COUNTRY OFFICE AUDIT

INTERNAL AUDIT REPORT
UN WOMEN COUNTRY OFFICE IN CENTRAL AFRICAN REPUBLIC

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INDEPENDENT EVALUATION AND AUDIT SERVICES (IEAS)
Internal Audit Service (IAS)
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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 Country Office in Central African Republic (the Country Office) from November 2022 to February 2023.

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 subareas:

- **Strategic priorities, programmes and project management**: strategic positioning, priorities setting, coordination of gender mainstreaming, advocacy and resource mobilization, programme and project management, and management of programme partners.
- **Governance, risk management and internal control system**: office structure and delegations 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 audit covered the state of governance, risk management and internal controls based on a sample of Country Office activities related to strategic priorities and programme from 1 January 2018 to 31 October 2022. For operations controls, the sample covered transactions from 1 January 2020 to 31 October 2022. Atlas-recorded expenditure for the Country Office totalled US$ 3.2 million in 2020, US$ 4.1 million in 2021, and US$ 2 million in October 2022.

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

As part of its regular audit procedures, IAS conducted two anonymous surveys of Country Office personnel and programme partners, with 91 per cent (20 out of 22) and 25 per cent (4 out of 16) response rates, respectively. The results of both surveys have been incorporated throughout the report where relevant.

Audit opinion and overall audit rating

IAS recognizes that the Country Office has been operating in a difficult context. Moreover, only in January 2022 it received a delegation of authority as a Country Office and has been transitioning to this country typology. Despite the challenges, stakeholders interviewed by IAS appreciated UN Women's programmes and initiatives in the country. IAS acknowledges several achievements and good practices by the Country Office. For example:

- UN Women helped the government to carry out a needs assessment of the National Recovery and Peacebuilding Plan 2018–2021 and expedited the establishment of a gender working group which solidifies the government's commitment to gender equality in the context of the National Recovery and Peacebuilding Plan.
- UN Women worked directly with the Office of the President to draft the decree and operational strategy on gender issues and helped establish the strategic committee to address the issues. The Country Office also helped the government to develop a strategy for women's empowerment.
- In 2021, the Country Office conducted a discriminatory law study and developed the recommendations and action plans endorsed by the government.

- The Country Office led the development of the country gender profile and ensured the gender lens was incorporated in the Common Country Assessment and UN Sustainable Development Cooperation Framework.
- Other UN organizations leverage UN Women's work and reports from common interventions.

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."

IAS assessed the following areas as **Major Improvement Needed** due to the severity of the potential risks, which, if not addressed adequately, could significantly affect the achievement of the Country Office objectives: inadequate project oversight; inadequate design and implementation of cash-based interventions and risks in construction-related interventions; sustainability of critical personnel positions; procurement planning, capacity and execution; Information and Communications Technology controls; and managing security of personnel and assets.

IAS identified the following areas for enhancement to consolidate good practices and lessons learned, and to advance the Country Office's mandate and priorities:

- **Strategic priorities, programme planning and implementation**: The Country Office was still in transition from a programme presence to a country office, and there were competing and varying expectations related to UN Women's integrated mandate that need to be managed, including through defining the vision and strategy for advocacy and coordination. The UN System-Wide Action Plan for gender equality was recently established and needs to be monitored for implementation. Resource mobilization targets for the new Strategic Note might be difficult to achieve given the changing resource mobilization situation and reliance on a few donors. The definition, data validation and result-focused monitoring of some performance indicators was not always adequate.

- **Management of projects and programme partners**: Programmatic oversight and governance was not always adequate, contributing to issues with project design, project sustainability, adherence to donor agreements and reporting requirements, extensions and delays in the closure of projects, and inadequate management of project risks, including those around working with beneficiaries. Furthermore, the selection and management of programme partners did not always embed value for money principles and sound risk management, resulting in the untimely clearance of advances, performance issues and high value financial findings from partner audits. The Country Office engaged in construction and cash-based interventions which needed better design and oversight, including risk-focused monitoring and clearer linkage to UN Women's mandate and comparative advantage.

- **Governance, risk management and internal controls**: Some conditions raised by the Business Review Committee related to draw-down/exit strategy and resources had not yet been fulfilled after the change of typology. The structure of the Country Office was highly dependent on non-core funding and volatile personnel contracts resulting in challenges with its human resources sustainability. The assessments of operational and fraud risks needed improvement. In some instances, accountability lines for complying with policies, procedures and guidance between teams were vague.

- **Operations**: There is a need to improve personnel development and personnel engagement processes in the context of changing priorities. The Country Office did not have a procurement strategy to guide its procurement planning and contracting; and the capacity to execute local procurement processes could be improved. Insecurity in the country requires investment in security measures, but the Country Office's security budget was insufficient. There were also weaknesses in processes related to ICT, assets and travel.

IAS made 20 recommendations to address the areas for improvement, 4 of which are ranked as high priority, 16 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."* The four high priority recommendations focused on:

Recommendation 6: The Country Representative to strengthen oversight and monitoring of project duration, closure dates and capacity for implementation. This may include budgeting for project technical positions, timely recruitment, monitoring compliance with donor agreements, proactive risk management of individual projects and monitoring results-focused spending of short-term projects.

Recommendation 9: The Country Representative to strengthen the Country Office's procedures to determine the gaps, needs and priorities of targeted beneficiaries, to influence the design of relevant and sustainable cash-based interventions; establish a monitoring framework with a set of indicators to systematically capture data on monitoring, oversight and learning, and follow-up on cash-based interventions undertaken by programme partners; and design a stronger theory of change for income-generating activities to demonstrate results and the post-implementation impact on beneficiaries.

Recommendation 10: The Country Representative to strengthen governance processes and controls for construction projects to ensure compliance with PPG; minimize partner agreements with construction-related activities; and engage construction experts for contract design and monitoring.

Recommendation 20: The Country Representative to consult the Senior Security Adviser in headquarters and the Regional Office for adequate allocation of funding to enhance security controls and provide the security equipment recommended as necessary by UNDSS; and request that the Regional Security Specialist conduct a thorough assessment of compliance with security management policies and recommendations from UNDSS.

The 16 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"*. These recommendations focus on formalizing a coordination strategy; monitoring of the resource mobilization strategy and targets; enhancing the data collection and validation for indicators; strengthening project design to ensure timely implementation of projects; accountability to beneficiaries; risk-focused management of partner agreements and implementation of partner audit recommendations; functional job analysis and clarity of accountability lines; objectivity in operational and fraud risks assessments; and improving operational processes.

Management comments and action plan

The Country Representative accepted the above recommendations and provided action plans which are included in this report. The Regional Office has also committed to strengthen the support it provides to the Country Office and will help implement the recommendations. 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, Director
Independent Evaluation and Audit Services

ACRONYMS AND ABBREVIATIONS

AWP	Annual Work Plan
CoA	Chart of Accounts
CSO	Civil Society Organization
DRF	Development Results Framework
FTA	Fixed-term Appointment
IAS	Internal Audit Service
ICT	Information and Communication Technology
IEAS	Independent Evaluation and Audit Services
OEEF	Organizational Efficiency and Effectiveness Framework
PSMU	Programme Support Management Unit
RMS	Results Management System
RPAC	Regional Project Appraisal Committee
SC	Service Contract
SSA	Special Service Agreement
UNCT	United Nations Country Team
UNCT-SWAP	UN System-Wide Action Plan
UNV	United Nations Volunteer
UN Women	United Nations Entity for Gender Equality and the Empowerment of Women

I. BACKGROUND

UN Women has worked in Central African Republic since 2015 as a Programme Presence Office and upgraded to a fully-fledged Country Office typology in January 2022 following a request from the West and Central Africa Regional Office to the Business Review Committee in March 2021. The Head of the Programme Presence Office was recruited in March 2019 and received Delegation of Authority in August 2020 as an acting Head of Office. The Country Office reports to the West and Central Africa Regional Office. The Country Office is located in Bangui and does not have any field sub-offices. During its existence as a Programme Presence Office, the management oversight function was by the Regional Office.

UN Women's work in Central African Republic is relevant because of high gender inequality in the country that mostly disadvantages women and girls. There are several challenges for the Country Office which could adversely impact its programme and operations, which are beyond the office's control. These challenges include a negative macroeconomic outlook and heightened costs of importation and supply chain, which impacts availability, quality, and price of commodities and services.

- The 2020 gender inequality index was 0.68 and ranked Central African Republic 159 of 189 countries; the share of seats in parliament held by women was 8.6 per cent and the labour force participation rate for women was 64.4 per cent compared to 79.8 per cent for men.[1]
- Central African Republic faced challenges in achieving the Sustainable Development Goals: in 2022, it had a score of 38.29 of 100 and ranked 162 of 165 countries.[2]
- The 2022 INFORM global risk index ranked Central African Republic 6 of 191 countries, indicating a very high risk for humanitarian crises and disasters.[3]
- The Transparency International Corruption Perception Index score in 2021 was 24 of 100 and ranked Central African Republic 154 of 180 countries.[4]
- The country has been affected by protracted civil war and humanitarian crisis, thus hindering access to project areas and posing major hindrances to UN Women operational capacity, in many cases relying on local programme partners was the only option in order to reach out to communities, while the capacity of local partners is quite weak and requires significant efforts from the Country Office in capacity development and close monitoring.

The Country Office mainly focused on four thematic areas: women's political participation (WPP) and leadership; women's economic empowerment (WEE); elimination of violence against women (EVAW); and women, peace and security (WPS. As there was no requirement for a Programme Presence Office to develop a Strategic Note, the office instead worked with annual work plans. The 2022 Annual Work Plan included 9 Outcomes under the Development Results Framework (DRF). It also included 18 Outputs under the Organizational Efficiency and Effectiveness Framework (OEEF). However, after its transition to a Country Office, in December 2022 the office finalized its first Strategic Note for 2023–2027 and submitted it for endorsement by the Headquarters Peer Review Group.

As of 17 October 2022, according to the OneApp HR dashboard, the Country Office employed 2 personnel with fixed-term appointments (Representative/P5 and a Finance Associate/G7); engaged 13 individuals on service contracts (SCs); 1 consultant on a Special Service Agreement (SSA); had 2 temporary appointments (Programme Specialists WPS and WPP both P3s) and 4 United Nations Volunteers (UNVs).

