.
- Women and youth in Bougainville are more empowered for a free, fair, transparent and violence free referendum.

The Country Office's overall budget increased each year from 2019 to 2022. Budget and expenditure are summarized in Table 1 below.

Table 1: Country Office budget and expenditure as at 7 December 2022 (source RMS and Project delivery dashboard)

OEEF / DRF	2018	2019	2020	2021	2022
DRF budget target, US\$	9,857,800	4,119,133	7,622,696	11,193,879	15,111,893
DRF actual budget, US\$	7,624,994	3,486,447	5,720,157	7,629,030	7,535,314
DRF Resource mobilization rate, %	77%	85%	75%	68%	50%
DRF expenditure, US\$	7,584,412	3,201,859	3,976,717	6,197,363	5,402,030
DRF Financial Implementation, %	99%	92%	70%	81%	72%
OEEF budget target, US\$	993,047	1,578,467	1,631,336	1,594,420	1,623,649

OEEF actual budget, US\$	1,158,063	1,395,623	1,380,062	1,541,492	1,798,692
OEEF RM rate, %	117%	88%	85%	97%	111%
OEEF expenditure, US\$	1,091,405	1,328,065	1,238,667	1,447,498	1,505,263
OEEF Financial Implementation, %	94%	95%	90%	94%	84%
Total Resource Mobilization target	10,850,847	5,697,600	9,254,032	12,788,299	16,735,542
Total Actual budget	8,783,057	4,882,070	7,100,219	9,170,522	9,334,006
Total Actual Expenditure	8,675,818	4,529,924	5,215,385	7,644,861	6,907,293
Total Financial Implementation rate	99%	93%	73%	83%	74%
Total Resource Mobilization Rate %	81%	86%	77%	72%	56%

According to project delivery reports for the period under review (2018–2022), the country field programme comprised 32 non-core funded projects with a total budget of US\$ 38 million, funded by a range of donors, including:

- Spotlight and other Multi-Donor Trust Funds projects for US\$ 28.2 million.
- UN agency bilateral agreements, including projects funded by UNAIDS, UNDP, UNOCHA and Peacebuilding Fund for US\$ 2.7 million.
- Other funding for almost US\$ 7.2 million from a number of bilateral donors.

Atlas-recorded expenditure for the Country Office totalled US\$ 5.3 million in 2020, US\$ 7.3 million in 2021 and US\$ 1.9 million for the period ended 30 June 2022. Overall, UN Women's direct implementation expenditure consisted of staff costs (24 per cent); other personnel costs (20 per cent); utilities and common services (16 per cent); support cost reimbursement (13 per cent); travel costs (10 per cent); learning costs (8 per cent); procurement of goods and services (8 per cent) and grants of 1 per cent. As a part of above expenditures, US\$ 1.7 million of expenditure was incurred through programme partners during 2020–2022.

II. AUDIT RESULTS

A. Strategic priorities, programme planning and implementation

See Background Information on Strategic Note components. Development of the Strategic Note for 2018–2023 followed UN Women’s processes, with feedback from various internal parties. The Strategic Note is linked to the UN Development Assistance Framework 2018–2022 and the Papua New Guinea Medium Term Development Plan III 2018–2022. The next Strategic Note is also expected to align closely with the UN Sustainable Development Cooperation Framework (2023–2027).

Despite several requests, the Country Office did not manage to organize meetings for the audit team with representatives of some key stakeholders to discuss and understand their expectations, which did not allow IAS to fully assess the Observation 1.

IAS assessed the strategic positioning, priorities setting, programme and project management, management of programme partners, coordination of gender mainstreaming, advocacy and resource mobilization. The Country Office has a relatively small communications function and a Communications and Knowledge Management Strategy for 2020–2022, which is recognized as a good practice. Stakeholders interviewed by IAS confirmed that UN Women was a well-respected partner, and was seen as a leader in gender equality and the empowerment of women agenda in Papua New Guinea. However, it was also noted that the Gender Theme Group had not met for some time: UN Women was in the process of reviving it at the time of audit. See key observations below.

KEY OBSERVATIONS AND CONCLUSIONS

Observation 1: Strengthening stakeholder communications

Country Office management understands the role and responsibilities of the office in the country and, in general, stakeholder expectations appear to have been met. IAS found some alignment between donors’ overall expectations and the key objectives and focus of UN Women in Papua New Guinea. Some specific improvement points were raised, including coordination on gender quality and the empowerment of women in the UN system in the country.

- (a) **Donors:** Donors recognized the importance of their relationship with UN Women and acknowledged the office’s leadership in the country. Feedback received from donors about UN Women’s performance on key programmes was largely positive. Donors expect the Country Office to advance coordination of gender quality and the empowerment of women across the UN system and with other stakeholders

in the country, including taking a more visible approach to its leading coordination role and finding more ways to engage with UN counterparts. Donors also mentioned the need for a stronger “One UN” approach, acknowledging potential mission creep between UN entities. Donors encouraged UN Women to further strengthen its ties with and enhance development of Civil Society Organizations (CSOs), viewing the link between UN Women and CSOs as part of UN Women’s core value proposition.

- (b) **Programme Partners:** Partners provided generally positive feedback about UN Women, valuing the importance of their relationship in terms of advancing the objectives of their organizations. There were challenges in completing FACE forms in a timely manner. Some partners felt that the Country Office’s monitoring of their work could be improved. One partner mentioned a lack of meetings with the Country Office, and that generally they only had discussions with finance personnel, not on topics such as project management and project guidance. Some partners expressed concerns over the timely disbursement of fund tranches.

There have been cases where it took several months for UN Women to disburse payments to partners resulting in delays in activities.

- (c) **United Nations Country Team (UNCT) members:** UNCT members highlighted issues with gender equality and women's empowerment and significant challenges with gender-based violence in the country. UN Women has established good working relations with UN entities in the country and is seen as transparent and collegiate. The Country Office's contributions in the UNCT and on its mandated areas were also noted. The areas for enhancement raised by UNCT members were (i) for UN Women to improve its engagement with Parliament and to expand its engagement with CSOs; (ii) as the rate of gender-based violence is so high in the country, there is a need to analyse the root causes of existing issues, including the economic independence of women; (iii) challenges experienced as UN Women is not a member of the Harmonized Approach to Cash Transfers; (iv) delays in making payments to vendors that have Long-Term Agreements with other UN entities which might affect overall relationship between vendors and UN entities as a result; and (v) the significant use of cheques as a payment method, which can be a more time-consuming process.
- (d) **Personnel surveyed:** A majority of Country Office personnel feel that UN Women's work aligns to a great extent with the most pressing needs of women and girls in the country.

Without raising a specific recommendation, IAS suggests the Country Office senior management team consider the above feedback for its forthcoming Strategic Note.

