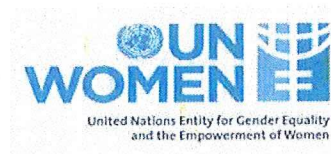


**United Nations Entity for Gender Equality and
the Empowerment of Women**
Independent Evaluation and Audit Services
Internal Audit Service



AUDIT

OF

UN WOMEN COUNTRY OFFICE

IN

MOZAMBIQUE

Report No. IEAS/IAS/CO/2018/006

Issue Date: 15 February 2019

Table of Contents

Executive Summary	i
Acronyms and abbreviations	iv
I. Background	1
(a) About the Country	1
(b) About the Country Office	1
II. Good practices	1
III. Audit Results	2
A. Governance and strategic management	3
1. Current capacity and organizational structure	3
2. Risk management	4
B. Programme management	5
1. Coordination strategy for the Country Office	5
2. Advocacy and Communication	6
3. Programme and project management	7
C. Operations	9
1. Procurement	9
2. Human Resources	10
3. Safety and Security	11
4. Information Security	11
Definitions of audit terms – ratings and priorities	13

Report on the Audit of UN Women Country Office in Mozambique

Executive Summary

The UN Women Internal Audit Service (IAS) of the Independent Evaluation and Audit Services (IEAS) conducted an audit of the UN Women Country Office in Mozambique (the Country Office) from November 2018 to December 2018, with a field visit to the Country Office from 20 to 30 November 2018. The audit aimed to assess the adequacy and effectiveness of the governance, risk management and control processes relating to the following areas and sub-areas:

- (a) Governance and strategic management (organizational structure and delegations of authority, leadership, ethics and values, risk management, planning, business continuity, monitoring and reporting).
- (b) Programme activities (programme and project management, gender mainstreaming in development, partnerships and resource mobilization).
- (c) Operations (human resources, finance, procurement, information and communication technology, general administration, and safety and security).

The audit covered Country Office activities from 1 January 2017 to 30 November 2018. The Country Office recorded approximately US\$ 2.63 million of total expenditure in 2017, and US\$ 3.02 million in 2018. This was the first internal audit of the Country Office since its establishment. A Country Portfolio Evaluation was conducted for the period 2012–2015, with a quality rating of Good.

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

Overall audit rating

IAS assessed the Country Office as **partially satisfactory (some improvement needed)**, meaning “*the assessed governance arrangements, risk management practices and control processes were generally established and functioning but need some improvement. Issues identified by the audit do not significantly affect the achievement of the objectives of the audited entity/area*”.

This rating was mainly due to improvements needed in:

- Governance and Strategic Management: i) optimizing current capacity and organizational structure; and ii) improving risk management.
- Programme Management: i) improving UN coordination in gender mainstreaming; ii) allocating sufficient resources to advocacy and communication; iii) strengthening management of project delivery delays, tracking, monitoring and reporting.
- Operations: i) strengthening oversight of the procurement and HR processes to ensure compliance with policies and procedures, and ii) enhancing security management.

Good practices

Good practices were noted in the following areas:

- (a) Advocacy: The launch of the “16 Days of Activism against Gender-Based Violence” campaign was led by the President of Mozambique and attended by all cabinet members, as well as representatives from UN entities and donors. This was a good example of UN Women’s advocacy and coordination work in the country.
- (b) Operations: The Country Office made good use of Long-Term Agreements in 2018, when available, in order to streamline the procurement process.

Key recommendations: Total = 9, 2 high priority, 7 medium priority

IAS made two high (critical) priority recommendations, meaning *“prompt action is required to ensure that UN Women is not exposed to high risks. Failure to take action could result in major negative consequences for UN Women.”* These recommendations are presented below:

There is a need to
enhance risk
management
(Issue 2)

The Country Office did not have a well-defined and mature risk management system in place. Not all risks at the project or Country Office level were identified and managed in a timely manner.