[1] https://hdr.undp.org/data-center/thematic-composite-indices/gender-inequality-index#/indicies/GII
[2] https://dashboards.sdgindex.org/rankings
[3] https://drmkc.jrc.ec.europa.eu/inform-index/INFORM-Risk/Country-Risk-Profile
[4] https://www.transparency.org/en/cpi/2021

Table 1 - Office's budget and expenditure

Description	2018	2019	2020	2021	2022
DRF budget target	1,188,570	3,204,347	4,770,275	3,390,063	3,239,610
DRF actual budget	1,002,178	2,218,723	3,322,643	3,099,673	2,321,756
Resource mobilization	84%	69%	70%	91%	72%
DRF expenditure	684,457	2,055,398	3,023,351	2,582,391	1,453,800
Financial Implementation	68%	93%	91%	83%	63%
OEEF budget target	212,950	261,419	346,148	650,383	819,953
OEEF actual budget	325,347	248,787	380,468	871,594	938,459
Resource mobilization	153%	95%	110%	134%	114%
OEEF expenditure	292,350	273,329	342,888	978,294	1,325,302
Financial Implementation	90%	110%	90%	112%	141%
Total budget target	1,401,520	3,465,766	5,116,423	4,040,446	4,059,563
Total actual budget	1,327,525	2,467,510	3,703,111	3,971,267	3,260,215
Total expenditures	976,807	2,328,727	3,366,239	3,560,685	2,779,102

Source: RMS delivery rate and OneAPP project delivery as of 9 February 2023

For the period under review (2018–2022), the country field programme comprised 26 non-core funded projects with a total budget of US$ 12.1 million, funded by a range of donors, including:

- Government funding for eight projects amounting to US$ 2.2 million.
- Multilateral donor funding for 15 projects amounting to US$ 9.7 million.
- Private sector funding through National Committees for two projects amounting to US$ 108,000.
- Other funding for one project amounting to US$ 47,300.

It should be noted that some projects were implemented as corporate or regional allocations or led by other UN entities as part of joint programmes. Atlas-recorded expenditure for the office totalled US$ 3.2 million in 2020, US$ 4.1 million in 2021, and US$ 2 million in October 2022. Overall, this consisted of: staff costs (22 per cent); other personnel costs (31 per cent); goods and services (22 per cent); maintenance, utilities and common services (4 per cent); personnel travel (5 per cent); training and hospitality (9 per cent); and support costs (8 per cent). Twenty-three per cent of total expenditure was incurred through liquidation of advances or reimbursements to programme partners.

II. AUDIT RESULTS

A. Strategic priorities, programme planning and implementation

See Background section for key information on challenges, strategic priorities and programmes. During the period 2020–October 2022, the office worked with 17 programme partners. During the same period, the partner agreement management system recorded 15 partner agreements with a start date from 2019 valued at approximately US$ 3.4 million. The office participated in several platforms that address the needs of women and girls as a convener and co-chair with other UN organizations.

IAS reviewed the office's strategic positioning, setting of priorities, coordination of gender mainstreaming, advocacy, communication, resource mobilization, programme management and programme partner management. Key achievements and best practices include:

- The office developed a Strategic Note for 2018–2022 although it was not required for a Programme Presence Office. Finalization of the new Strategic Note for 2023–2027 was under way.
- The office participated in joint programmes and coordination forums in the country. The office was also able to help other UN organizations design gender-sensitive approaches to programmes implementation.
- The study UN Women conducted on barriers for women in the 2020 elections was well received and assessed as valuable by stakeholders.

Based on the audit work performed, IAS assessed communication and advocacy as satisfactory. Some improvement was needed in UN coordination of gender mainstreaming, resource mobilization, definition of performance indicators and monitoring implementation of work plans, and project and programme implementation, project design, project oversight, management of programme partners and follow-up or monitoring of programme partner audits. Furthermore, major improvements are needed in the way the Country Office engages in cash-based interventions and construction/rehabilitation activities. Detailed observations are outlined below.

KEY OBSERVATIONS AND CONCLUSIONS

Observation 1: Strategic partnerships and communications

Country Office management understands UN Women's mandate, role and expectations in the country; however, it did not have sufficient resources and capacity to fully address the sometimes-varying expectations of external stakeholders. Prior to 2022, UN Women in Central African Republic was a Programme Presence Office, which implies a focus mainly on programme implementation without significant capacity to invest in the Entity's normative and coordination mandates if not budgeted for in programmes. External stakeholders do not always distinguish between a programme presence typology from a fully-fledged Country Office. IAS summarized external stakeholder feedback that it collected during the audit as follows:

- Several stakeholders confirmed that the Country Office prepared valuable reports and material for the UN Country Team (UNCT) and government stakeholders on gender equality and women's empowerment aspects for important political milestones.
- The Country Office has the convening power to engage with government institutions and other key stakeholders on gender equality and women's empowerment. However, it needs to enhance collaboration efforts with other UN organizations to

ensure the technical/speciality areas of these organizations continue to have a gender lens.

- The capacity of the government is still low/limited; therefore, there is a need to continuously build government capacity to undertake advocacy work for gender equality and women's empowerment.
- Some stakeholders perceived mandate creep between UN organizations involved in gender mainstreaming and competition for funding. UN Women would benefit from clearly articulating its value proposition versus other UN organizations with speciality/technical areas and clarifying its strategic coordination role on gender equality and women's empowerment in technical areas.

Communications, advocacy and knowledge management: IAS observed as a good practice the Communications and Knowledge Management Strategy 2020–2025, which was reviewed annually for effectiveness and complemented by annual communication plans. The strategy covers visibility, positioning, advocacy, public engagement, coordination and internal communications and knowledge management, aiming to tailor dissemination activities. The Country Office undertook several communications activities e.g., short videos/films, campaigns, articles and social media posts. It also produced seven policy briefs covering key programme areas which were initially used to raise awareness of UN Women's work in Central African Republic and to attract donors and other partners. The Country Office should broaden the purpose of these policy briefs to holistically contribute towards advocacy, making it a more strategic tool.

The communication function is centralized, staffed by a national UNV, funded by core resources. This contractual arrangement potentially increases risk around business continuity. The personnel and programme partners surveyed recommended increasing communications capacity (number of personnel) for institutional visibility.

Printing costs related to promotional t-shirts, caps, backpacks: The Country Office processed five purchase orders worth US$ 130,086 for the printing of promotional t-shirts, caps, back packs, etc. for project communication campaigns. The long-term value of these items might not be clear, and the costs were considered by IAS to be high. It is understood that the printed items show project visibility; however, the Country Office should consider if such activities represent best value for money to improve gender equality outcomes in the country. The Country Office informed IAS that the printing had been event-driven to raise awareness of international days, projects, etc. It also indicated that they would mobilize funds to study the impact of printed materials to determine whether they are the best modality for advocacy in the future. Currently, funds have not yet been secured.

Advisory Note:

The Country Representative should assess the cost-effectiveness of the Country Office's communication and advocacy strategy, considering external stakeholder feedback; the sustainability of interventions and the capacity of its communications function; and expand guidance on the use and dissemination of policy briefs as advocacy tools.

Observation 2: Coordination role on gender mainstreaming

Programme Presence Offices are not expected to significantly engage in UN Women's coordination mandate unless the interventions are planned within programmes. The office in Central African Republic, as a good practice, had several important initiatives to advance coordination for gender equality despite limited budget, lack of senior level expertise and a complex operating environment. Furthermore, it does not yet have a clearly defined coordination strategy. The Office co-chairs four coordination platforms under the UNCT including the Gender Thematic Group; Sectorial Coordination Committee on Gender and Gender-Based Violence; Strategic Committee on Sexual and Gender-Based Violence; and the Programme Management Team. Normative and technical support helped position the Country Office to deliver effective coordination. To further advance work in this area, the Country Office could benefit from a more strategic approach using momentum from the gender profile.

Budget or funding for coordination: There is no clear indication of how much of the office's resources were dedicated to coordination, but this was not funded sustainably. The Country Office's coordination work was split among different thematic programme specialists under the supervision of the Country Representative. The Country Office has a planning, monitoring and evaluation specialist with an international UNV contract funded by non-core resources, who also works on coordination. However, this combination of strategically important and time-consuming roles, and the volatility of personnel contractual arrangements, represents a risk to sustainability and the strategic, substantial work required for effective coordination.

UNCT-SWAP: The first UNCT-SWAP exercise was completed in December 2022, but implementation was yet to commence. The stakeholders interviewed by IAS confirmed that the first UNCT-SWAP had to be postponed because elaboration of the UN Sustainable Development Cooperation Framework was a time-consuming and complex process for the UNCT, delaying other joint activities. UN Women's leading role in, and capacity to strategically advocate for the UNCT-SWAP assessment and further action plan implementation needs to be solidified for the benefit of the UNCT.

Recommendation 1 (Medium):

The Country Representative to leverage the new coordination strategy developed by the Regional Office for West and Central Africa and further elaborate the areas specific/relevant for Central African Republic, while mapping interventions and expertise in other UN organizations involved in gender equality and women's empowerment. There is a need to increase personnel capacity in coordination aspects and mobilize long-term funding for a dedicated coordination specialist. The Country Office should also work closely with the office of the UN Resident Coordinator to advocate for implementation of the required improvements in the UNCT-SWAP.

Observation 3: Resource mobilization

As a good practice, the Country Office developed a resource mobilization strategy and roadmap; however, there was no formal tracking of progress. The Country Office did well in identifying stakeholders and potential donors but had not yet prioritized key stakeholders. One donor funded 69 per cent of the entire portfolio, which created a risk as all thematic teams relied on this donor for most of their projects. The protracted humanitarian crisis in the country is still ongoing and mostly affects women and girls due to discriminatory laws, and societal, cultural and religious norms. Most donors appeared to gravitate more towards humanitarian funding to address the immediate needs of the population. This has posed challenges for UN Women to mobilize resources. The Country Office has not yet been able to leverage its development expertise to tap into this humanitarian funding. It is anticipated that the acceptance of UN Women in the UN Humanitarian Country Team will broaden access to more humanitarian funding.

Numerous stakeholder engagements/consultations took place from September 2020 to August 2021 to explore opportunities for partnership; however, most potential donors indicated that their budgets had already been allocated to other UN and international organizations and some could not allocate funds specifically to UN Women. Some stakeholders interviewed by IAS noted that the Country Office had applied for funding, but the proposals were not always well drafted.

As per the business case for changing the office typology submitted to the Business Review Committee, the Country Office forecast that US$ 36 million resources would be required over the next five years to fund its strategic note, which is more than double the (approximately) US$ 15 million of resources over the past five years. The forecast increase was significant; however, the Country Office had varying success in mobilizing resources during 2018–2022 (see Table 1). The Country Office needs to revisit the estimates and assumptions used to develop its resource mobilization targets to make them more realistic, and closely monitor progress.

Recommendation 2 (Medium):

The Country Representative to closely monitor the Country Office's resource mobilization strategy and targets for feasibility; expand the donor base; map and approach potential donors including joint programmes; and report any potential issues with the availability of resources to the Regional Office.

Observation 4: Monitoring of strategic priorities and their output and outcome indicators

Definition of outcome indicators: IAS observed that the Country Office's outcome indicators on 2018-2021 annual workplans were missing impact elements and focused on activities. This may result in reports that lack adequate illustration of the impact or outcomes of the work undertaken. There is a need to enhance the skills and capacity of Programme teams on result-based management principles. As part of the quality assurance process, the Monitoring and Evaluation function should validate outcome and impact statements and ensure means of verification of expected changes, with a focus on both qualitative and quantitative indicators rather than activities.