Communications

The Country Office has a dedicated but small communications unit staffed by one international UN Volunteer communications specialist who coordinates communications activities across the office. Programme personnel also contribute to communications and the Country Representative generally writes his own speeches with input from others. The Country Office has a Communications and Knowledge Management Strategy 2020–2022, which is a good practice. The Country Office is very active in communications about its programmes and interventions, with numerous

examples of communications products and campaigns made available in the country for both specific programmes and the office's work in general.

Communications would be improved by identifying common communications needs across programmes and finding methods to plan and coordinate them so that the timing, resources and impact of these activities are optimized. Inclusion of a communications monitoring framework would improve the Communications and Knowledge Management Strategy, with key performance indicators, targets and measurable outputs. This would help to operationalize the strategy, providing concrete steps for implementing the principles therein.

In general, respondents to the IAS personnel survey noted that partnerships with a wide range of stakeholders were very effectively managed or somewhat effectively managed.

Recommendation 1 (Medium):

The Country Representative to update the Communications and Knowledge Management Strategy to include a dedicated monitoring framework with key performance indicators, targets and measurable outputs, as well as an implementation plan to operationalize it. The strategy should also include analysis of common communications needs across programmes, including methods to coordinate and pool time and resources so the communications function is efficiently and sustainably funded.

Observation 2: Improving gender equality and empowerment of women coordination efforts

The Country Office leads coordination of gender mainstreaming in the UNCT. The Country Representative and Deputy Representative are primarily responsible for coordination activities, supported by the Coordination and Resource Mobilization Specialist (SB4, Core). The Operations Manager also has some opportunity to promote UN Women's coordination mandate, as co-chair of the UNCT Operations Managers

Team and lead of the UNCT Finance Working Group. It is also reflected under Output Cluster 1 of the Biannual Work Plan OEEF: (i) UN Women ensures effective coordination of gender equality programming in line with UN Women mandate in Papua New Guinea; and (ii) UN Women leads and coordinates support to Gender equality mainstreaming across the UN system in Papua New Guinea. UN Women is responsible for leading the development of Phase II of the Spotlight Initiative, chairs the Peace Priority Working Group and contributes to the Prosperity Priority Working Group. The Human Rights and Gender Working Group is currently being re-established, having not met for some years (according to the UNCT-SWAP scorecard it was missing), with Terms of Reference currently under development. This is another opportunity for the Country Office to demonstrate its leadership on coordinating gender equality and the empowerment of women in Papua New Guinea.

Feedback from external stakeholders, while largely positive about the role of UN Women in Papua New Guinea, encouraged the Country Office and the UN system at large to coordinate more frequently and substantively on gender equality and the empowerment of women in the country. Stakeholders acknowledged that other UN entities may have their own in-house gender expertise and capacity, but they saw UN Women as the natural leader in this space. They encouraged UN Women to coordinate strategically and bring the UN system together on gender equality and the empowerment of women, taking stock of ongoing initiatives and mapping UN system efforts and gaps to enhance the coherence and impact of interventions.

The Country Office co-chairs periodic meetings for the group of partners funding gender equality programmes in Papua New Guinea, with a second rotating co-chair by one of the partners. The group includes UN counterparts and donors. As part of this group, UN Women is organizing a mapping exercise of gender programming in Papua New Guinea, which could form part of the Human Rights and Gender Working Group agenda. UN Women also facilitated the drafting of terms of reference for the group.

Other than the outputs included in the annual workplan, the Country Office does not have a coordination strategy to cover UN Women's leading role in the UNCT. The

UNCT-SWAP scorecard, which provides a basis for effectively assessing the effectiveness of the UNCT in the achievement of gender equality and the empowerment of women, could be used as a guiding tool for UN Women's coordination strategy. It should be broader than UNCT-SWAP and include coordination for results, themes and coordination with other stakeholders.

The UNCT-SWAP scorecard exercise for 2021 was performed between December 2021 and March 2022. The results indicated a strong need for improvement, with two indicators missing minimum requirements, seven indicators approaching minimum requirements, three meeting and three exceeding minimum requirements.

A summary of the key issues raised in the scorecard is shown in Table 2. The report included recommendations for improvement under 12 of 15 indicators. Recommendations are not directly addressed to UN Women; however, UN Women's UN coordination role specifically requires ensuring effective leadership and support to the UNCT and Resident Coordinator. The Country Office must take a leadership role in addressing the recommendations raised in the UNCT-SWAP scorecard, particularly re-establishing the Human Rights and Gender Working Group, which could become a key forum for discussion of gender equality and the empowerment of women and advancing gender mainstreaming in the UNCT. These recommendations were corroborated by feedback from external stakeholders.

Table 2: Key recommendations from UNCT-SWAP Gender Scorecard Report 2022²

Item	Area	Observation from UNCT-SWAP report
1	Planning	Improve use of sex-disaggregated and other related data across all sectors. Include explicit reference to gender equality in UN Sustainable Development Cooperation Framework outcomes. Only 20 per cent of UN Development Assistance Framework indicators track progress on gender equality and the empowerment of women.
2	Programming and monitoring & evaluation	Joint communication and advocacy on gender issues is an essential aspect of the UNCT's work. The roles and responsibilities of the inter-agency communication group include the identification of joint result areas and common themes such as gender equality.

² UNCT-SWAP Gender Scorecard Report for United Nations Country Team in Papua New Guinea, December 2021–March 2022

4	Leadership	UNCT does not have a joint monitoring mechanism for gender parity. This scorecard is the first time that sex-disaggregated staffing data have been collected from UN agencies.
5	Gender architecture & capacities	The gender coordination mechanism is key for joint UN action on gender quality and the empowerment of women at the country level. In PNG, this mechanism is the Gender and Human Rights focal points. However, this group is not operational for the time being . It has not met for some years and the membership list is outdated.
6	Resources	Gender-sensitive targeting and financial tracking is an important means of monitoring UN investments against commitments to gender equality.
7	Results	The UNCT must be able to provide evidence to demonstrate progress on gender quality and the empowerment of women by assessing the extent to which the UNCT has contributed to gender equality in the country, with some form of measurable change.

Recommendation 2 (Medium):

The Country Representative to:

(a) Identify key performance indicators for its coordination strategy. These could include implementation of UNCT-SWAP scorecard recommendations addressed to the Gender Theme Group led by UN Women; an indicator to monitor the effectiveness of the Gender Theme Group and working groups with other partners; an indicator to monitor the gender mainstreaming of the UN Sustainable Development Cooperation Framework and an increased number of joint programmes.

(b) Develop UN Women's coordination strategy in Papua New Guinea and monitor its effective implementation.

Observation 3: Updating the resource mobilization strategy

IAS reviewed the Country Office's Strategic Note, which is reasonably constructed but would benefit from some additional disaggregation of data in baselines and targets.