Recommendation: The Representative to embed risk management culture into daily work. Country Office management should identify and manage risks in a timely manner, or escalate them if outside of the office’s control (Recommendation 2).

The Country Office
would benefit from a
specific strategy to
cement its leadership
role for co-ordination of
GEWE mainstreaming
(Issue 3)

Coordination of gender mainstreaming in the country was taking place, but had not been formalized in a strategy. External stakeholders mentioned the need for increased coordination efforts by UN Women in the country as one area for improvement.

Recommendation: The Representative to develop a strategy for leading coordination of GEWE mainstreaming, which is built on joint programming options, specific coordination outcomes, as well as specific resource mobilization activities (Recommendation 3).

In addition, seven medium (important) priority recommendations were raised, meaning *“action is required to ensure that UN Women is not exposed to risks. Failure to take action could result in negative consequences for UN Women.”* These recommendations include actions to improve oversight of the procurement process; streamline and refine the human resources process; conduct timely UNDSS assessments; and encourage staff to use SharePoint to store final official documents.

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

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

Management comments and action plan

The Representative accepted all recommendations and is in the process of implementing them. Comments and/or additional information provided have been incorporated in the report, where appropriate.

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



Lisa Sutton

Director

Independent Evaluation and Audit Services

Acronyms and abbreviations

AWP	Annual Work Plan
ERM	Enterprise Risk Management
GEWE	Gender Equality and Women Empowerment
HCT	Humanitarian Country Team
HR	Human Resources
IAS	Internal Audit Service
IEAS	Independent Evaluation and Audit Services
LTA	Long-Term Agreement
MERP	Monitoring, Evaluation and Research Plan
POM	Programme and Operations Manual
PPG	Policy, Procedure and Guidance
SMT	Security Management Team
SN	Strategic Note
SSA	Special Service Agreement
UNCT	United Nations Country Team
UNDAF	United Nations Development Assistance Framework
UNDP	United Nations Development Programme
UNDSS	United Nations Department of Safety and Security

I. Background

(a) About the Country¹

Mozambique has made noteworthy advances in the socio-economic arena since the advent of peace in 1992. The economy has grown at an annual average of 7 per cent over the last decade. Nevertheless, progress towards achieving the Millennium Development Goals (MDGs) and other Internationally Agreed Development Goals (IADGs) has been mixed. The country suffers from stagnant poverty levels and growing income inequality. The mission of the UN Special Rapporteur on Extreme Poverty and Human Rights to Mozambique highlighted “the risk that those living in poverty in the country will be left behind as the country enters a period of unprecedented growth with extractive industries investing the country’s natural resources”. Special concern relates to women who are more affected by poverty and social exclusion.

(b) About the Country Office

UN Women’s work in Mozambique is centered around the following areas: i) Elimination of Violence against Women; ii) Women’s Economic Empowerment; and iii) Women, Peace and Security. These areas are in line with the United Nations Development Assistance Framework (UNDAF) 2017–2020 and are implemented in partnership with the government and civil society organizations, drawing on national development plans and gender frameworks. Mozambique is also one of the United Nations “Delivering as One” countries.

Under the Strategic Note (SN) for 2014–2017, the Annual Work Plan (AWP) for 2017 allocated US\$ 2.8 million to Development Results and US\$ 1 million to Organizational Results. The Country Office achieved 60 per cent of its delivery budget in 2017². Under the SN for 2018–2021, the AWP for 2018 allocated US\$ 4.2 million to Development Results and US\$ 943,000 to Organizational Results. The Country Office achieved 86.1 per cent of its delivery budget in 2018.

A Country Portfolio Evaluation of UN Women Mozambique activities between 2012 and 2015 was completed in October 2015. The Evaluation contained a final rating of “Good”.