Alignment of outcome indicators and projects: According to the 2018–2021 Results Management System (RMS) annual reports, the office had 92 outcome and output indicators: in 2018 – 22 indicators, in 2019 – 18 indicators, in 2020 – 25 indicators and in 2021 – 27 indicators. Of the 92 indicators, only six were monitored for three years; two were monitored for four years; while most indicators were monitored/tracked for one or two years only. IAS further observed that WPS and WPP used to be under one programme specialist, and WEE and EVAW also under one programme specialist. This led to the comingling of indicators and unclear differentiation among thematic areas. Therefore, the indicators were not easily attributed to thematic areas, until in 2022 when the office was able to recruit programme specialists for each thematic area.

Progress on outcome and output indicators: For the period 2018–2021, RMS annual reports highlighted that 25 per cent of the outcome indicators had significant progress; 40 per cent had some progress; 30 per cent had no change; and 5 per cent regression. Regarding the output indicators for the same period, 11 per cent were rated “target reach or surpassed”; 25 per cent “significant progress”; 29 per cent “some progress”; 33 per cent “no change”; and 1 per cent “regression”. Some indicators were not achieved year-on-year, but the office kept increasing their targets despite evidence of difficulties with implementation. There were also instances where the reported information had errors indicating issues had not been detected by the validation process. Four indicators had numerical targets, but progress captured of RMS was qualitative i.e. “Yes” or “No”, yet had ratings of “target reached or surpassed” or “No change”. This resulted in mismatch, monitoring unlike items, and difficulty understanding the progress made. Due to insufficient capacity in data collection, the validation, monitoring and reporting process was inadequate. The migration to the full Country Office increases expectations of delivery towards strategic goals, hence the need to strengthen the monitoring of indicators.

Recommendation 3 (Medium):

The Country Representative to:

(a) Ensure training of personnel on results-based management principles and enhance the technical capacity of the Monitoring and Evaluation function to provide effective oversight.

(b) Enhance results-based management at the design of result-frameworks to ensure a clear results chain that measures and demonstrates results through outcomes, outputs and indicators.

(c) Enhance the data collection and validation workflows used for the RMS reports, emphasizing the crucial role of programme specialists to ensure the quality of the reported input data, and clarifying the division of responsibilities and accountability for quality assurance and monitoring of indicators.

Observation 5: Project design and approval

Means of verification of outcomes and impact: IAS observed that all 12 project ProDocs in its sample did not have the means to monitor and verify outcomes and impact. The results framework focused on verifying activities and outputs. The ProDocs clearly defined impact and outcomes but it was not clear how these would be measured. The available data in donor reports mostly related to outputs with insufficient data on outcomes and impact, during and after implementation of projects. The donors interviewed by IAS also highlighted that most reports they received were activity-based or focused on outputs, and some donor reports took a long time to be finalized. This occurred because the monitoring process was not focused on outcomes, but rather on outputs. The Country Office highlighted that some narrative report templates from donors do not require information on impact but focus on activities, which might indicate misaligned expectations between the office and donors which requires clarification. As stated in the background, some of the projects did not have a full results framework because were allocations of global or regional programmes. For some projects the Country Office was only a participating agency.

Sustainability and exit strategies of projects and programmes: Exit or phase-out strategies ensure there is a clear and consistent process for the handover of projects from UN Women to the government, target audience/ beneficiaries; while sustainability strategies ensure the results, outcomes and impact produced by programmes and projects create lasting value for the target audience/beneficiaries. IAS observed that in 5 of the 12 projects sampled, the ProDocs and donor agreements did not have exit or phase-out strategies. Four of the 12 projects did not have sustainability strategies. Four of the 12 projects were operationally closed, and there was no clear indication of how the results of these projects were to be sustained following closure of the projects as post-implementation reviews had not been carried out.

Risk assessment of projects: Project risk assessments should be part of the ProDocs process or the elaboration of project documents to accompany donor agreements. The assessment normally includes identification of risks, impact, likelihood, and mitigation measures. There were no risk assessments for 4 of the 12 projects sampled. Although 8 of 12 projects had risk assessments in their ProDocs, the assessments and mitigation actions had not been formally reviewed/revised during the implementation phase for effectiveness and inclusion of any emerging risks, such as frequent delays. The lack of checklists for projects to institutionalize risk management and weaknesses in the quality assurance process resulted in omission of risk assessments in the ProDocs. This could result in ineffective risk management practices.

Recommendation 4 (Medium):

The Country Representative to implement strong quality assurance during project design and further project approval process, including adequate results frameworks with exit and sustainability elements, and risk management strategies which should be monitored during project implementation.

Observation 6: Project and programme implementation

Evaluation of projects and lessons learned: The Country Office duly prepared a monitoring, evaluation and research plan for the 2023-2027 Strategic Note. The Country Office commissioned mid-term reviews/evaluations for 5 of the 12 projects sampled. The recommendations of four evaluations were captured in the GATE system, of which two evaluations had overdue recommendations, and one evaluation had incomplete recommendations captured in GATE; therefore, it was not adequately monitored. One evaluation was missing in GATE, so the recommendations were not tracked.

Project steering committee meetings: Project steering committees are supposed to meet regularly according to specifications contained in ProDocs and donor agreements. Five of the 12 projects sampled did not have steering committee meetings/minutes, despite being required as per donor agreements. This was due to weak oversight in ensuring adherence to project governance arrangements. ProDocs for 4 of 12 projects did not specify requirements for steering committees. IAS also obtained feedback from a sample of donors who confirmed that the lack of annual consultation or steering committee meetings did not meet requirements in the donor agreements and reduced dialogue between the office and donors. This may result in donors' inability to contribute constructively to a project's strategic direction, and to take timely decisions to address any risks and challenges that arise during project implementation.

Recommendation 5 (Medium):

The Country Representative to ensure that project management is accountable for ensuring that projects are implemented according to the project's intended objectives, governance and other requirements, and that these are reviewed and evaluation recommendations are tracked accordingly in a timely manner.

Observation 7: Project oversight

Country Office management did not always actively manage the project portfolio and could not consistently demonstrate systematic project oversight and monitoring, regular reporting and adherence with donor agreements. While regular programme management meetings did take place, they did not always proactively discuss and address the risks of individual projects. One of the root causes was issues with capacity in overseeing and managing projects, including a high turnover of personnel in programme teams; use of UNVs (as a monitoring and evaluation officer, project managers or coordinators of financially material projects), who while dedicated and committed, may not have extensive experience or seniority to exercise effective oversight. Feedback from the Country Office personnel survey conducted by IAS highlighted the need for more support in managing programme partners and related supporting documents. Some donors highlighted that most of UN Women's work focused on capacity building through workshops and training, and less on substantive or technical work, which led donors to collaborate with other UN organizations for highly technical projects. Capacity shortages occurred because the Country Office did not always adequately budget or sufficiently mobilize resources for senior technical personnel to work on projects. This may contribute to some loss of trust from key stakeholders; limit opportunities for collaboration; and reduce the Country Office's ability to effectively supervise programme partners and consultants.

Extensions of projects: Donors were particularly critical of the Country Office's ability to implement projects within agreed timelines. The end dates of 7 of the 12 projects IAS reviewed were extended: donors had duly approved the extensions, while emphasizing that the Country Office should ensure the timely implementation of projects. The delays occurred due to issues with project oversight, effective risk management, capacity of partners, accountability to implement projects within timelines and the short duration of humanitarian projects. External factors included insecurity, political sensitivity, and COVID-19 pandemic. While the extensions were approved by donors, the Country Office might still incur additional costs for project personnel salaries, which could reduce the value transferred to end beneficiaries.

Donor reporting: At the time of the audit in November–December 2022, and over the audit period, 13 donor reports were submitted with delays. The Country Office stated that most of the delays had occurred because joint projects depended on the timely submission, consolidation and review of reports by the participating organizations, which often took a long time to finalize.

Furthermore, two projects had incorrect due dates when comparing dates in DAMS and specific donor agreements. The projects were managed by the Regional Office but implemented by the Country Office. Actual submission dates of reports were later than due dates on donor agreements, yet DAMS gave a false impression that the reports had been submitted on time. IAS had discussions with the donor, who expressed dissatisfaction with the timeliness of the reports.

Operational and financial closure of projects: Three projects were ongoing beyond their end dates; and six projects were overdue for financial closure more than 12 months after their end dates. IAS noted that some delays in the financial closure of projects occurred because of unresolved financial findings from partner audits. This occurred because no strong enforcement mechanism was in place to ensure Programme teams resolve pending actions to close projects, which might lead to donor dissatisfaction.

Recommendation 6 (High):

The Country Representative to strengthen oversight and monitoring of projects' duration, closure dates and capacity for implementation. This may include budgeting for project technical positions, timely recruitment, monitoring compliance with donor agreements, proactive risk management of individual projects and monitoring results-focused spending of short-term projects.

Observation 8: Processes for working with beneficiaries

The Country Office had a process for managing risks in working with beneficiaries, but it was not sufficient to ensure adequate accountability. The Country Office did not have a follow-up mechanism with beneficiaries to verify the original assumption for results; lacked surprise spot-checks for programme partners; and monitoring of cash distribution activities (or programme partners) was weak, which may result in the inability to detect and correct fraud, corruption, or any wrongdoing during cash distribution in a timely manner and could reduce the impact of programmes. Some stakeholders interviewed by IAS encouraged the Country Office to improve the participation of women and girls in the analysis of the needs of beneficiaries, and gradually increase the involvement of men in gender equality initiatives. During the audit mission, IAS collected feedback from a sample of beneficiaries of three projects in Bangui, Pissa and Bambari. There were 50 beneficiaries in the sample, but IAS could only reach 26. Their feedback was generally positive, and they confirmed that the training/workshops had been beneficial. Notwithstanding this, IAS identified the following improvements required:

- All beneficiaries interviewed by IAS in different cities stated that they did not receive food which programme partners claimed had been delivered. Moreover, the daily allowance they received for transportation was XAF 1,000 while they should have supposedly received XAF 3,000 per reports from programme partners. The Country Office was not aware of these discrepancies because the Programme teams did not undertake spot-checks at the training locations to observe the processing of allowances, among other things.
- The selection process for beneficiaries was not always properly documented. There were discrepancies between the partners IAS interviewed and local authorities on how the selection process was conducted. Apart from a few sampled beneficiaries from three projects, the office and programme partners could not provide clear selection criteria; information on the identification and selection of beneficiaries by partners; and validation of the selection process by the office. Therefore, there is a risk that the selected beneficiaries may not be those intended for targeting by UN Women, resulting in potential reduced impact of projects.
- No grievance mechanism was in place to collect and address complaints from beneficiaries independent from programme partners and project teams.

Recommendation 7 (Medium):

The Country Representative to strengthen and monitor processes around working with beneficiaries, ensuring that programme partners use clear criteria for targeting beneficiaries; a documented selection process; monitoring and that grievance mechanisms exist to ensure that beneficiaries received the money and services indicated in programme partner reports; how the cash was utilized; and how it impacted their lives.

Observation 9: Programme partner management

IAS' review of 17 programme partner engagements highlighted weaknesses in selection, management and monitoring, reporting, capacity and performance of programme partners. The areas of improvement are detailed below.