The Country Office has a Resource Mobilization and Partnerships Strategy, which was developed in March 2019 and is still in use as of July 2022. The strategy is reasonable

but would benefit from an update given the passage of time and leadership changes that have taken place in the office since 2019.

The Country Office experienced some success in mobilizing non-core resources in 2021 (for use in later years). The Country Office mobilized US\$ 17.2 million in 2021, which was 19 per cent of total non-core resource mobilization for the Asia-Pacific region. It was also the largest amount mobilized by any UN Women office in the region. This is noteworthy; however, analysis of its effectiveness considering resource mobilization rates were not always successful (Table 1 showed the DRF mobilization rates in 2020 and 2021 were below 80 per cent). An up-to-date strategy will help to ensure that the Country Office is focused in the right areas on resource mobilization. This is particularly relevant if the office wants to expand into climate change and gender-based budgeting areas. Without an up-to-date strategy, it may be less able to do so.

IAS observed that resources are mostly generated towards the end of year. This may be part of the annual funding cycle, in which resource mobilization is more frequently achieved later in the year; however, it also indicates the need for the Country Office to ensure the effectiveness of its resource mobilization strategy in 2022 and beyond. IAS has discussed opportunities to increase resources with the office, such as Phase II of the Spotlight Initiative, which UN Women will lead. The UN Women Country Representative occupies a strong position in the UNCT and will act as Regional Coordinator for several months. The Country Office appeared to be making good use of LEADS, which could be used more regularly to include resource mobilization effort and measure its success.

Recommendation 3 (Medium):

The Country Representative to update the resource mobilization strategy to include newer objectives and approaches.

Observation 4: Enhancing programme and project management in terms of governance, design, risk management and oversight

Programme structure

The Country Office established a project management structure with different thematic leaders reporting to the Deputy Representative. However, the IAS personnel survey indicated that significant personnel turnover in non-core projects is one of the main risks faced by the office. Composition of programme teams is as follows:

- The Women's Economic Empowerment area has seven personnel funded through non-core including four programme analysts (SB4), two transportation assistants (SB2) and one administration support (SB3), while the accumulated actual budget for 2022 is US\$ 2.1 million.
- The Ending Violence Against Women area has five personnel including a programme specialist (P3), project manager NOC, two programme associates (G6) and a programme assistant (SB3), the accumulated actual budget for 2022 is US\$ 2 million.
- The Women Political Empowerment area has 3 personnel including a technical specialist (P3), programme analyst (SB4) and programme analyst (NOB), the accumulated budget for 2022 is US \$ 2.1 Million
- Peace, Security and Humanitarian Action has one programme analyst (SB4) with 2022 budget of almost US\$ 1 million.
- Planning and Budgeting has only one programme manager (SB5) assigned with a budget of US\$ 0.3 million in 2022.

At the time of audit, some of the key positions were vacant, e.g. Spotlight manager, Communications Specialist, Programme Coordinator for Men and Boys engagement, National Programme Specialist, Programme Management Specialist, Programme Analyst Goroka, Procurement Associate for Women Economic Empowerment and Programme Assistant for Women Make Change, which creates further stress on the already stretched team.

Project delivery

The project delivery report as at 20 June 2022 noted that most projects were suffering in terms of financial spending of their budgets, some of which were under 15 per cent as of August 2022 with 67 per cent of the time having passed. According to the project delivery dashboard, as of January 31, 2023, overall financial implementation rate for the year ended 2022 was 77.3 per cent. This was partially linked to the COVID-19 pandemic and the violence and political tension during the 2022 national general

elections in the country and partially with the Country Office's delivery capacity, especially in terms of personnel, procurement delays and turnover of key personnel.

The Country Office managed to significantly increase its total resources and budget from 2021 to 2022 but was not able to boost its structure by engaging a sufficient, adequate and efficient workforce to deliver on its key projects, i.e. it has not been able to effectively recruit and retain human resources. In addition, there were delays in signing Memorandum of Understandings for operationalization of work with government departments; onboarding of CSOs and programme partners for key projects (Spotlight and the Women, Peace and Humanitarian Fund project); and low absorption capacity of programme partners in the country. The Women, Peace and Humanitarian Fund project has particularly suffered (see below).

According to the OneApp dashboard, four outstanding projects are required to be operationally closed, while one outstanding project needs financial closure.

Quality and timeliness of donor reports

The regional and headquarters focal point for donor reporting expressed satisfaction with the quality of the Country Office's donor reports. IAS was unable to meet some donors to obtain their feedback on the quality and timeliness of donor reporting.

As of 11 September 2022, the Country Office's reporting commitments dashboard suggested that of the 54 reports due between 2019 to 2022, 9 were submitted with a delay.

There have been delays in the provision of information and reports on projects, specifically the Women, Peace and Humanitarian Fund project, where the annual report has been delayed for over six months. This was mainly due to unresponsive project personnel leading the Women, Peace and Humanitarian Fund portfolio in the Country Office and no communication at all despite multiple follow-ups by the Women, Peace and Humanitarian Fund Secretariat in New York. Reportedly, the annual report submitted after the delay was not of good quality and lacked substance. Despite their requests, the Secretariat was not provided with any information on the activities of some partners engaged. This situation is reportedly an isolated case which has been managed through personnel changes effected since July 2022.

The Country Office reported that it has taken steps to strengthen human resource capacity in project management. After the audit in September 2022, six project personnel participated in a regional training course on programme management.

Project monitoring and evaluation

IAS observed that some key projects were due for evaluation as per their project documents. The monitoring and evaluation officer was only engaged in coordination of monitoring activities and actual project monitoring visits and other monitoring was carried out by project managers. This is not ideal, especially where project managers were involved in direct implementation, and therefore monitoring lacks independent validation.

Data collection and validation processes were not documented, and data reported by programme partners was not independently reviewed and validated by the monitoring and evaluation officer before reporting to donors.

Exit and sustainability strategies

The Country Office has been able to generate consistent resources for its projects in the recent past to address women's economic empowerment and women's political participation. However, IAS' review of project documents suggests that the documents did not have well documented, sustainable exit strategies. The Country Office agreed with the observation and stated that projects/programmes were formulated for shorter periods, e.g. one to two years due to funding modalities but with the understanding of possible extensions to make sustained impact.

Beneficiary needs assessment and project management

Project documents did not always include community needs assessment or detailed beneficiary criteria. Prior to conceptualizing a project, the project cycle and leave no-one behind principles require that targeted groups are consulted to understand their needs and build the project to address them – this did not always occur in the projects that IAS reviewed.