The Country Office is currently housed in private premises. However, relocation during 2019 is being considered due to the expected growth of the office. The Country Office had six positions with fixed-term contracts and 13 positions with Special Service Agreement (SSA), Service Contract (SC) and UN Volunteer (UNV) contracts. The Representative planned to review the current organigramme to ensure the Country Office has the necessary capacity to implement the 2019 AWP.

II. Good practices

Good practices were noted in the following areas:

- (a) **Advocacy:** During the audit field work, the audit team attended the launch of the “16 Days of Activism against Gender-Based Violence” campaign in Mozambique. The launch was led by the President of Mozambique and attended by all cabinet members, as well as representatives from UN entities and donors. This was a good example of UN Women’s advocacy and coordination work in the country. After the audit field work, the Country Office launched the HeForShe campaign, which was also adopted by the President of Mozambique.

¹ Obtained from the UN Women Mozambique Resource Mobilization Strategy and Action Plan, 2017–2020 provided by the Country Office.

² According to the Results Management System data by activity

- (b) Operations: The Country Office made good use of LTAs in 2018, when available, in order to streamline the procurement process.

III. Audit Results

IAS noted satisfactory performance in the following areas:

- (a) Governance and internal control framework: In general, Country Office management had set up an appropriate control environment in the office and had devised an Internal Control Framework. As part of the Country Office's improvement efforts, the Representative identified the need for a dedicated HR Officer which will improve segregation of duties within the Operations team.
- (b) Programme planning: The SN 2014–2017 priorities and outcomes were linked to the 2017 AWP, and field programme activities supported the priorities and expected outcomes. A resource mobilization strategy was outlined in the SN and in a separate document.
- (c) Operations/General administration: Systems and procedures for general administration were established. Travel, vehicles and premises were being controlled.
- (d) Operations/Asset management: The Country Office had procedures for recording, identifying and verifying assets. Audit sample verification showed that assets were properly recorded in the system, barcoded and correctly classified.
- (e) Operations/United Nations Development Programme (UNDP) support to the Country Office: Services outsourced to UNDP were covered by the service agreement and the Country Office was satisfied with the services received from UNDP.

IAS provided two recommendations ranked high (critical) and seven recommendations ranked medium (important) priority.

High priority recommendations are that the Representative ensures the Country Office:

- (a) Embed risk management culture into daily work. Country Office management should identify and manage risks in a timely manner, or escalate them if outside of the office's control (Recommendation 2).
- (b) Develop a strategy for leading coordination of GEWE mainstreaming, which is built on joint programming options, specific coordination outcomes, as well as specific resource mobilization activities (Recommendation 3).

Medium priority recommendations are that the Representative ensures the Country Office:

- (a) Analyse the office's current and future programme priorities, available resources, existing staffing and their contractual arrangements to define a longer-term HR strategy for more effective and efficient delivery of programmes. This longer-term HR strategy should be the basis for the additional funding request, and the revision of the office structure (Recommendation 1).
- (b) Dedicate sufficient resources to advocacy and communication; review the advocacy and communication strategy for its effectiveness; and introduce periodic reports to monitor implementation of the advocacy and communication strategy (Recommendation 4).
- (c) Strengthen programme delivery tracking, monitoring and reporting by: implementing a formal monthly delivery monitoring system, which links financial and programmatic deliveries as well as risks, challenges and mitigating actions; devising a detailed field monitoring mission plan at the beginning of the year, which should include the nature, location and duration of the monitoring activities, and the personnel who will be

conducting the activities; and implementing a monthly reporting tracking process as part of its project management process, including discussion on the ongoing reporting requirements and the process of data collection and validation. (Recommendation 5).