Clearance of advances and submission of reports by programme partners: As of 30 September 2022, the aging of partner advances, per month-end closure instructions, highlighted that US$ 36,000 were outstanding over 24 months from a total of US$ 238,000 in outstanding partner advances. IAS examined a sample of reporting from programme partners and noted late submissions or missing final narrative reports. In IAS' review of 22 sampled FACE forms, 12 FACE forms were submitted late. The FACE forms were delayed from partners who had high personnel turnover particularly in finance departments, weak filing systems to support the reported expenditure and security constraints. Cash advances and other cash transfer policies require validation of FACE forms not later than 15 days from receipt. IAS observed that 15 FACE forms had been validated on time and two FACE forms were validated late, while IAS could not conclude on the timely validation of five FACE forms because dates were missing. IAS observed that, in most cases, programme partners used cash as a payment modality for their suppliers, which increases the risk of loss or fraud. Moreover, the external audit report of one partner highlighted unsupported invoices amounting to XAF 6,510,000 equivalent to US$ 12,107 (using UN operational rate XAF 537.71) and recommended the partner to reimburse the Country Office.

Some programme teams prepare FACE forms on behalf of programme partners: Several partners interviewed by IAS indicated that they did not prepare their own FACE forms, instead they were prepared by programme personnel at the Country Office. This occurred because the Country Office did not provide sufficient training to partners on the completion of FACE forms. This reduces the second pair of eyes or review which should be done by the Country Office and partners may not take ownership of the FACE forms in case of errors. The Country Office's Programme teams informed IAS that they do not prepare FACE forms for partners so there is a discrepancy in the information received, which IAS cannot verify.

Extensions of partner agreements: 14 of the 17 partner agreements that IAS sampled had cost or no-cost extensions. Such frequent extensions may have been due to the national and global restrictions related to the COVID-19 pandemic; that some partners did not have sufficient capacity to implement partner agreements; overambitious time frames; the deteriorating security environment; or inadequate monitoring by project managers to identify and manage delays in a timely manner. The extension of partner agreements may increase the associated operational costs.

Programme partner capacity assessments: In general, the Country Office complied with requirements for programme partner capacity assessments, e.g., assessed the capacity of 16 of the 17 partners reviewed while one assessment was missing. However, while required, there was no evidence of review by the operations manager or finance assistant for 6 of the 17 capacity assessments undertaken. The Programme teams assigned low to moderate overall risk ratings to 13 partners but the comments from the same teams on different criteria on the assessments revealed that the partners did not have comprehensive capacity to implement the partner agreements; therefore, high risk ratings might have been more appropriate/prudent. The expense reimbursement modality required for high-risk programme partners should also have been used instead of cash advances, which could explain the high outstanding advances and financial findings from partner audits.

The capacity assessments highlighted that the Regional Project Appraisal Committee (RPAC) approved the selection of three programme partners that did not have financial procedures, which subsequently received qualified or adverse audit opinions and significant financial findings from the partner audits commissioned by UN Women. This shows a significant lack of substantive, risk-focused review and oversight by the RPAC. This occurred due to challenges in convening RPAC meetings as personnel feel overloaded with work and did not prioritize time to attend RPAC meetings; lack of accountability; and underestimating the importance of a substantive review of submissions.

Review of programme partner performance: While final partnership performance evaluations are required, the Country Office did not assess the performance of 10 out of 15 partners in the sample reviewed by IAS. This occurred because senior management's expectations for partner performance management were not clear and Programme teams did not use or leverage the template recommended by the selection of programme partners procedure. This may result in the continuous engagement of weak/underperforming partners; inconsistency in the approach to performance management; and extensions that depend on the undocumented discretion of Programme teams.

Recommendation 8 (Medium):

The Country Representative to strengthen the Country Office's processes for management of programme partners, including clarity in accountability for delays in submitting and processing FACE forms; and compliance with Policy, Procedures and Guidance (PPG) on partner selection, management, monitoring, reporting and performance evaluation.

Observation 10: Cash-based interventions

Design of income-generating activities for women and girls: There were initiatives that the Country Office implemented involving income generating activities, including provision of cash as a start-up capital, trainings, and in-kind toolkits. While some partner agreements involved providing financial support to women and girls for income-generating activities, there were indications that the activities were inadequately designed, which might lead to financial assistance that does not achieve meaningful and sustainable results. The Country Office did not have stringent measures to verify programme partners' work with beneficiaries as detailed below:

- **Support to cooperative societies and women's groups**: One partner agreement had a budget of US$ 140,000 to provide technical assistance to develop 50 business plans for cooperative societies and women's groups and implement income-generating activities. An additional US$ 55,000 was budgeted to design and implement training and capacity building programmes to increase women's financial management skills. A total of 10 women's associations actually received support, instead of the initial 50 anticipated, even though the budget remained the same – each association had an average of 20 women members. In its reports, the programme partner indicated that it had disbursed US$ 1,610 to each of the women's associations. However, IAS interviewed a sample of 12 women representing several associations who indicated each association received precisely US$ 1,163, which differed to the programme partner reports. Individuals interviewed mentioned they had decided to distribute the money and use it for their household needs as they could not use the funds as societies. IAS was of the view that the money given to associations was notably small and would not have easily enabled individual women to start successful businesses or income-generating activities. Due to the lack of post-distribution impact assessments or spot-checks, there is a risk that amounts were not transferred in full and assessment of how the money was used and how it impacted the lives of beneficiaries was not conducted.

- **Soap production**: There were women, peace and security (WPS) and women economic empowerment (WEE) projects that included soap-making as a modality during project implementation, although the activity was not initially part of ProDocs and partner agreements. Programme teams informed IAS that soap-making was identified as a catalytic income-generating activity, either clearly mentioned in ProDocs and/or needs assessments with beneficiaries to support vulnerable women during the COVID-19 pandemic period. While soap production was initially not part of some projects, there was reduced mobility, sanitary restrictions, and reduced business activity, the donors requested the Country Office to review the existing projects to respond to the economic effects of COVID-19 at community level. Therefore, the Country Office revised the projects to include soap production to boost income-generating capability of the vulnerable women. Some of the projects were not sustained, and the some of the women IAS interviewed highlighted that they could not continue to produce and sell soap because production costs were high, they did not have working capital to sustain production, and the supply chain was disrupted by harsh economic conditions in the country.

The challenges occurred because while there was a genuine need to encourage women and girls to participate in the projects, the rationale for these interventions was not adequately reviewed prior to approval of partner agreements. The Country Office did not undertake an assessment of the interventions to determine their success and real impact. The money that eventually went to the end-beneficiaries was quite insignificant compared to programme partners' total budgets and the beneficiaries could not sustain the income-generating activities due to lack of capital to continue operations and the market to sell the products from these activities. IAS strongly urges the Country Office to consider the theory of change behind cash-based interventions and redefine its implementation approach to income-generating activities to ensure end beneficiaries receive the full benefits intended and there is follow-up to measure impact and success. Currently, cash-based interventions are included in several ongoing projects. The Country Office commented that the beneficiaries received other capacity building interventions over and above the capital for income generating activities.

One stakeholder from an UN organization highlighted that transfer of cash to beneficiaries is important but has proven risky and do not demonstrate sustainability in the long term. Furthermore, due to UN Women's small budget, some programmes/projects have been too small and not sufficiently transformative. IAS' 2020 rapid assessment of UN Women preparedness for cash-based interventions[5] made several recommendations which could be used by the office.

Recommendation 9 (High):

The Country Representative to strengthen the Country Office's procedures to:

(a) Determine the gaps, needs and priorities of targeted beneficiaries, to influence the design of relevant and sustainable cash-based interventions.

(b) Establish a monitoring framework with a set of indicators to systematically capture data on monitoring, oversight and learning, and follow-up on cash-based interventions undertaken by programme partners.

(c) Design a stronger theory of change for income-generating activities to demonstrate results and the post-implementation impact on beneficiaries.

Observation 11: Construction and boreholes

Engagement in construction is not an area of corporate comparative advantage, nor is it a programmatic intervention modality in the UN Women Strategic Plan. According to the corporate selection of programme partners procedure and principles regarding

[5] https://www.unwomen.org/sites/default/files/Headquarters/Attachments/Sections/About%20Us/Accountability/Audit-reports/2020/Briefing-note-Rapid-assessment-of-UN-Women-preparedness-for-cash-based-interventions-en.pdf

programme partnerships versus procurement actions, programme partners are not allowed to undertake construction projects, instead offices should use the procurement process. In cases where a field office has signed an agreement with a partner which includes construction, according to the partner selection procedures and principles, the agreement should go to the Infrastructure Review Committee in headquarters regardless of the amount.

The Country Office implemented three projects involving construction by contracting programme partners or construction companies. The Country Office had two partner agreements worth US$ 306,635 of which US$ 164,317 related to the construction of two houses and rehabilitation of house; and had signed a procurement contract with one vendor worth US$ 197,800 for the construction of 15 boreholes. IAS notes that UN Women does not have programmatic expertise in water and sanitation projects. The two programme partners then subcontracted private companies to construct the houses as the partners' mandates did not allow them to undertake construction – a practice that increases the operational/management costs of the constructed houses. The Country Office did not consult the headquarters Infrastructure Review Committee before signing the partner agreements. Project managers did not establish adequate risk mitigation processes as they did not have the expertise to review and validate the construction work undertaken by partners. Furthermore, experts/construction managers with construction background were not engaged to undertake quality assurance of the constructed infrastructure. If not properly managed, construction projects have high inherent risks of complications, waste, wrongdoing, or fraud and/or constructions that could be unsafe or not fit-for-purpose.

While IAS does not have expertise in construction, its visit to three houses revealed that (a) all three houses had issues with the quality of the construction; (b) another UN organization had hired a vendor to remediate one house that UN Women had handed over while incomplete and without adequate safety measures, which the Country Office was not aware of; and (c) the locations of the houses were decided by the Country Office with the local authorities and beneficiaries were not always using the houses effectively/regularly because their location was said to be inconvenient. Therefore, the houses were idle for most of the time. The Country Office commented that the locations were suggested by local authorities to be widely accessible to women at communities, including those not defined as direct beneficiaries of the projects.