IAS selected a sample of 100 beneficiaries for phone call interviews (details taken from programme partner and other reports). Only 44 beneficiaries were reached despite several attempts. This implies that the data provided and maintained by the Country

Office might not be fully accurate and may not have been validated independently by the office. The 44 beneficiaries reached included training participants spread across 11 of the 22 provinces in Papua New Guinea. It was noted that:

- Training courses were valued and participants believed training should be extended further to reach more communities and people.
- The number of allowances paid to participants varied from training to training and was inconsistent: some partners seemed to pay local rates; some training courses only paid or reimbursed bus fees to local participants with lunch provided. On numerous occasions, payments were made late after the event.
- Participants were happy with the subject of the training but expressed that training material and handouts were not provided. Some presenters committed to sending PowerPoint slides and materials to the participants but did not do so.
- Participants had difficulties in understanding the accent of some foreign trainers.

As 56 per cent of beneficiaries in the sample could not be reached, IAS is unable to provide reasonable assurance on beneficiary management and complaints response protocols especially where some beneficiaries expressed concerns on varying amounts of Daily Subsistence Allowance received. In the context of Papua New Guinea, UN Women and its programme partners make cash payments to beneficiaries, which represents a high inherent risk.

The Country Office does not have a formal process to independently receive feedback from beneficiaries. As the office is geographically spread, there is a risk that important feedback on the effectiveness of interventions or complaints, including those related to potential sexual exploitation and abuse may go unreported.

Recommendation 4 (Medium):

The Country Representative to strengthen project portfolio management by submitting timely and accurate donor reports; creating a mechanism of regular communication between stakeholders involved; and by having clear exit strategies in project documents, which are revisited and adjusted during implementation.

The monitoring and evaluation framework should map all stakeholders involved

in monitoring to ensure that the monitoring and evaluation function validates data in the reports for accuracy and completeness, and to independently monitor activities (post-implementation reviews, impact assessments, contacted sampled beneficiaries, etc.).

Recommendation 5 (High):

The Country Representative to strengthen the Country Office's project management process to include:

- (a) Regular monitoring and post-implementation assessments, carried out independently of partners, to measure impact and beneficiaries' satisfaction with UN Women interventions.
- (b) Grievance mechanisms which beneficiaries are aware of.
- (c) Transparent delivery of agreed services, per diems and manuals.

Observation 5: Strengthening programme partner management

The Country Office uses the UN Women PGAMS system (launched in February 2020) to log partner agreement-related documents and data. As per the OneApp PGAMS Dashboard as of 28 July 2022, the Country Office had 31 partner agreements with 29 partners worth US\$ 5.8 million. Seventy-one per cent of the partner agreements were with local CSOs, 24 per cent with other UN agencies and 3 per cent with international non-governmental organizations and the remaining 2 per cent with community-based organizations. However, the data in the system was not complete, especially partner reports and FACE forms which were not always uploaded.

In part because of the nature of the country's geographical spread, the Country Office reported challenges in finding programme partners with sufficient capacity and a sound approach to implementation. This was also confirmed by the external stakeholders interviewed by IAS. In addition, it was also noted that the Country Office's operational capacity was not sufficient to deal with a high number of partners. The Country Office was planning to engage with 34 programme partners in 2022 in the End Violence Against Women thematic area, which will further increase work for personnel.

The Country Office generally adopted adequate methods of contracting programme partners through competitive selection; however, in three cases the Country Office

opted for sole source contracting of programme partners, which while properly approved is not a recommended approach to follow. Review of capacity assessment documents suggested that the assessments were not carried out thoroughly and were considered a formality. Most programme partner capacity assessments that IAS reviewed had been assigned the low-risk rating; however, audits of all six programme partners in 2021 resulted in financial findings with five having qualified reports.

Monitoring of projects is a concern due to the wide geographical spread of Country Office operations, as well as COVID-19 restrictions. Review of one programme partner's FACE forms suggested that programme partners were inclined to use cash as their main payment modality. Mostly the cash was used to pay Daily Subsistence Allowance to attendees of meetings and training. This increases potential security and misappropriate risks. Moreover, no systematic follow-up was undertaken on actions agreed during monitoring visits by programme staff and programme partners.

Significant delays were observed in disbursement of funds to programme partners. There were issues with communication on financial matters, some partners mentioned not having received disbursements for over six months, which put them at financial risk. Programme partners expressed concern that because of delays in reimbursements they incurred costs and were sometimes unable to meet daily expenses or even salaries for their personnel. Key reasons for delaying payments related to the quality of documentation submitted from partners for review, or the capacity of operations personnel to conduct the review of FACE forms in a timely manner.

In addition, the programme partners IAS interviewed had not been trained on prevention of sexual exploitation and abuse, fraud and corruption.

Recommendation 6 (High):

The Country Representative to strengthen programme partner management by developing and implementing plans to address gaps identified during partners' capacity assessments and by monitoring the effectiveness of these efforts to update partners' risk profiles.

B. Governance, risk management and internal controls

See Background section for key Country Office data. According to the latest organization chart, the Country Office comprised 42 personnel excluding SSAs (11 positions are funded through core, 5 through Institutional Budget and 26 through non-core funds). Thirteen of the 42 positions are part of operations (11 in core operation functions) which represents almost 30 per cent of the workforce. The office structure includes the Country Representative at P5 grade, Deputy Representative at P4, Operations Manager at P3, Spotlight Project Manager NOC, Women Make Change Technical Specialist P3, National Programme Specialist NOC (Vacant) and Strategic Partnership Programme Management Specialist (SB5 – vacant).

IAS assessed that, overall, the Country Office's internal governance, organizational structure, and data and knowledge management needed some improvement. The Country Office needs to have a proactive risk management process; maintain an effective and robust control environment and culture; ensure data inserted into corporate systems is complete and accurate; and oversight recommendations are implemented in a timely manner.

KEY OBSERVATIONS AND CONCLUSIONS

Observation 6: Strengthening internal governance and filling vacant positions

The Country Office has grown considerably over the last two years in terms of its ability to mobilize resources but there have been challenges in ensuring that the office structure and staffing are adequate and sustainable to deliver on its strategic priorities and programmes.

Vacant, unfunded positions

As already mentioned in Observation 4, as of 14 December 2022, 21 per cent of key positions (nine positions) remain vacant putting stress on the already stretched team – considering the Country Office has almost doubled in size in terms of budget. Two of these positions are in operations, six within programmes and one communication specialist. IAS' personnel survey also revealed that personnel felt overworked.

Balancing staffing in programme and operations

The operations team consists of an Operations Manager and eight personnel including

an admin and operations team (two administration assistants, one administration associate and one operations associate), finance team (programme finance associate and financial management coordinator), an information and communications system assistant and a transportation assistant.

The Country Office was aware of the issues with its existing structure and staffing not being fully aligned with its strategic priorities. Other challenges include finding and retaining qualified personnel due to less competitive pay rates compared to the private sector; limited availability of competent candidates; geographic coverage of project implementation; and high implementation costs due to security risks. While not carried out for the existing Strategic Note, with support of the Regional HR Business Partner, the Country Office is planning a functional analysis in the first quarter of 2023 and related long-term HR strategy considering its unique context which will assist implementation of the new Strategic Note.