- (d) Regularly remind staff involved in procurement about the importance of complying with key procurement controls, and that the Operations Manager properly supervises and periodically conducts spot-checks to ensure compliance with controls; set up a generic email box to receive electronic bids and communicate with suppliers; and resolve the VAT exemption issue through escalation to and discussion with the Headquarters Financial Management office. (Recommendation 6).
- (e) Strengthen the Country Office's human resources (HR) oversight mechanism; and establish a dedicated human resources function, either by assigning specific roles and accountability to an existing staff member, or by hiring additional HR personnel (Recommendation 7).
- (f) Engage UNDSS before entering into any contractual obligations for new premises to evaluate the location, including the safety and security of personnel and assets; and the Representative to regularly attend SMT meetings, disseminating key information discussed (Recommendation 8).
- (g) Encourage staff to use SharePoint to store final official documents instead of One Drive, as per corporate ICT policy, to protect corporate reports and information from loss; and move the network switches to a more secure and isolated location (Recommendation 9).

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

The detailed assessment is presented below, per audit area.

A. Governance and strategic management

1. Current capacity and organizational structure

Issue # 1 Office structure and resources needed to be aligned with upcoming AWP

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

While the Country Office programme had grown (from US\$ 2.8 million in 2017 to US\$ 8.1 million in 2019³), the resources to fund staffing to deliver the programme had slightly decreased (from US\$ 1 million in 2017 to US\$ 995,000 in 2019). As shown by the above figures, the Country Office has experienced significant programmatic growth since 2017, largely due to strong partnerships and resource mobilization efforts in 2018. The Country Office's structure and organization therefore needs to be sufficient to service this growth.

The Representative had started to revise the Country Office's structure to align it with programme priorities. This structure had not been updated since August 2017 and did not reflect some key functions, such as a dedicated HR function to ensure adequate segregation of duties within the Operations team, or dedicated resource mobilization, advocacy and planning function(s) to address concerns regarding UN System coordination discussed below.

³ Including the soon to commence Spotlight Initiative to Eliminate Violence Against Women and Girls. Under this initiative, UN Women Mozambique has been allocated US\$ 6 million over an initial two-year period.

An up-to-date staffing structure is critical to ensure that the Country Office can meet the demands created by its growing portfolio. Successful leadership of the Spotlight Initiative relies heavily on this. Periodic review of the office's structure and functions is important to ensure it is aligned with the needs of the office, particularly before or during periods of growth.

Priority	Medium (Important)
Recommendation 1: The Representative to ensure the Country Office analyse the office's current and future programme priorities, available resources, existing staffing and their contractual arrangements to define a longer-term HR strategy for more effective and efficient delivery of programmes. This longer-term HR strategy should be the basis for the additional funding request, and revision of the office structure.	
Management action plan: Management agrees with the recommendation and will implement it by the estimated completion date. Estimated completion date: 30 June 2019	

2. Risk management

Issue # 2 The risk register did not include key factors that could prevent achievement of the SN/AWPs

According to the UN Women Enterprise Risk Management (ERM) policy, the Risk Owner, i.e. the Head of Country Office, is expected to, *inter alia*, monitor risks and their mitigating actions and periodically update and report on the implementation of response plans. Risk identification and management is a critical part of proper governance. Risks that are properly identified can then be mitigated, tracked and managed.

As of June 2018, the Country Office finalized the recording of seven risks in the Risk Management System. The recording of a further four potential fraud risks were in draft during the audit mission. Based on IAS's review of programmes, projects and operations, and through discussions with internal and external stakeholders, the Country Office needs to improve its risk identification and management practices. In one project reviewed by IAS, the Country Office had not identified, mitigated and communicated risks in a timely manner, which led to project delays.

Stronger risk management will help the Country Office to better identify and effectively manage the full range of risks, to escalate them if needed to the corporate level, and if necessary, communicate in advance of issues arising.