The construction of the 15 boreholes was in response counter adverse effects of COVID-19 pandemic, improve living conditions, social cohesion and facilitate access to drinkable water to the targeted population in four cities i.e., Bangui, Bambari, Bangassou and Paoua. The Country Office duly obtained approval from the government to construct the boreholes in June 2020. The Country Office obtained water pumps from another UN entity working in water and sanitation projects. The following issues with vendor contract management were identified by IAS:

- The contract duration was 30 days, starting from 22 September 2020 to 21 October 2020, which appeared a very short amount of time to complete works at four communes/cities in an insecure environment and with substandard road infrastructure, without compromising the quality of the boreholes. As of December 2020, the vendor's status report showed that nine boreholes had been constructed, and 6 of 15 were still outstanding. The vendor continued to implement the contract after the end date 21 October 2020 without an approved extension for another three months and submitted a request to extend the contract to the Country Office on 19 January 2021.
- The Country Office highlighted that the contract was split into two tranches and requested the vendor to submit technical reports. Before payment to the vendor, the Country Office did not confirm that the actual drilling carried out was according to the specifications/dimensions but relied on reports from the vendor without independent technical validation. There was evidence of the launch and handover of the boreholes to the local communities by the Country Office, vendor, ministry, and another UN entity, which confirm existence of the boreholes. The headquarters Procurement Review Committee requested that the Country Office, in consultation with the Regional Office, should urgently establish arrangements for the monitoring and management of contracts. However, there was no evidence of measures undertaken to monitor and manage this contract as requested. In December 2022, IAS sampled four of nine completed boreholes for verification in Bangui. IAS was able to verify four boreholes, inspect their conditions and interviewed the community members using the boreholes. The feedback IAS obtained from the communities at the four borehole sites highlighted that some communities could not use the boreholes because the water was muddy and appeared not good for drinking. This occurred during the rainy season, while some boreholes had been

completely abandoned by the communities as the water was said to be always muddy and potentially contaminated. This could indicate that the boreholes are too shallow. The Country Office commented that there have been several follow up monitoring sessions after the official opening of the boreholes and the additional works by the supplier. Once built, the water boreholes became the property of the ministry and under direct supervision of management committees elected by the communities. It was also highlighted that the committees received appropriate guidance on how to maintain the boreholes going forward.

Recommendation 10 (High):

The Country Representative to strengthen governance processes and controls for construction projects to ensure compliance with PPG; minimize partner agreements with construction-related activities; and engage construction experts for contract design and monitoring.

Observation 12: Follow-up and monitoring of partner audits

Programme partners are audited by external audit firm(s) contracted by the Programme Support Management Unit (PSMU) in headquarters. In Central African Republic several partner audits were conducted between 2019 and 2021. A total of 114 recommendations was raised, 25 for financial findings and 89 for management and compliance findings. IAS noted that only 6 of 19 partner audit reports were uploaded on the partner audits portal for tracking, while the rest were not uploaded but maintained offline. As of December 2022, the 25 financial findings amounted to US$ 139,570, but only US$ 17,981 was cleared as additional support was provided, while US$ 121,589 was outstanding. IAS noted that US$ 110,226 of the outstanding balance related to three partners with financial difficulties in maintaining their operations. Furthermore, the Country Office blacklisted one of the three partners for submitting fraudulent expenditure on FACE forms. The Country Office did not consult with PSMU and IEAS on the course of action to report on wrongdoing, recover or write-off losses. Moreover, the other 89 audit findings related to management control and compliance did not have action plans and status updates in the portal. It was not clear whether they had been resolved or implemented, and there was no evidence of monitoring.

There was a weak follow-up mechanism for partner audit recommendations. Project and Operations teams have not always been able to identify supporting documents in sampled FACE forms (or explain the lack thereof) or align audit results with programme partners' risk ratings. As a result, programme partners may continue to have control weaknesses for several years while the office continues to work with these partners leading to potential waste, misuse of funds and inability to deliver.

Recommendation 11 (Medium):

The Country Representative to strengthen oversight and monitoring mechanism to reduce and address partner audit recommendations by: (a) requesting that the operations manager regularly oversees the process; (b) holding project managers accountable for failure to monitor all types of partner audit recommendations and use audit results in capacity assessments for future partnerships; (c) updating the risk profiles of programme partners with severe audit findings to higher risk ratings, reflecting this in their performance appraisals and larger samples for validation of expenditure; and (d) urgently contacting PSMU for assistance in dealing with outstanding financial audit findings.

B. Governance, risk management and internal controls

See Background section for key information on budget, delivery and personnel. The office structure includes teams for Programmes, Operations, Policy Oversight and Coordination which all report to the Country Representative. HR and Information Systems and Telecommunications (IST) functions are performed at the Regional Office, and the office still partly benefits from the support of headquarters and the Regional Office Operations team since its recent transition from a Programme Presence to Country Office. Initially, the women political participation (WPP) programme specialist oversaw WPP and WPS, while the WEE programme specialist oversaw WEE and ending violence against women (EVAW) because the project portfolio was small at the time. However, the office was able to engage four dedicated programme specialists in 2022 for each thematic area. For the period 2018–2022 (October 2022), the total budget was US$ 14.6 million, paired with total spending of US$ 12.6 million or 80 per cent (already discounted for annual rephasing). The budget by funding source was split between non-core US$ 11.8 million (81 per cent); core US$ 2.5 million (17 per cent); and extrabudgetary funds US$ 242,499 (2 per cent). The Country Office did not have a dedicated business unit to record its transactions in the corporate systems but used the Regional Office's business unit; therefore, there were no dedicated month-end closure checklists.

IAS reviewed the Country Office structure and staffing, delegation of authority, control environment, risk management, fraud risk management, data quality, internal control framework, and implementation of recommendations from prior assurance reports. Key achievements and good practices include undertaking fraud awareness training; developing standard operating procedures for Programme and Operations teams; following the received delegation of authority; and personnel were in general satisfied with the level of support received internally within the Country Office, Regional Office and headquarters.

IAS assessed the following areas as satisfactory: delegation of authority and internal control framework; some improvement was needed in operational risk and fraud risk assessment processes; while major improvement was needed in the sustainability of critical positions, and clarity of accountability lines. Detailed observations are outlined below.

KEY OBSERVATIONS AND CONCLUSIONS

Observation 13: Sustainability of critical personnel positions and accountability

Country office business case follow up: As stated in the Background section, the business case to become a fully-fledged Country Office was presented to the Business Review Committee in February 2021 and the change took effect from January 2022. The Business Review Committee raised the following approval conditions to be monitored by the country office:

- *The opening and running of Central African Republic will be managed within existing regional institutional budget (IB) and core allocations, not dependent or contingent upon moving or decentralizing of additional IB posts to Central African Republic*. There appear to be misaligned expectations between the Business Review Committee and the Country Office about provision of additional resources. Furthermore, the Regional Office's core programmable allocation might not be sufficient to sustain Country Office needs.
- *A draw-down or exit strategy will be put in place, noting the high reliance on non-core funds for majority of posts, and no expectation of future headquarters support for functions considered corporate*. However, an exit strategy has yet to be drafted

and there are still sustainability concerns as the office forecasts a very significant increase in resource requirements during the Strategic Note period (from US$ 15 million for the last five years, to US$ 36 million for the next five years, which is more than double the previous level of resources required).

Given scarce core resources, realistic resource mobilization targets need to be set and closely monitored, funding the work and structure of the Office through direct project costs. At the same time, IAS believes that additional investment should be made to enhance implementation of the Country Office's normative and coordination mandates in Central African Republic and help sustain the business continuity of the Country Office's structure and capacity, particularly as the country remains in dire need to advance gender equality and women's empowerment, relevant to UN Women's mandate.

Sustainability of critical positions: At the time of the audit, the Country Office has three teams; Policy Oversight and Coordination, Programme and Operations after migration to Country Office. The Country Office did not have a dedicated business unit to record transactions in the corporate systems until January 2023 after migration to new enterprise planning system. The office is backstopped by the Regional Office, but this is not sustainable in the long term. The type of funding for structure/positions was challenged by sustainability and cost efficiency. Some Operations and Programme positions were funded by core, while policy team positions were funded by non-core, which is not the best funding modality: the positions contributing to normative and coordination work would be better funded by core, while Programme would be better funded by non-core as well as some positions in Operations (co)-funded from non-core:

- The Policy Oversight and Coordination team has four positions: two NO-Cs as programme coordination specialists, one funded by core and the other by non-core; one international UNV as a planning and monitoring and evaluation specialist funded by non-core; and one national UNV as a communications officer funded by core.
- The Programme team has 13 positions for WPS, EVAW, WPP and WPP. Three positions were fully funded by core, seven funded by non-core, and three funded jointly by core and non-core resources.
- The Operations team has six positions: operations manager P3 funded by core; finance associate G7 funded by non-core; procurement assistant SC SB3 funded by core; and three drivers funded by core. In total the organization chart foresees five drivers (all funded by core) which might need to be revisited for cost-effectiveness. The operations manager is shared with another country, Niger and travels between the two countries every quarter. Central African Republic has rest and recuperation entitlements which reduces the presence of the operations manager in the country.
- The Executive Office has two positions: Country Representative P5 funded by core and an executive associate SC SB3 funded by core.

The Country Office also relies on less stable contract modalities for critical and continuous functions e.g., SCs and UNVs. The Country Office commented that new positions were included in the approved new strategic note, but the establishment of core-funded positions could not be approved because personnel related commitments would have significantly reduced resources available for other non-personnel commitments. The Country Office was then requested to fund those positions via non-core resources on the pipeline, but not yet available for committing the funds. The Country Office was of the view that initial funding some positions from core resources would be recovered from non-core resources over the duration of projects. While some positions directly support the integrated mandate of UN Women, some donors are reluctant to fund such positions with non-core resources as they expect UN Women to fund those positions from core funds.

The operations manager is shared with another country, Niger and travels between the two countries every quarter. Central African Republic has rest and recuperation entitlements which reduces the presence of the operations manager in the country. At the time of the audit, the office had not yet conducted a functional job analysis for the new typology to ensure the skillset, competency and placement of staff fit for the priorities of the new Strategic Note.

Accountability and workflows: IAS observed that because the roles of the Operations and Programme teams were not always clear, accountability lines had become vague particularly in complying with the PPG framework. Operational processes needed coherence and integration, but Programme and Operations teams did not always comprehend the interconnections for the overall delivery of results. Furthermore, the

Programme teams view the Operations team as a bottleneck to the implementation of projects, while the Operations team viewed its role as to ensure compliance with PPG. Moreover, the roles of programme assistant and financial management programme specialist in Programmes vis-à-vis the role of the finance associate in operations regarding programme partners were sometimes not clear. In some instances, the Programme teams performed most tasks, e.g., clearance of partner advances, with minimal review from the finance associate. Programme teams may not be fully aware of PPG requirements for clarity of accountability lines resulting in utilization of programme implementation modalities that might pose operational risks.

Personnel surveyed as part of the audit reported bottlenecks mainly in internal approvals (45 per cent); procurement (45 per cent); and approval of partner agreements (45 per cent). Coaching was also felt to be insufficient to follow the procedures.

Recommendation 12 (Medium):

The Country Representative to:

(a) Engage a functional analysis of the Country Office's structure and ensure staffing is fit-for-purpose, considering any funding restructuring to enhance the sustainability of critical policy roles, and to realign functions with the availability of resources. The exercise to be carried out in consultation with the Regional Office and the Business Transformation unit.

(b) Address and monitor the business case conditions by developing a draw-down or exit strategy for the Country Office; seeking alternative funding sources to support low IB and core funds; or notify the Regional Office and headquarters about the need for additional core funding for normative and coordination roles.

(c) Reinforce clarity of the roles of the Programme and Operations teams and workflows ("who does what, why, when and how") to boost accountability, while highlighting individual responsibility for compliance per delegation of authority.