Without raising an audit recommendation, IAS encourages management to finalize its functional analysis and related HR strategy by the first quarter 2023.

Observation 7: Strengthening the working and control environment, and fraud prevention

Responses to the IAS personnel survey suggest that:

- A majority of Country Office respondents feel that UN Women has effectively adapted its programme of work and paths to the changing local context to achieve its goals, including in response to COVID-19.
- 56 per cent of respondents feel confident in their knowledge and skills in the thematic or operational area in which they work, while 13 per cent do not feel confident in performing their duties.
- 14 per cent of respondents to the IAS survey were not satisfied with the support they receive from office colleagues.
- 63 per cent of respondents felt overloaded with additional responsibilities.

Fraud prevention

Based on the Country Office's training register, at the time of the audit 76 per cent of personnel had completed the Ethics and Integrity Training, while 89 per cent of personnel had completed the Fraud Awareness Training. Fraud risks had been assessed and mitigating actions were in place in the risk register.

As reported above, because of the context in Papua New Guinea, most programme-related activities were paid in cash by both programme partners or Country Office personnel through cash advances. The Country Office had included this risk in its risk register but there is a need to strengthen the preventive and detective controls.

Responses to the IAS personnel survey suggest that:

- 44 per cent of respondents said they were aware of their responsibility to report fraud, but did not know where to report, and 19 per cent of respondents said they did not feel comfortable in reporting.
- 38 per cent of respondents believed discussions were not held on a regular basis within the office and sub-teams on risks related to fraud and other types of misconduct, and how to manage these risks.

Workflows

There is a need for clarity of workflows between operations and programme teams to ensure transactions are concluded in a timely manner to avoid unnecessary delays. Numerous personnel indicated a lack of planning and long delays in processing and

approvals of requests for various operational services. Personnel indicated a need for defined workflows and business processes; clarified roles and accountability; timely decision taking by leadership; realistic and agreed objectives about areas of responsibilities; and enhancement of procurement and recruitment functions to address programme needs. Moreover, there was no mechanism to track the status of procurement and other operational transactions and determine lead times for each transaction. The Country Office was not using the Global Service Tracker for its services.

The IAS personnel survey results showed that:

- Lack of workflows and clear roles and responsibilities affected the performance of the operations team and the timely processing of key transactions. This has significantly impacted the delivery of the Country Office's programmes and caused undue stress on programme teams who felt they were not adequately supported.
- Personnel stated they need additional support from the Regional Office/headquarters in terms of processing of procurements, which suggests that capacity in the office was not optimal. Other areas where additional support was requested were HR and finance, partner engagement, monitoring and reporting, and evaluation.

Recommendation 7 (Medium):

The Country Representative to incorporate discussions about standards of conduct, awareness of key policies, duty to report and how to report potential misconduct and fraud risks into existing management and all-hands meetings on a regular basis. Where assistance is needed for the substance or structure of these discussions, the Country Representative could contact the Ethics Focal Point in HR, the ERM Officer or IAS.

Recommendation 8 (Medium):

The Country Representative to implement a centralized, electronic filing system particularly for operations and other documents; ensure workflows are available for all transactions and indicators are in place to measure efficiency; and start drawing benefits from local use of the Global Service Tracker.

Observation 8: Improving data, knowledge and records management

The Country Office's data, knowledge and records management needed some improvement in the following areas:

- Data on compliance with mandatory training was not properly reflected in corporate systems and is significantly underreported. Manual data provided by the Country Office reported in Observation 8 above suggests higher compliance rates.
- RMS data shows that the 2021 annual report has not been uploaded in the system.
- The Country Office did not complete the Information Security Compliance Assessment in 2021.

Recommendation 9 (Medium):

The Country Representative to ensure that focal points for data entry into corporate systems are assigned and trained; and mandatory training and associated reporting is complete and reconciled.

Observation 9: Follow-up and sustained implementation of oversight recommendations

The Country Office had not been audited in the recent past despite being one of the biggest offices in the Asia-Pacific region.

However, six of its programme partners selected for external audit by the PPID programme support and management unit for their 2021 financial expenditure, resulted in financial audit findings and five of the six partners received qualified reports. There is a need to actively follow up on these audit recommendations to ensure that the findings are addressed as implemented. As mentioned in Observation 5, capacity building needs to be actively developed as a preventive measure. Eight partner audits had open financial findings of almost US\$ 42,000.

In addition, there are some long overdue evaluation report recommendations from the Country Portfolio Evaluation conducted in 2019 and final evaluation of the Equality for Progress and Planim Save Kamap Strongpela Project in 2016. Two key Country Office projects – Markets, Economic Recovery And Inclusion (Meri) 11 and Safe and Prosperous Districts – are due for evaluation towards the end of 2022. The Mid-Term Review of the current Strategic Note has not been conducted. The Country Office plans to use the 2019 Country Portfolio Evaluation and other programme evaluations to inform its new Strategic Note.

Recommendation 10 (Medium):

The Country Representative to establish mechanisms to ensure regular evaluation of its key priorities and programmes, and a consistent and close monitoring of agreed actions from oversight reports to ensure they are implemented and reported on a timely basis.

C. Operations

See Background section for details. According to the Atlas Purchase Order report, the Country Office raised 553 purchase orders between 2020 and 2022 for procurement of goods and services totalling US\$ 2.3 million; 666 purchase orders for travel-related expenses totalling US\$ 1.01 million; and 61 purchase orders for short-term consultants totalling US\$ 1.2 million. Eighty-six per cent of purchase orders issued by the Country Office are within the US\$ 50,000 request for quotation limit, meaning that the office can fulfil its needs through micro purchasing (478 purchase orders for US\$ 713,150) or request for quotation (58 purchase orders for US\$ 697,970). The Country Office had an Administrative Associate (G7) who supported the Operations Manager in HR management. At the time of audit, the Country Office did not have a Procurement Associate, but does have a designated buyer and an alternate buyer.

The Country Office has physical presences in Port Moresby and Buka, and staff presence in Tari and Wabag. The Country Office also has vehicles in Goroka, Buka and Wabag to meet its programmatic needs.

IAS reviewed the Country Office's operations function, covering Business Operations Strategy, HR, procurement, financial management, travel management, asset management and ICT security management. IAS assessed that procurement needs major improvement, e.g. timely planning; expanding the Country Office's existing vendor database which is used for procurement actions below US\$ 50,000; and improving supporting documentation for procurement activities. The Country Office could benefit by reviewing the causes of high personnel turnover. Moreover, the office needs to improve workflows to reduce delays in payments and late receipt of invoices from vendors. The Country Office also needs to strengthen its asset management by rectifying issues from the physical verification exercise and updating the in-service report.