Priority	High (Critical)
Recommendation 2: <p>The Representative to ensure the Country Office embed risk management culture into daily work. Country Office management should identify and manage risks in a timely manner, or escalate them if outside of the office's control. In particular:</p> <ul style="list-style-type: none"> (a) A log for operational risks to be maintained. (b) Once the full range of risks impacting the office has been identified, the Country Office to update the corporate risk register and rank/score risks based on likelihood and impact and decide upon proper mitigation measures (as necessary). (c) Once mitigation measures are identified, the Country Office to track their implementation and effectiveness. 	
Management action plan: <p>Management agrees with the recommendation and will implement it by the estimated completion date.</p> <p>Estimated completion date: 31 March 2019</p>	

B. Programme management

1. Coordination strategy for the Country Office

Issue # 3 The Country Office coordinated gender mainstreaming, but lacked a specific strategy to cement its leadership role

Coordination of gender mainstreaming is one of the three pillars of the UN Women mandate. The Country Office led and coordinated the gender mainstreaming process at country level through:

- (a) Working with the UN Country Team (UNCT) and its thematic groups.
- (b) Working under UNDAF Outcome 4.
- (c) Leading the Spotlight Initiative to eliminate violence against women and girls.
- (d) Sharing knowledge on gender mainstreaming with all stakeholders and establishing tools for monitoring progress towards gender equality.
- (e) Supporting government efforts to develop and implement gender equality policies, priorities and policies.

IAS found the Representative to be an active member of the UNCT and donor community and the Country Office chaired the Gender Thematic Group. Moreover, stakeholders interviewed by IAS were appreciative of UN Women's involvement in the work of the UNCT. They acknowledged the key role that UN Women plays in supporting women in Mozambique and provided positive feedback about UN Women's work in the country. Nonetheless, all stakeholders commented that UN Women needed to strengthen its coordination mandate in the country. The feedback also acknowledged challenges associated with lack of resources and limited personnel footprint in the country. The 2018 and 2019 AWP outputs and activities mentioned the need for gender mainstreaming coordination and gender equality and women's empowerment (GEWE) within the UNCT or Humanitarian Country Team (HCT).

The audit observed elements of a strategy in practice for strengthening UN Women's leadership role in gender mainstreaming coordination, for example its use of UNDAF Outcome 4 entitled "Disadvantaged Women and Girls Benefit from Comprehensive Policies, Norms and Practices that Guarantee their Human Rights" to support its mandate in the country. However, the Country Office did not have a documented strategy for leading coordination of GEWE within the UNCT, HCT or with the government. This raises the risk that the Country Office will not be able to effectively influence programming with its partners and/or raise the necessary resources to adequately fund future coordination activities.

Priority	High (Critical)
Recommendation 3: The Representative to ensure the Country Office develop a strategy for leading coordination of GEWE mainstreaming, which is built on joint programming options, specific coordination outcomes, as well as specific resource mobilization activities.	
Management action plan: Management agrees with the recommendation and will implement it by the estimated completion date. Estimated completion date: 30 November 2019	

2. Advocacy and Communication

Issue # 4 Lack of dedicated resources for advocacy and communication

Country Office management understood the office's roles and responsibilities for advocacy and communication in the country. The Representative and other personnel were in regular communication with stakeholders. Stakeholder feedback emphasized the importance of UN Women's work in the country and a willingness to continue working with UN Women in the future.

The Country Office had a communication strategy. As part of this strategy, the recent "16 Days of Activism Against Gender-Based Violence" campaign was successful in communicating gender mainstreaming needs and activities. It also served as a useful donor and partner forum.

However, there were no dedicated staff or funds for advocacy and communication. As a result, periodic reports on the office's communication strategy were not prepared. Therefore, it is difficult to measure if this strategy had been successfully designed and effectively implemented. Country Office management recognized this challenge. In particular, the risk register had a reference to the gap in the communication of the Country Office's activities due to the current funding structure and noted that partners and donors may not therefore clearly see and reflect on the results. This could also negatively impact on the Country Office's visibility and resource mobilization efforts. To be able to effectively advocate UN Women's mandate in the country, the Representative was in the process of revising the Country Office's organizational structure, with a plan to hire a Communications Officer to support the Representative in these efforts.