Observation 14: Risk assessment process

Risk management procedures and internal control policy require an annual assessment of risks and escalation of significant risks to more senior levels of management to ensure they are adequately addressed. As of February 2023, the Country Office had a risk register that assessed 26 risks: 3 were rated very high, 2 high, 19 medium and 2 low. The risk register was approved recently and was undergoing review and validation by the Regional Office and headquarters at the time of audit. IAS noted that the office did not include risks related to construction, accountability and processes around working with beneficiaries, and cash-based interventions despite having projects affected by such risks. This may result in inconsistent management of risks and application of mitigation controls.

Recommendation 13 (Medium):

The Country Representative to establish a process so that the Country Office regularly updates the risk register which should be used as a proactive tool for risk-informed decisions, including risks to major implementation modalities, and monitor implementation of the mitigation actions.

Observation 15: Fraud risk assessment process

The corporate fraud risk assessment guide requires that a fraud risk assessment should be conducted at least once a year. The Country Office conducted a fraud risk assessment in March 2021 using the guidance developed by SPRED but did not update the assessment for 2022. Moreover, the fraud risk assessment conducted by the office does not thoroughly reflect potential fraud risks as the office rated most risks as "unlikely" or "very unlikely" while operating in an environment susceptible to fraud/corruption given the local context.

The fraud risk assessment should be used as a tool to help offices objectively assess the inherent risks in the country related to its projects and operations and develop solid preventive and detective controls, including resources or support needed from the

Regional Office and headquarters. The positive outlook reported by the office may not enable objective discussions on the measures required to reduce fraud risks.

IAS summarized some results of the office personnel survey as follows:

- 90 per cent of respondents indicated they were aware and knew how to report allegations of wrongdoing, while 10 per cent indicated they were not comfortable in reporting wrongdoing because they feel insecure in their positions if they report fraud or retaliation.
- Respondents indicated they were not aware of instances whereby exceptions from policies and procedures and/or rules were approved; policies and procedures were not followed; or were bypassed, including by management.
- Respondents indicated potential cases of misuse of resources, abuse of authority and discrimination.

IAS believes there is a need for more awareness campaigns and ethics training, including continued emphasis of the tone at the top to show zero tolerance to any potential misconduct.

Recommendation 14 (Medium):

The Country Representative to strengthen the mechanisms to ensure practical application of fraud risk assessments and related controls; promote open discussions on inherent fraud risks; and hold regular sessions on fraud, corruption and potential misconduct.

C. Operations

See Background section for information on human resources and expenses. According to the Atlas Purchase Order report between January 2020 and October 2022, the Country Office processed 128 procurement-related purchase orders amounting to US$ 1.2 million; 47 purchase orders for individual consultants (SSA) amounting to US$ 575,439; and travel-related expenditure amounting to US$ 376,317. The Operations team had three personnel and was backstopped by the Operations team at the Regional Office, supporting 13 personnel across Programme teams.

IAS reviewed the management of procurement, HR, finance and budget, information and communication technology (ICT), travel, assets, and safety and security. Key achievements and good practices include:

- IAS reviewed the documentation for six vehicles owned by the Country Office, which also include an ambulance purchased for the EVAW programme. IAS inspected the vehicle logbooks, and they were well maintained, i.e. tracked mileage, passengers signed for the use of the dates, etc.
- Use of the Global Service Tracker since 2020 for most transactions, which allows for better audit trail, follow-up of actions taken and efficiency.
- The operations manager joined the office in October 2022 at P3 level (this position is shared with another Country Office).

Based on the audit work performed, IAS assessed as satisfactory the financial and travel management. Some improvement was needed in HR management, and management of assets. Major improvement was needed in procurement controls and value for money, ICT and security controls. Detailed observations are outlined below.

KEY OBSERVATIONS AND CONCLUSIONS

Observation 16: HR management and processes

The Country Office does not have a dedicated human resources (HR) focal point due to its small nature of the office and insufficient budget. Therefore, the HR team at the Regional Office provides ongoing support. The audit noted several areas for improvement in HR management which are listed below.

Planning and personnel development: The Country Office did not have a documented HR strategy and its learning plan was last updated in 2020. The office had identified a goal to reinforce personnel capacities in corporate systems but had not provided timelines for tracking completion of training.

Vacancies: The organization chart indicated five vacancies for new positions, namely: two drivers, a programme coordination specialist, a programme assistant, and a gender and security expert. Three of the positions are to be funded by core and two by non-core resources which have yet to be mobilized. Upon approval of the business case to change the typology of the office, the Business Review Committee informed that headquarters will not provide more core or IB resources. Therefore, the Country Office needs to find avenues with the Regional Office to fund the positions without significant headquarters decentralization of posts or resources. Lack of funding for positions might delay the execution of critical processes and job functions.

Recruitment process: The Country Office did not consistently verify the P11 forms, references, and educational background of candidates. This could result in recruitment of candidates with fabricated credentials. Consultant fees were cleared by hiring managers and HR at the Regional Office; however, value for money could not always be demonstrated because some consultants received high fees, e.g., a US$ 500–US$ 550 daily rates without clear alignment of the complexity of tasks to experience and seniority of the consultants.

Recommendation 15 (Medium):

The Country Representative to strengthen the Country Office processes to (a) ensure the information provided by candidates is authenticated; (b) document fee negotiation and justify value-for-money related to the hiring of non-staff personnel; and (c) update and monitor learning plans to build the capacity of personnel.

Observation 17: Procurement process

The Business Review Committee did not approve full delegation of authority for the Country Office and requested more training from Regional Office and headquarters before a full delegation could be applied. Consequently, the Country Office does not have a buyer profile and relies on the buyer at the Regional Office. The procurement team at the Regional Office also backstops the Country Office. At the time of the audit, according to the analysis of purchase orders processed from January 2020 to October 2022, 78 purchase orders totalling US$ 382,400 related to micro-purchasing (less than US$ 5,000); 48 purchase orders totalling US$ 775,900 were procurements below US$ 50,000, where according to policy there is no need for public procurement; and two purchase orders totalling US$ 137,100 were above US$ 50,000.

Procurement strategy, planning and capacity: UN Women Financial Rule and Regulation 2403 requires business units to award contracts based on a competitive process that includes, among other steps, "acquisition planning for developing an overall procurement strategy and procurement methodologies." The Country Office does not have a long-term procurement strategy to guide planning and contracting, align its procurement function and activities to project needs, despite having annual procurement plans. Furthermore, the Country Office did not upload any long-term agreements on the procurement intranet. The Country Office would benefit from developing a formal procurement strategy that aligns with its business needs for transparency, efficiency, competition, and best value-for-money. According to the procurement dashboard, as of October 2022, for the period 2018–2022, the Country Office processed total purchase orders of US$ 3.49 million while the procurement plan was US$ 1.24 million, indicating that only 36 per cent of actual procurement was planned. This may result in delays in project implementation; increased use of direct contracting; and lack of transparency/best value for money in procurement.

Because of the Country Office's limited funding, procurement capacity was insufficient. This was confirmed by feedback from the IAS personnel survey: internal skills on procurement were insufficient and the office relies on the Regional Office; and some local vendors struggle to adapt to the new procurement system and need to be assisted when submitting bids, which requires additional time. The Country Office had a procurement associate but did not have a dedicated buyer profile and needed to invest in training in end-to-end procurement planning and implementation, contract management and vendor performance management.

Competitive selection of vendors: The procurement and contracts management policy require offices to provide all eligible potential suppliers with timely and adequate notification of procurement requirements for open and effective international competition.

- The procurement policy requires sufficient time for potential suppliers (at least 10 days). There was no evidence of advertisement for 6 of the 17 purchase orders reviewed, and one invitation was advertised for only 6 instead of at least 10 days. Technical and financial evaluations for the selection of four vendors were not validated by the operations manager in addition to the evaluation panel members.
- There were four instances where vendors with the highest quotations/proposals were selected because the others did not fully meet the requirements according to evaluations, which possibly indicates a need to design less restrictive requirements. This could potentially lead to overpayment for goods.
- Although requests for proposals and quotations were documented, including evaluation committee names and functions, no evidence was provided that bid opening had been performed and documented by an independent opening committee, creating a high risk of bid manipulation.
- Usually, the Country Office used a long-term agreement for fleet management, in one case the office used a direct contract for a vehicle costing US$ 25,509 with the justification being savings on freight and insurance costs, and the availability of

vehicles in the country. However, cost savings are not part of the exceptions allowed by the procurement policy; therefore, the justification for direct contract was inadequate/invalid. The Procurement Review Committee procedure requires its review of proposed contracts particularly if at least three fully compliant bids or offers were not received. However, the purchase of the vehicle was not submitted to the regional Procurement Review Committee, nor was the direct contract submitted to the Regional Director for approval.

Lack of open competition may increase the potential for overpayment for goods and services, and failure to achieve or demonstrate value for money.

Post facto approvals: 2 of 17 purchase orders IAS reviewed had post-facto approvals. The post facto approvals did not have either clear root cause analysis or risk mitigation and prevention measures. Some mitigation measures did not address the root causes, which could result in reoccurrence. One example related to the post facto request for a late extension of the expired contract for the construction of boreholes.

Chart of accounts for transactions: In 8 of 17 purchase orders the chart of accounts (CoAs) on requisitions did not match the CoAs on payment vouchers/purchase orders. There is no justification for use of different CoAs on payment vouchers/purchase orders than the CoAs provided by programme managers to initiate the procurement of goods and services. This occurred due to weak budget monitoring. There is a risk that the Country Office might allocate expenditure to incorrect/inappropriate projects, donors, and activity codes, resulting in potential financial misstatement.

Potential causes for the above issues are related to inadequate procurement planning, lack of a mechanism for oversight and monitoring, insufficient training, and knowledge of procurement procedures.

Recommendation 16 (Medium):

The Country Representative to develop a procurement strategy and support it with regular update of procurement plans; enhance the capacity of the procurement function; communicate expectations and procurement lead times to all personnel and instil competitive selection of vendors; ensure long-term agreements are uploaded and monitored, and a repository is kept and updated regularly.

Observation 18: ICT management

The Country Office did not have an IT focal point, but a recruitment process was anticipated to commence in January 2023, pending approval of the position and availability of funding to sustain the role. In the meantime, the Country Office relies on the IT Associate based in the Regional Office. The Country Office has a service-level agreement with another UN entity for IT services, signed in January 2018. The agreement covers servers and network maintenance, website hosting, internet, ICT consultations and support. The internet connection was intermittent, and the Country Office recently changed to a different provider. The Country Office highlighted that the outsourced services proved too costly and exploring different solutions with the Regional Office. IAS identified the following improvements required.

Global information security compliance report: As of 30 January 2023, the report highlighted that the Country Office was 67 per cent compliant due to 67 per cent end point management and 81 per cent information security awareness training. Special account compliance was 73 per cent, asset removal 51 per cent, office network 83 per cent and regular vulnerability assessment 42 per cent. The Country office's self-reporting had not been certified by IST at headquarters.

Environmental controls for the server: The Country Office had a server for the smooth running of the networks while also utilizing cloud services. During IAS' physical inspection, it was observed that the server was placed directly on the floor. Best practices recommend that servers should be elevated from the floor to protect against the risk of flooding or contact with liquids. The Country Office did not have a firewall but planned to install one by January 2023.