KEY OBSERVATIONS AND CONCLUSIONS

Observation 10: Proactive participation in the United Nations Business Operations Strategy

Review of the uploaded documents in the UN Business Operations Strategy website showed that the strategy has been endorsed by participating UNCT members. However, it was noted that supporting evidence for completion of the quality assurance process had not been updated and the system listed quality assurance as to be completed and signed off.

Total cost avoidance reported by the UNCT in Papua New Guinea was US\$ 4.0 million. Cost avoidance reported by UN Women was US\$ 200,000. As Chair of the Operations Management Team, UN Women has taken a leadership role in ensuring development of the Business Operations Strategy. The strategy calls for "strong focus on

mainstreaming gender across common services"; however, limited action has been taken by UN Women on this focus area to date. Moreover, UN Women reported potential cost savings of US\$ 9,000 as per the Business Operations Strategy dashboard. Apart from UNICEF with US\$ 1.4 million of savings identified, UN Women appears in line with other entities. The main streams of UNCT cost avoidance include travel services (US\$ 1.4 million), printing services (US\$ 1.2 million), security services (US\$ 485,000), internet connectivity (US\$ 463,000) and transport services (US\$ 243,000).

Advisory Note:

IAS encourages the Country Office to proactively participate in the Business Operations Strategy annual review process and make substantive use of common services (procurement and long-term agreements, recruitment services, programme partner capacity building, travel, aviation and transport management, training and

other services) and by providing data on the actual benefits realized. The Business Operations Strategy also requires further gender mainstreaming in terms of gender-responsive procurement and other initiatives.

Observation 11: Improving procurement planning and documentation

At the time of audit, the Country Office did not have dedicated procurement personnel; however, recruitment was under way. The Country Office did not have a clearly articulated procurement strategy document. A procurement strategy should consider the office's procurement needs; an analysis of the prevailing procurement landscape and market conditions in the country; an assessment of key risks; a design for the procurement function in the office; and discussion of any other requirements specific to the country context.

Review of a sample of procurement processes found that policies and procedures were generally followed: competitive procurements were publicly advertised; bids were evaluated through the establishment of an evaluation committee; and award decisions were reviewed by the local procurement appraisal committee in line with procurement policy. There were indications of the need for improvements in the number of bids solicited against requests for quotations. IAS further noted that:

- Although the Country Office maintained an informal list of vendors, it had not performed a formal market research exercise to update the list of vendors. The list was used for all procurement actions below US\$ 50,000, which represented the office's main type of procurement. Without regular update of the list, there is a risk of lack of competition and potential integrity issues.
- The Country Office was late in fully adopting the e-procurement system, citing difficulties in using the system, primarily by vendors who sometimes have challenges creating and using accounts. The new Operations Manager made the use of e-procurement mandatory and has developed some workarounds for vendors to use the system, including training courses and workshops.
- The Country Office completed most of its work remotely during COVID-19. As a

result, many key files and information were contained in emails and not organized into relevant procurement files. An electronic filing system for procurement is needed to ensure completeness of the audit trail (see Recommendation 8).

Recommendation 11 (Medium):

The Country Representative to:

- (a) Complete the recruitment and onboarding of procurement personnel.
- (b) Devise a procurement strategy for the office.
- (c) Conduct formal market research and maintain a vendor database, particularly for those goods and services not procured via long-term agreement.

Observation 12: Strengthening HR management

The Administrative Associate supported the Operations Manager in HR related matters. IAS observed that the recruitment process had bottlenecks and delays in recruitment processes. The IAS survey indicated a need for proper orientation of newcomers, as personnel are asked to directly immerse themselves in their roles without proper orientation.

Based on the audit, HR management in general appeared satisfactory, including recruitment compliance, performance management and staff development. Some improvement is needed to address the causes of high staff turnover and to boost the HR team's capacity for unplanned workload due to departures and new recruitment.

Selection of individual consultants: Of the five SSA recruitments sampled, four were published on the UNDP job website, while one was a direct sole source selection. Review of a sample of selection of various types of personnel indicated that the proper processes were generally followed. In two selections, the second preferred candidate was chosen, despite the first preference scoring higher: the reasons for the decisions were not documented. IAS was told that the first candidate declined the offer. The

Country Office stated it will ensure its selection decisions are properly documented in future.

High personnel turnover: The Country Office experienced relatively high turnover of personnel during the audit period. From 2020 to 2021, eight individuals on fixed-term appointments left the office, as did seven individuals on service contracts and four UN Volunteers. This, along with corroborative interviews, indicates challenges in retaining personnel. The high turnover of personnel brings additional workload to the small HR team, in addition to recruiting the vacant positions planned in the office structure. Turnover is due to a range of reasons: one major reason is that personnel found better opportunities and career progression elsewhere. Career opportunities were seen as limited in the office. The UN local salary scale in Papua New Guinea is not seen as competitive. Results of the salary survey are long overdue and are needed to attract more competent staff to the organization.

Performance management: The Performance Management and Development (PMD) Dashboard shows that the Country Office had a 100 per cent year-end PMD completion in 2019. For 2020, the PMD completion rate was 76 per cent, and 70 per cent for 2021. This shows need for improvement. On a positive note, non-staff personnel receive performance evaluations and there was evidence of regular discussions with supervisors.

Staff development and learning: The Country Office maintains a learning and development plan in which personnel can submit requests for training. The Operations Manager and team develops an annual training plan which includes many online training opportunities. The Operations Manager also reorganized the team so personnel not only backup their colleagues, but also learn new skills. In addition, the office makes an effort to send colleagues to regional training as both a learning and development and motivational tool.

Recommendation 12 (Medium):

The Country Representative, in consultation with the Regional Human Resources Business Partner, to establish mechanisms to sustainably address the personnel selection, turnover and personnel management issues raised in

this report.

Observation 13: Strengthening financial management

Country Office management implements reasonable control processes for budgeting, accounting and financial management in accordance with relevant UN Women regulations and rules, policies and procedures. However, some areas for improvement were noted.

IAS learned that, on occasions, UN Women has made delayed payments to suppliers outside of standard payment terms. This can impact other UN entities: if one UN entity delays payments, IAS was informed that sometimes the supplier does not let other UN entities make bookings or purchases until the payments are up-to-date. A review of voucher payment information showed that the average time between invoice date and voucher creation date was 47 days, while the standard payments terms in Papua New Guinea is 30 days. Of 1,710 vouchers raised since 1 January 2021, 411 were raised more than 30 days after the invoice date recorded in Atlas. Some of these delays could be due to delayed delivery or service provision by the vendor. However, this does not account for all instances and corroboration of the feedback received indicates that delayed payment is an issue that needs to be resolved. Reportedly, invoices are sometimes not received for a very long time. In other instances, there were disputes with travel agents or other long-term agreement holders that may delay payment.