Priority	Medium (Important)
Recommendation 4: <p>The Representative to ensure the Country Office dedicate sufficient resources to advocacy and communication; review the advocacy and communication strategy for its effectiveness; and introduce periodic reports to monitor implementation of the advocacy and communication strategy.</p>	
Management action plan: <p>Management agrees with the recommendation and will implement it by the estimated completion date.</p> <p>Estimated completion date: 31 March 2019</p>	

3. Programme and project management

Issue # 5 Need to improve project progress tracking, monitoring and reporting

Project delivery monitoring

The PPG framework requires that projects are actively monitored and performance tracked to ensure prompt completion of deliverables and to address risks and issues in a timely manner.

As at 19 November 2018, the office delivered US\$ 2.5 million of a total US\$ 3.6 million budget (69.4 per cent). Management maintained that the Country Office was on track to improve its delivery percentage and, by the end of the year, delivery had increased to \$3.1 million (86.1 per cent). Significant activities such as the National Conference on Peace and Security, 16 Days of Activism against Gender-Based Violence campaign, Conference on the Law on Early Marriage and the launch of the HeForShe campaign were being implemented up to the first week of December 2018. Implementation delays had not been sufficiently covered in project and Country Office risk registers. Reportedly, there were external factors such as local elections, and other priorities for external stakeholders, which impacted the Country Office's ability to implement the activities on time.

As a good practice, the Representative initiated the use of "road maps" for all personnel. This helped staff to organize their activities and tasks in a focused way. The office was also developing a toolkit for monitoring delivery progress throughout the year. Further improvement is needed and encouraged.

Monitoring and evaluation

The Country Office had a Monitoring, Evaluation and Research Plan (MERP) for 2018. The monitoring portion of the plan mentioned a range of activities including: reporting on UNDAF Outcome 4; developing and updating the knowledge management, monitoring and communication framework; documenting activities; conducting regular reviews of the workplan; organizing planning and review retreats and team building sessions; and monitoring delivery on a monthly basis. IAS reviewed evidence of project delivery monitoring throughout the year, however monitoring was not systematic (e.g. at least monthly throughout the year). While the MERP listed general monitoring

activities to be performed, it did not mention specific monitoring field missions to be undertaken during the year which would assist in coordinated work planning and budget allocations.

There is a need for a periodic monitoring of field activities to enhance accountability of project managers through validation of reported activities and results and to encourage knowledge sharing and synergy between units. A review of the quarterly mission and leave plans revealed that there were only four separate monitoring missions conducted in 2018. A further 10 separate missions were conducted for various reasons other than monitoring. The Country Office has planned multi-purpose monitoring missions for 2019.

Project reporting

The Country Office needs to improve the timeliness of its project reporting. As at 20 November 2018, 11 out of 27 reporting commitments (41 per cent) were submitted with delay while another four per cent is already overdue. The Country Office partly attributed the delays to system challenges. Reporting is a key deliverable for stakeholders and poor quality or delayed reporting can negatively impact UN Women's reputation and future resource mobilization efforts.

The Country Office expects that these challenges would continue for short-term projects, especially for those that allow only 30 days after their closure to submit the donor report. The Country Office plans to ensure that Project Officers review the reporting situation quarterly and that the Monitoring and Evaluation Officer coordinates closely with the programme when gathering information and drafting donor reports. IAS recognizes management efforts, but notes that quarterly reviews may not be frequent enough.