Continuity of systems: ICT infrastructure and telecommunication procedures require establishment of plans for business continuity and disaster recovery, and annual testing in accordance with UN Women standards. The Country Office's business continuity and disaster recovery plans were last updated in March 2020 and had not been tested. The office informed IAS that the disaster recovery plan was tested but could not provide any testing results.

The challenges identified with ICT management might expose the office to security incidents and the inability to recover mission critical processes after a disaster or incident.

Recommendation 17 (Medium):

The Country Representative to ensure annual testing and update of the business continuity and disaster recovery plans; and clarify with Headquarters Information Systems and Telecommunications what requirements in the information security dashboard are missing for full compliance.

Observation 19: Travel management

The Country Office had established controls and a standard operating procedure for travel management.

Compliance with travel policy: IAS inspected travel files for 14 missions and observed that three did not have purchase orders; nine purchase orders had not been signed; three missions did not have travel authorizations; travel claims for three missions were submitted after 30 days of return from missions; two missions did not have UNDSS security clearances; and nine missions did not have back-to-office reports. Furthermore, five operational advances totalling US$ 14,318 related to daily subsistence allowance did not have supporting lists of training participants, contact details and receipts/invoices.

MINUSCA compound accommodation: For accommodation related to missions in Central African Republic but outside of the capital Bangui, UNDSS rules on the security risk management measures require all UN Women international personnel to stay within UNDSS approved accommodation, which include the MINUSCA compound for security purposes. Accommodation costs are governed by the cost recovery policy and personnel do not make direct payment to MINUSCA as UN Women pays MINUSCA and personnel reimburse UN Women. All memos for accommodation were signed by the Country Representative and approved by Director of Mission Support, MINUSCA. IAS observed that the Country office had processed full daily subsistence allowances to personnel without deducting the accommodation costs to be paid to MINUSCA via cost recovery. This may result in challenges in recovering the costs from personnel if they leave UN Women before the clearance of invoices between UN Women and MINUSCA.

Recommendation 18 (Medium):

The Country Representative to strengthen the Country Office’s travel procedures by:

(a) Introducing travel checklists to ensure compliance with the travel policy and clearance of operational advances with complete supporting documents.

(b) Establishing a process to exclude MINUSCA accommodation costs from the daily subsistence allowance. Further ensure recovery of daily subsistence allowance that was overpaid.

Observation 20: Asset management

The Country Office had established controls for the management of assets, including vehicles under the custody of the procurement assistant. Support is also provided by the headquarters asset management unit. The following are opportunities for enhancement.

- The vehicle management policy sets a ceiling price of US$ 38,000 for the acquisition of vehicles by offices. Vehicle acquisitions with a higher cost require the approval of the Director, Division for Management and Administration. However, the Country Office purchased two vehicles (US$ 47,850 and US$ 59,061) without prior approval.
- The vehicle management policy requires local insurance of vehicles used by offices. The Country Office had six vehicles of high value: one vehicle had not had insurance since its purchase in July 2022 because the registration of the vehicle was delayed while five vehicles had instances where the insurance coverage period had lapsed for several days or months. Some vehicles did not have insurance coverage records for years. Central African Republic is a high-risk country with a volatile security environment; therefore, any day without insurance could potentially result in significant costs for the office to repair vehicles and compensate victims for any damage caused by the office’s vehicles.
- One vehicle was not fully operational because it had a burst pipe and was kept at the Country Office premises – the last time it was used was 7 October 2022. The office advised there had been delays in obtaining repair parts.

- Only five of six vehicles appear on the assets-in-service report. Two of the five recorded vehicles do not have clear identifying information, e.g. number plates, chassis number, etc.
- The Country Office purchased four generators for US$ 14,491; however, the assets-in-service report showed the total cost of the four generators as US$ 3,623. This might lead to understatement of depreciation.
- The asset IDs, profile IDs and serial numbers in the asset-in-service report did not match those on the physical assets but the Country Office used a different form to capture the list of assets in each occupied office. IAS inspection found all the assets, but 20 assets did not have barcodes. IAS observed that 10 printers had been allocated to nine offices. To be eco-friendly and reduce paper waste, IAS highly recommends scaling down on the number of printers to ideally three shared printers at a common location.

The challenges with assets and vehicles occurred because the office was not fully aware of provisions in the asset management policy.

Recommendation 19 (Medium):

The Country Representative to ensure the training of the focal point on asset and vehicle management, and regularly oversee compliance with insurance policies, maintenance and repairs of vehicles, delegation of authority for high-value vehicles and accuracy of asset records in UN Women systems.

Observation 21: Security controls

Central African Republic is a country in a state of protracted crisis and hardship, which requires active support for implementation of security controls. The Country Office participates in security management team meetings and contributes to security common costs and effective residential security measures for personnel. Since January 2022, three security incidents affected the office. UNDSS reported the incidents to the Country Representative and measures were taken to address them. None of the incidents were critical. The Country Office is located in the UNDP compound and security controls for the physical premises are under the responsibility of UNDP. Notwithstanding these measures, there are areas of improvement as detailed below.

Security dashboard: As of 31 December 2022, the Country Office's security compliance dashboard was 86 per cent; it was fully compliant with business continuity planning; and compliant with limitations on mainstreaming of security and occupational safety and health.

Emergency communications device: The Country Office does not have a back-up communications device that can be used if there is a downtime or breakdown in the mobile and internet network connection due to any security risk incident in Central African Republic. It would not be possible for the office to communicate with the Regional Office or headquarters for the critical senior management team to be aware of the security exposure for the office due to increased insecurity. Having a BGAN satellite phone would work but it would require a satellite connection which might be a challenge in case of total shutdown in communication networks. Therefore, UNDSS recommends the VSAT device as a better option.

Armoured vehicle: UNDSS recommended that UN organizations in Central African Republic have armoured vehicles as part of security risk management measures. UN Women is the only UN organization in Central African Republic that does not have an armoured vehicle. UNDSS strongly recommends that the office allocate budget for the purchase of this type of vehicle that can be used whenever the need arises as the security environment in Central African Republic is volatile. The office prepared a business case for the purchase of an armoured vehicle, but it has not been finalized in over six months.

The Regional Security Specialist has not been able to travel to Central African Republic due to other commitments but supports the office remotely. IAS strongly urges the Regional Security Specialist to undertake regular missions to Central African Republic to fully understand the security context and assist the office with its security-related needs.

The security of personnel to implement projects may be adversely impacted and result in operational and financial losses. The feedback from the IAS personnel survey also raised the need to enhance security controls, with necessary equipment to protect personnel.

Recommendation 20 (High):

The Country Representative to:

(a) Consult the Senior Security Adviser in headquarters and the Regional Office for adequate allocation of funding to enhance security controls and provide the security equipment recommended as necessary by UNDSS.

(b) Request that the Regional Security Specialist conduct a thorough assessment of compliance with security management policies and recommendations from UNDSS.

III. RECOMMENDATIONS AND MANAGEMENT ACTION PLAN

Observation	Recommendation	Responsible Unit	Priority	Action Plan	Implementa-tion date
Observation 2: Coordination role on gender mainstreaming	Recommendation 1. The Country Representative to leverage the new coordination strategy developed by the Regional Office for West and Central Africa and further elaborate the areas specific/relevant for Central African Republic, while mapping interventions and expertise in other UN organizations involved in gender equality and women's empowerment. There is a need to increase personnel capacity in coordination aspects and mobilize long-term funding for a dedicated coordination specialist. The Country Office should also work closely with the office of the UN Resident Coordinator to advocate for implementation of the required improvements in the UNCT-SWAP.	Country Representative	Medium	Agreed. This is well received and has been taken into account in next Strategic Note. In regard to UNCT-SWAP, the exercise has been conducted in collaboration with the UN Resident Coordinator's Office since the first quarter of 2022 and completed by December 2022. The Office will work with UNCT to implement improvements.	30 June 2024
Observation 3: Resource mobilization	Recommendation 2. The Country Representative to closely monitor the Country Office's resource mobilization strategy and targets for feasibility; expand the donor base; map and approach potential donors including joint programmes; and report any potential issues with the availability of resources to the Regional Office.	Country Representative	Medium	Agreed. Management will start implementation of the recommendation and provide status updates accordingly. Regarding office typology and related budget, the CO will follow BRC recommendations.	31 December 2024
Observation 4: Monitoring of strategic priorities and their output and outcome indicators	Recommendation 3. The Country Representative to: (a) Ensure training of personnel on results-based management principles and enhance the technical capacity of the Monitoring and Evaluation function to provide effective oversight. (b) Enhance results-based management at the design of result-frameworks to ensure a clear results chain that measures and demonstrates results through outcomes, outputs and indicators. (c) Enhance the data collection and validation workflows used for the RMS reports, emphasizing the crucial role of programme specialists to ensure the quality of the reported input data, and clarifying the division of responsibilities and accountability for quality assurance and monitoring of indicators.	Country Representative	Medium	Agreed. Management will start implementation of the recommendation and provide status updates accordingly.	30 June 2024
Observation 5: Project design and approval	Recommendation 4. The Country Representative to implement strong quality assurance during project design and further project approval process, including adequate results frameworks with exit and sustainability elements, and risk management strategies which should be monitored during project implementation.	Country Representative	Medium	Agreed. The monitoring plans have been part of the implementation of all projects and of the annual workplans per RMS. The reports follow donors' templates and required information. One of the means for verification on outcome level change has been external evaluations conducted at the end of most projects. ProDocs also have indications on how they complement previous interventions by UN Women. Going forward, longer-term impact evaluations of overall office indicators will strengthen efforts made.	31 December 2024
Observation 6: Project and programme implementatio n	Recommendation 5. The Country Representative to ensure that project management is accountable for ensuring that projects are implemented according to the project's intended objectives, governance and other requirements, and that these are reviewed and evaluation recommendations are tracked in a timely manner.	Country Representative	Medium	Agreed. Management will start implementation of the recommendation and provide status updates accordingly.	30 June 2024
Observation 7: Project oversight	Recommendation 6. The Country Representative to strengthen oversight and monitoring of projects' duration, closure dates and capacity for implementation. This may include budgeting for project technical positions, timely recruitment, monitoring compliance with donor agreements, proactive risk management of individual projects and monitoring results-focused spending of short-term projects.	Country Representative	High	Agreed. Management will start implementation of the recommendation and provide status updates accordingly. Operations team are notified regularly (weekly) and forward the backlog of cases to the concerned project managers for immediate action. A closer follow-up will continue to be made with the programme teams and Regional Office dedicated team on projects' closures.	30 June 2024
Observation 8: Processes for working with beneficiaries	Recommendation 7. The Country Representative to strengthen and monitor processes around working with beneficiaries, ensuring that programme partners use clear criteria for targeting beneficiaries; a documented selection process; monitoring and that grievance mechanisms exist to ensure that beneficiaries received the money and services indicated in programme partner reports; how the cash was utilized; and how it impacted their lives.	Country Representative	Medium	Agreed. The Office works with local coordination committees made up of beneficiary representatives and local authorities to ensure oversight of the projects' implementation. The primary focus was oversight mechanisms at national level to monitor and make decisions. Following this recommendation and since the last quarter of 2022, surprise spot checks of beneficiaries have been increased and will continue to do so.	30 June 2024