Recommendation 13 (Medium):

The Country Representative to implement a mechanism to track the timing of payments and reduce the time taken to make payments, including the timely receipt of invoices from vendors.

Observation 14: Strengthening asset management

Country Office management implemented adequate and effective systems and procedures for safeguarding physical assets and complied with relevant UN Women policies, rules and procedures. Based on a sample of assets reviewed, no significant issues were identified. Non-capital assets were also tagged and tracked, including furniture and other small items. However, the year-end asset certification for 2021 noted some discrepancies that were in the process of being resolved:

- Some assets that had reached their useful life and had been identified for disposal were still appearing in the asset in-service report.
- Some asset numbers could not be physically verified because the assets were in the custody of a former senior staff member, who had mistakenly taken the item to a new role.
- Some asset numbers have not been assigned a custodian in the system.
- The CCTV cameras were not functional.
- One asset was listed as stolen but is still appearing in the in-service report and should be removed.
- Some assets were not found during physical verification and were still at the office's previous location.

Moreover, the Country Office recently switched to a cloud-based server. This means the server room and equipment are now redundant. This equipment should be sold or disposed of in accordance with relevant UN Women policy, procedure and guidance as it is no longer in use by the office.

The main cause for these discrepancies appeared to be lack of dedicated time available for asset management functions.

Recommendation 14 (Medium):

The Country Representative to ensure that the discrepancies identified in the 2021 year-end asset certification are resolved, especially those which impact the asset register.

Observation 15: Strengthening safety and security management

There were challenges associated with ongoing elections, and the audit team was only able to visit the Port Moresby office. The Country Office did not have a dedicated security officer: the Operations Manager was responsible for security-related matters; ensuring compliance with security management; and was supported by the driver/clerk who was also the security focal person, with the executive assistant also acting as the second alternate security focal point. The Country Office benefited from co-location with other UN entities, and the premises were secured by private security companies. The Country Office has physical presences in Port Moresby and Buka, and staff presence in Tari and Wabag. According to the Security and Safety Compliance Surveys (SSCSs) for the Country Office, one project personnel was located in the UNDP Buka Office, one project personnel was located in the UNDP Tari Office, and one personnel was based in Mendi working on the GYPI Highlands Project. All other personnel were located in the main office in Port Moresby.

IAS reviewed the annual SSCSs for all locations, and the observations appear reasonable. They included the need for completion of SSAFE training, which is yet to be organized by UNDSS for relevant personnel. Survey findings also indicated that 77 per cent of personnel had completed the mandatory BSAFE training.

One building in Buka was not appropriate for disabled persons. UNDP was looking for a new building. One further survey finding in Tari advised UNDP to arrange badges to identify visitors. Gaps noted in the SSCSs cover areas requiring joint implementation by the lead agency at the UN Women Country Office's location.

IAS notes the SSCSs for 2022 were all in draft. Three of the four SSCSs for 2021 have been submitted, with the Mendi sub-office SSCS still listed as in draft in the system.

Recommendation 15 (Medium):

The Country Representative to ensure that personnel's timely completion of mandatory security training courses; and the Safety and Security survey is timely submitted for all field locations.