Priority	Medium (Important)
Recommendation 5: The Representative to ensure the Country Office strengthen delivery tracking and monitoring by: <ul style="list-style-type: none"> (a) Implementing a formal monthly delivery monitoring system, which links financial and programmatic deliveries as well as risks, challenges and mitigating actions. (b) Devising a field monitoring mission plan which includes the nature, location, schedule and personnel who will be conducting the monitoring, which can then be linked to annual office workplans and individual performance indicators. (c) Implementing a monthly reporting tracking process as part of its project management, including discussion on the ongoing reporting requirements and the process of data collection and validation. 	
Management action plan: Management agrees with the recommendation and will implement it by the estimated completion date. Estimated completion date: 31 March 2019	

C. Operations

1. Procurement

Issue # 6 Need to strengthen oversight over the procurement process

The Country Office had grown consistently over the past couple of years due to new resources being generated and the launch of the Spotlight Initiative. As a result, procurement activities had also increased, from US\$ 1.11 million in 2017 to US\$ 1.35 million in 2018. This trend is likely to continue given the expected increase in delivery from US\$ 4.2 million in 2018 to US\$ 7.4 million in 2019, a gain of 74 per cent. The Country Office processed 677 Purchase Orders (POs) for US\$ 5.7 million during 2017–18 (including non-procurement related POs).

IAS noted improvement in the way procurement was conducted from the beginning to the end of the audit period. In 2017, the office relied more heavily on non-competitive processes such as direct contracting. In 2018, the office had begun to use competitive processes and relied on pre-existing LTAs in order to streamline the procurement process.

The following issues were noted in the procurement process:

- The Country Office included value-added tax (VAT) when evaluating bids. The Country Office also paid VAT to suppliers without claiming VAT reimbursement or VAT exemption. The Country Office stated that this was the case for other UN agencies. The office has since obtained the right to claim back VAT paid from the government. However, the tax authority requires the claiming entity to have its own bank account. UN Women uses UNDP bank accounts in Mozambique and therefore the VAT cannot be refunded. An application for a special exemption was denied.
- The Country Office used individual staff email addresses to receive quotations and communicate with suppliers during the procurement process.
- The Country Office did not use a dedicated and secure bid receipt box to collect physical bids. Instead it received and collected all incoming mail in one box which included bids. Such bids should be kept within the bid receipt box until the designated bid opening time has been reached.

The issues noted above may have resulted from staff shortages and an over-stretched procurement team. These issues also indicate the need for better procurement process oversight and training. As the Country Office grows, it will become increasingly important to ensure that the procurement process is fully compliant, in order to safeguard UN Women procurement principles and ensure efficient processes.

Priority	Medium (Important)
Recommendation 6: The Representative to ensure the Country Office: <ul style="list-style-type: none"> a) Regularly remind staff involved in procurement about the importance of complying with key procurement controls, and that the Operations Manager properly supervises and periodically conducts spot-checks to ensure compliance with controls. b) Set up a generic email box to receive electronic bids and communicate with suppliers. c) Resolve the VAT exemption issue through escalation to and discussion with the Headquarters Financial Management office. 	
Management action plan: Management agrees with the recommendation and will implement it by the estimated completion date. Estimated completion date: 31 March 2019	

2. Human Resources

Issue # 7 Process of recruitment needed more streamlining and refinement

A review of recruitment samples revealed the following issues:

- The Country Office did not have a dedicated HR position. This function, including recruitment, was performed by an Administrative Assistant, who was also responsible for other administrative tasks, and was supervised by the Operations Manager.
- Reference checks were not frequently used to check the background of candidates or, if the checks were made, they were not properly filed in the HR files. At the same time, the Country Office had identified 'falsification of educational or professional qualifications by staff/vendors' as a potential HR-related fraud risk.
- Vacancy requisition forms used to request recruitment of new staff were not always available.

The above issues indicate the need for better HR capacity and oversight which is discussed under Issue 1.

Priority	Medium (Important)
Recommendation 7: The Representative to ensure the Country Office: <ul style="list-style-type: none"> (a) Strengthen the office's human resources oversight mechanism. (b) Establish a dedicated human resources function, either by assigning specific roles and accountability to an existing staff member, or by hiring additional HR personnel. 	
Management action plan:	

Management agrees with the recommendation and will implement it by the estimated completion date.