Observation	Recommendation	Responsible Unit	Priority	Action Plan	Implementa-tion date
Observation 9: Programme partner management	Recommendation 8. The Country Representative to strengthen the Country Office's processes for management of programme partners, including clarity in accountability for delays in submitting and processing FACE forms; and compliance with Policy, Procedures and Guidance (PPG) on partner selection, management, monitoring, reporting and performance evaluation.	Country Representative	Medium	Agreed. Regarding clearance of advances and agreement extensions, these recommendations had been made in the partner audit report, hence the Office consents to the recommendation and concrete actions have already been taken by the office to address these. The Office will also strengthen FACE forms preparation, and strengthening capacity of programme partners, beyond trainings that are always conducted before projects' implementation. The Office will improve capacity assessments and selection of partners, and maintain documentation. Recommendations on enhancing close monitoring of partners performance is well noted. As a result of non-satisfactory evaluations and qualified audits, or poor performance the Office has interrupted ongoing contracts, or decided to not renew or re-establish contracts with some partners.	30 June 2024
Observation 10: Cash-based interventions	Recommendation 9. The Country Representative to strengthen the Country Office's procedures to: (a) Determine the gaps, needs and priorities of targeted beneficiaries, to influence the design of relevant and sustainable cash-based interventions. (b) Establish a monitoring framework with a set of indicators to systematically capture data on monitoring, oversight and learning, and follow-up on cash-based interventions undertaken by programme partners. (c) Design a stronger theory of change for income-generating activities to demonstrate results and the post-implementation impact on beneficiaries.	Country Representative	High	In Central African Republic, cash-based interventions remain an important part of support in the humanitarian/conflict-affected areas, despite widely acknowledged gaps that need mitigation measures. The Office will enhance the frequency and nature of the monitoring and follow-up mechanisms. Regarding sustainability, some women associations are still conducting soap-making activities, as included through follow-up mission reports from programme teams. Soap-making and the production of COVID-19 products, are still cited as success stories and good practice and some donors are interested in expanding such initiatives. UN Women does not provide stand-alone cash-based interventions, these are always part of income-generating activities, where cash are rather starting capital/kits, and provided ample time for close follow-up before the project ends, and after project implementation period through follow-up missions. The overall income-generating activities is always coupled with needs/market assessment, providing cash to associations rather than individual, vocational training, establishment of village savings and loans associations (that programme teams continue visiting, including over a year after implementation), and continuous supply chain support as relevant, these ensure the sustainability of the intervention. Comment on the IAS' 2020 review of cash-based interventions in UN Women and its recommendations is well received.	31 December 2024
Observation 11: Construction and boreholes	Recommendation 10. The Country Representative to strengthen governance processes and controls for construction projects to ensure compliance with PPG; minimize partner agreements with construction-related activities; and engage construction experts for contract design and monitoring.	Country Representative	High	Agreed. Constructions are made according to local standards, available budget, and to respond to urgent needs, a dedicated expertise to review all constructions might not be available at all times. The Office will continue to seek technical expertise of other UN entities with background in construction and relevant ministry. The recommendation of using procurement processes and submission to Headquarters Infrastructure Committee is well taken and followed going forward. The Office will also improve accountability mechanisms for any works and services delegated to the programme partners which may include construction to ensure that partners deliver what was agreed regarding quality and timeliness. .	31 December 2024
Observation 12: Follow-up and monitoring of partner audits	Recommendation 11. The Country Representative to strengthen oversight and monitoring mechanism to reduce and address partner audit recommendations by: (a) requesting that the operations manager regularly oversees the process; (b) holding project managers accountable for failure to monitor all types of partner audit recommendations and use audit results in capacity assessments for future partnerships; (c) updating the risk profiles of programme partners with severe audit findings to higher risk ratings, reflecting this in their performance appraisals and larger samples for validation of expenditure; and (d) urgently contacting PSMU for assistance in dealing with outstanding financial audit findings.	Country Representative	Medium	Agreed. The point is well taken. Management will start implementation of the recommendation and provide status updates accordingly. Following the recommendation, the Office has started to closely monitor the partner audit recommendations and will improve the process further.	31 December 2024
Observation 13: Sustainability of critical personnel positions and accountability	Recommendation 12. The Country Representative to: (a) Engage a functional analysis of the Country Office's structure and ensure staffing is fit-for-purpose, considering any funding restructuring to enhance the sustainability of critical policy roles, and to realign functions with the availability of resources. The exercise to be carried out in consultation with the Regional Office and the Business Transformation Unit. (b) Address and monitor the business case conditions by developing a draw-down or exit strategy for the office; seeking alternative funding sources to support low IB and core funds; or notify the Regional Office and headquarters about the need for additional core funding for normative and coordination roles. (c) Reinforce clarity of the roles of the Programme and Operations teams and workflows ("who does what, why, when and how") to boost accountability, while highlighting	Country Representative	Medium	Agreed. As of March 2023, the office started preparations for a functional job analysis with the Regional Office to help further enhance the workflow. The management team of the Office with also do refresher training on the delegation of authority and roles of different teams. The existing workflow chart will be enhanced as a result of this exercise.	31 December 2024

Observation	Recommendation	Responsible Unit	Priority	Action Plan	Implementation date
	individual responsibility for compliance per delegation of authority.				
Observation 14: Risk assessment process	Recommendation 13. The Country Representative to establish a process so that the Country Office regularly updates the risk register which should be used as a proactive tool for risk-informed decisions, including risks to major implementation modalities, and monitor implementation of the mitigation actions.	Country Representative	Medium	Agreed. The risk register will be a tool to document emerging risks and monitor effectiveness of the mitigating actions which will be embedded into projects and overall office management. Moreover, key programmatic risks related to implementation modalities and major interventions including cash based interventions and construction conducted in such complex environment where security situation might not always allow a regular independent monitoring of the partners work, will be recorded as separate risks and monitored accordingly.	30 June 2024
Observation 15: Fraud risk assessment process	Recommendation 14. The Country Representative to strengthen the mechanisms to ensure practical application of fraud risk assessments and related controls; promote open discussions on inherent fraud risks; and hold regular sessions on fraud, corruption and potential misconduct.	Country Representative	Medium	Agreed. The Office will implement the recommendation and continue to organize refresher sessions on ethics.	30 June 2024
Observation 16: HR management processes	Recommendation 15. The Country Representative to strengthen the Country Office processes to (a) ensure the information provided by candidates is authenticated; (b) document fee negotiation and justify value-for-money related to the hiring of non-staff personnel; and (c) update and monitor learning plans to build the capacity of personnel.	Country Representative	Medium	Agreed. On HR management processes, the Office has benefitted from Regional Office. Notwithstanding this, the Office will improve the processes further for development of personnel and effective recruitment. The Office will also ensure that the rates follow the value-for-money principles and get more involved in the negotiation process.	30 June 2024
Observation 17: Procurement process	Recommendation 16. The Country Representative to develop a procurement strategy and support it with regular update of procurement plans; enhance the capacity of the procurement function; communicate expectations and procurement lead times to all personnel and instil competitive selection of vendors; ensure long-term agreements are uploaded and monitored, and repository is kept and updated regularly.	Country Representative	Medium	Agreed. The Office has used procurement plans and recommendations to enhance it and execution of procurement actions are well received. The Office will also establish a procurement strategy in consultation with the Regional Office. It is important to note that the national context (issue of access to internet to use e-procurement, issue of getting suppliers with full registration documents) limits the number of vendors that can be contracted for effective competitive selection.	30 June 2024
Observation 18: ICT management	Recommendation 17. The Country Representative to ensure annual testing and update of the business continuity and disaster recovery plans; and clarify with Headquarters Information Systems and Telecommunications division what requirements in the information security dashboard are missing for full compliance.	Country Representative	Medium	The recommendations are agreed. Management will start implementation of the recommendation and provide status updates accordingly.	30 June 2024
Observation 19: Travel management	Recommendation 18. The Country Representative to strengthen the Country Office's travel procedures by: (a) Introducing travel checklists to ensure compliance with the travel policy and clearance of operational advances with complete supporting documents. (b) Establishing a process to exclude MINUSCA accommodation costs from the daily subsistence allowance. Further ensure recovery of daily subsistence allowance that was overpaid.	Country Representative	Medium	Agreed. The Office will reinforce travel controls and strengthen the adherence to travel checklist. Moreover, regarding accommodation for MINUSCA, the Office will ensure that full DSA rates are not provided to international travellers if they are accommodated in MINUSCA as the office will pay their accommodation directly to MINUSCA per the agreed cost recovery policy, after MINUSCA bills the office. This will prevent any overpayment of DSA and ensure efficiency.	30 June 2024
Observation 20: Asset management	Recommendation 19. The Country Representative to ensure the training of the focal point on asset and vehicle management, and regularly oversee compliance with insurance policies, maintenance and repairs of vehicles, delegation of authority for high-value vehicles and accuracy of asset records in UN Women systems.	Country Representative	Medium	The recommendations are received and will be implemented for further purchasing. The Office is also exploring options to improve the capacity of the drivers. Concerning the vehicle bought for an amount above the $38,000 were made on basis of an Headquarters LTA, unfortunately, the shipping costs increased the final value of the car. All other UN agencies are subject to the same cost constraints.	30 June 2024
Observation 21: Security controls	Recommendation 20. The Country Representative to: (a) Consult the Senior Security Adviser in headquarters and the Regional Office for adequate allocation of funding to enhance security controls and provide the security equipment recommended as necessary by UNDSS. (b) Request that the Regional Security Specialist conduct a thorough assessment of compliance with security management policies and recommendations from UNDSS.	Country Representative	High	Agreed. Management will start implementation of the recommendation and provide status updates accordingly. On Emergency communications device: in order to alleviate communication issues, the Office has provided mobile internet data to all personnel, as part of the BCCMA implementation. Everbridge platforms and applications are set up for each member of the personnel and updated for use in crises periods. The Office received US$ 250,000 from the Regional Office to purchase an armoured vehicle, which is anticipated to be delivered by end of Q2 2023. The office has also placed an order for the satellite phone using the additional core funds. The Office participated in the webinars on security organized by Headquarters to improve capacities. There has also been increased reporting on security controls and context at country level.	30 June 2024

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 management of the audited entity/area, 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 UN 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 UN 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 implement these standards. It stands behind women's equal participation in all aspects of life, focusing on five priority areas: increasing women's leadership and participation; ending violence against women; engaging women in all aspects of peace and security processes; enhancing women's economic empowerment; and making gender equality central to national development planning and budgeting. UN Women also coordinates and promotes the UN system's work in advancing gender equality.

GENERATION EQUALITY

220 East 42nd Street
New York, New York 10017, USA
Tel: 212-906-6400
Fax: 212-906-6705

www.unwomen.org
www.facebook.com/unwomen
www.twitter.com/un_women
www.youtube.com/unwomen
www.flickr.com/unwomen