III. RECOMMENDATIONS AND MANAGEMENT ACTION PLAN

Observation	Recommendation	Responsible Unit	Priority	Action Plan	Implementation date
1.Strengthening stakeholder communications	Recommendation 1 The Country Representative to update the Communications and Knowledge Management Strategy to include a dedicated monitoring framework with key performance indicators, targets and measurable outputs, as well as an implementation plan to operationalize it. The strategy should also include analysis of common communications needs across programmes, including methods to coordinate and pool time and resources so the communications function is efficiently and sustainably funded.	PNG CO	Medium	Management will consolidate communication needs across the AWP 2023 and pilot the engagement of a Communications contractor to provide support on programme communications; the communications and KM strategy will be revised as part of the next Strategic Note.	30 June 2023
2.Improving gender equality and empowerment of women coordination efforts	Recommendation 2 The Country Representative to: (a) (a) Identify key performance indicators for its coordination strategy. These could include implementation of UNCT-SWAP scorecard recommendations addressed to the Gender Theme Group led by UN Women; an indicator to monitor the effectiveness of the Gender Theme Group and working groups with other partners; an indicator to monitor the gender mainstreaming of the UN Sustainable Development Cooperation Framework and an increased number of joint programmes. (b) Develop UN Women’s coordination strategy in Papua New Guinea and monitor its effective implementation.	PNG CO	Medium	The CO has already made significant progress on strengthening its coordination since the time of the audit. Key actions already taken include reconstituting the Gender and Human Rights working group and it held its inaugural meeting, initiating a Gender donors group. and formulation of its Strategic Note which will include a partnerships and coordination strategy. Over 30% of the CO programme in 2022 and 2023 has been delivered through joint programmes. The Management will therefore ensure The Gender and Human Rights group meets at least semi-annually and oversee the implementation of the UN SWAP Scorecard action plan. Instead of a separate coordination strategy, management proposes that this should be embedded in the next Strategic Note. In the meantime, the CO incorporates UN system coordination results and activities in the Annual Workplan	30 September 2023
3.Updating the Resource mobilization strategy	Recommendation 3 The Country Representative to update the resource mobilization strategy to include newer objectives and approaches.	PNG CO	Medium	The CO has already initiated donor intelligence and consolidating relevant data/ information. It is also mapping the private sector partners in PNG. Once the UNSCDF is finalised and a new strategic note is developed, drafting of new RM strategy will take place and will be completed by the 4th Quarter of 2023.	31 December 2023
4.Enhancing programme and project management in terms of governance, design, risk management and oversight	Recommendation 4 The Country Representative to strengthen project portfolio management by submitting timely and accurate donor reports; creating a mechanism of regular communication between stakeholders involved; and by having clear exit strategies in project documents, which are revisited and adjusted during implementation. The monitoring and evaluation framework should map all stakeholders involved in monitoring to ensure that the monitoring and evaluation function validates data in the reports for accuracy and completeness, and to independently monitor activities (post-implementation reviews, impact assessments, contacted sampled beneficiaries, etc.).	PNG CO	Medium	The Office is taking steps to strengthen staff capacity in project management. In September 2022, 6 project staff participated in a regional training on programme management. The case of WPHF delayed reporting was an isolated case which has been managed through the staff changes that have been affected since July 2022. The position of Program management Specialist (responsible for programme compliance) (NOC) has been filled since December 2022. M&E Specialist to develop and lead implementation of CO monitoring plan based on approved MERP. Management to review implementation of CO monitoring plan and recommendations on a quarterly basis.	31 March 2023
	Recommendation 5 The Country Representative to strengthen the Country Office’s project management process to include: (a) Regular monitoring and post-implementation assessments, carried out independently of partners, to measure impact and beneficiaries’ satisfaction with UN Women interventions. (b) Grievance mechanisms which beneficiaries are aware of. (c) Transparent delivery of agreed services, per diems and manuals.	PNG CO	High	CO actively evaluates its programmes. For example, in 2022, 2 evaluations were completed, namely mid- term assessment of the Spotlight and end of project evaluation of Sustaining Peace in Bougainville and evaluation for the Women Make Change programme is planned to take place in Q1 of 2023. Annual assessment of the MERI 2 , SPD programmes was undertaken in November 2022. CO to engage implementing partners on establishment of grievance mechanisms that can be communicated to beneficiaries. CO to prepare a standard workshop logistics note to ensure standard practice across programmes within the office. CO to utilize a workshop checklist that helps teams to keep track of workshop material requirements such as pre and post training assessments, manuals etc.	31 May 2023
5.Strengthening programme partner management	Recommendation 6 (High): The Country Representative to strengthen programme partner management by developing and implementing plans to address gaps identified during partners’ capacity assessments and by monitoring the effectiveness of these efforts to update partners’ risk profiles.	PNG CO	High	Management agrees with IAS recommendations and conclusion and states that most of the gaps in this area emanate from low partner capacities. The Country Office has recruited a consultant to oversee CSO Capacity Development. An additional Finance and Admin Officer focussing on the EVAW portfolio has been planned for in Phase II of Spotlight. Moreover, all programme partners were trained in PSEA. The CO will strengthen partner assessments and continue to train and refresh these partners in 2023 based on the gaps identified. Follow up on development and application of their respective PSEA policies will be prioritised. 21 persons from 10 NGO partners have completed Fraud and Corruption training in August 2022.	a) 31 August 2023
7.Strengthening the working and control environment, and fraud prevention	Recommendation 7 The Country Representative to incorporate discussions about standards of conduct, awareness of key policies, duty to report and how to report potential misconduct and fraud risks into existing management and all-hands meetings on a regular basis. Where assistance is needed for the substance or structure of these discussions, the Country Representative could contact the Ethics Focal Point in HR, the ERM Officer or IAS.	PNG CO	Medium	A three days internal discussion and learning session will be planned in 2nd Quarter of 2023 to familiarise/refresh on the existing policies/ procedures and work flow. An annual learning plan will be finalised within the first quarter to incorporate the topics for in house learning on a fortnight basis.	30 June 2023
	Recommendation 8 The Country Representative to implement a centralized, electronic filing system particularly for operations and other documents; ensure workflows are available for all transactions and indicators are in place to measure efficiency; and start drawing benefits from local use of the Global Service Tracker.	PNG CO	Medium	CO will establish the local use of GST in close collaboration with RO/HQ during the 1 st Quarter in 2023. All financial, HR and procurement, security documents will be reorganised in share point and will be updated latest by 2 nd Quarter of 2023.	30 June 2023
8.Improving data, knowledge and records management	Recommendation 9 The Country Representative to ensure that focal points for data entry into corporate systems are assigned and trained; and mandatory training and associated reporting is complete and reconciled.	PNG CO	Medium	(i) The monthly data on HR detail generated by HR Focal person from OneApp- HR validation will be further verified by the respective Program Managers in a monthly basis before finally validating in the system. (ii) The Status of mandatory training compliance will be reviewed in a monthly basis (during All staff meeting and/or ME closure meeting).	31 March 2023, 2023
9. Follow-up and sustained implementation of oversight recommendations	Recommendation 10 The Country Representative to establish mechanisms to ensure regular evaluation of its key priorities and programmes, and a consistent and close monitoring of agreed actions from oversight reports to ensure they are implemented and reported on a timely basis.	PNG CO	Medium	The CO already updates its management actions on evaluations and audit findings. During quarterly reviews, the office re-assesses its priorities and adjusts where necessary. Accordingly. the CO will I establish an online document that records decisions taken on key priorities and review the status of the recommendations on a quarterly basis in management meetings. Regular meetings with Programme Managers and leads for different portfolios will be established as a key mechanism for review of priorities and monitoring of agreed actions	30 June 2023

Observation	Recommendation	Responsible Unit	Priority	Action Plan	Implementation date
10. Improving procurement planning and documentation	Recommendation 11 The Country Representative to: (a) Complete the recruitment and onboarding of procurement personnel. (b) Devise a procurement strategy for the office. (c) Conduct formal market research and maintain a vendor database, particularly for those goods and services not procured via long-term agreement.	PNG CO	Medium	(i) Procurement Associate (G6) already onboarded from August 2022. (ii) There has been now more clarity on the formulation of procurement strategy and the CO will prepare its strategy within 1 st qtr of 2023. (iii) Activity plan and budget has been allocated in 2023 for a market research. Contracts will be established with relevant vendors to provide recurring services to run the program events.	31 March 2023
12.Strengthening HR management	Recommendation 12 The Country Representative, in consultation with the Regional Human Resources Business Partner, to establish mechanisms to sustainably address the personnel selection, turnover and personnel management issues raised in this report.	PNG CO	Medium	The CO has recruited an additional HR assistant to increase the capacity. Improvement of efficiency in HR management will be further discussed during Functional Analysis planned in March, 2023. The challenges with difficulties in finding suitable candidates and with staff turnover relate to our operating context. Other agencies are also facing similar challenge. Management will also discuss with the RC/UNCT.	30 April 2023
13.Strengthening financial management	Recommendation 13 The Country Representative to implement a mechanism to track the timing of payments and reduce the time taken to make payments, including the timely receipt of invoices from vendors.	PNG CO	Medium	With the introduction of Quantum system, this will be properly tracked. Management will periodically review the data (log sheet) and will take appropriate actions in time.	30 June 2023
14.Strengthening asset management	Recommendation 14 The Country Representative to ensure that the discrepancies identified in the 2021 year-end asset certification are resolved, especially those which impact the asset register.	PNG CO	Medium	CO has already followed up with the previous staff members to recover the asset item and have received confirmation to return the same. The CO will continue to follow up to the concerned staff and close this issue before 2 nd Quarter 2023	30 June 2023
15.Strengthening safety and security management	Recommendation 15 The Country Representative to ensure that personnel's timely completion of mandatory security training courses; and the Safety and Security survey is timely submitted for all field locations.	PNG CO	Medium	(i) CO will ensure that all staff complete the remaining mandatory training within 1 st Qtr and report to the HR and their supervisors. It will also allocate a dedicated time to learn and complete the courses. Completion of mandatory training will also be part of performance review of staff (ii) Since there is no any formal existence of Mendi office in 2021 but only a few personnel deployed to work from Mendi, security assessment was not required. In 2022, the record has been removed from the system in collaboration with the Regional Security advisor.	28 Feb 2023

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 management, either during the exit meeting or through a separate memorandum subsequent to the fieldwork. Therefore, low-priority recommendations are not included in this report.