Estimated completion date: 31 March 2019

3. Safety and Security

Issue # 8 Insufficient attendance at the Security Management Team (SMT) meetings and need for security clearance of new premises

Based on review of the minutes of Security Management Team (SMT) meetings, it was noted that the Representative attended only one of the five SMT meetings in 2017. UN Women Representatives are responsible for ensuring their presence at SMT meetings and this responsibility cannot be delegated.

IAS learned that the current office premises was not security cleared by UNDSS prior to signing the lease. The assessment was only conducted on 1 September 2017, while UN Women had moved into the premises on 1 November 2008. Some basic security measures which should have been taken could not be enforced because of the layout of the premises including lack of dedicated parking spaces for office vehicles and separate entrances for personnel and visitors.

Priority	Medium (Important)
Recommendation 8: The Representative to ensure the Country Office: (a) Obtain UNDSS security clearance for the premises before renewing or entering into a new lease. (b) The Representative to regularly attend SMT meetings, disseminating key information discussed.	
Management action plan: Management agrees with the recommendation and will implement it by the estimated completion date. Estimated completion date: 31 March 2019	

4. Information Security

Issue # 9 Use of SharePoint and physical security of the network

The Country Office decided to use a cloud-based document storage system; therefore, it did not need a server as all working documents were stored on OneDrive. In addition to OneDrive, the office used a shared drive attached to the network switch to exchange and store critical information during business hours. This drive was backed up on a weekly basis and the back-up was kept off site. The Country Office did have a SharePoint portal, but it was not used frequently by all staff members, despite being the recommended corporate repository tool by the Information Systems and Telecommunications team.

In addition, the main network switch was installed in the open lobby of the office, which was not a very secure location because the country is prone to heavy rains and flooding. The location was also not suitable from an IT

security perspective as the switch and attached shared drive may be exposed to hacking attacks. The Country Office stated that the main reason for the switch's location was lack of space. This problem will be resolved when the office moves to its new premises.

Priority	Medium (Important)
Recommendation 9: The Representative to ensure the Country Office: (a) Encourage staff to use SharePoint to store final official documents instead of One Drive, as per corporate ICT policy, to protect corporate reports and information from loss. (b) Move the network switches to a more secure and isolated location.	
Management action plan: Management agrees with the recommendation and will implement it by the estimated completion date. Estimated completion date: 31 March 2019	

Definitions of audit terms – ratings and priorities

A. AUDIT RATINGS

- **Satisfactory** The assessed governance arrangements, risk management practices and controls were adequately established and functioning well. Issues identified by the audit, if any, are unlikely to affect the achievement of the objectives of the audited entity/area.
- **Partially Satisfactory / Some Improvement Needed** The assessed governance arrangements, risk management practices and controls were generally established and functioning, but need some improvement. Issues identified by the audit do not significantly affect the achievement of the objectives of the audited entity/area.
- **Partially Satisfactory / Major Improvement Needed** The assessed governance arrangements, risk management practices and controls were established and functioning, but need major improvement. Issues identified by the audit could significantly affect the achievement of the objectives of the audited entity/area.
- **Unsatisfactory** The assessed governance arrangements, risk management practices and controls were either not adequately established or not functioning well. Issues identified by the audit could seriously compromise the achievement of the objectives of the audited entity/area.

B. PRIORITIES OF AUDIT RECOMMENDATIONS

- **High (Critical)** Prompt action is required to ensure that UN Women is not exposed to high risks. Failure to take action could result in major negative consequences for UN Women.
- **Medium (Important)** Action is required to ensure that UN Women is not exposed to risks. Failure to take action could result in negative consequences for UN Women.
- **Low** Action is desirable and should result in enhanced control or better value for money. Low priority recommendations, if any, are dealt with by the audit team directly with the Country Office management, either during the exit meeting or through a separate memo subsequent to the fieldwork. Therefore, low priority recommendations are not included in this report.