



AUDIT

OF

UN WOMEN COUNTRY OFFICE

IN

THE DEMOCRATIC REPUBLIC OF THE CONGO

Report No. 1220
Issue Date: 29 October 2013

Report on the audit of UN Women Democratic Republic of the Congo Executive Summary

From 4 to 22 March 2013, the Office of Audit and Investigations (OAI) of the United Nations Development Programme (UNDP) conducted an audit of the United Nations Entity for Gender Equality and the Empowerment of Women (UN Women) Country Office in the Democratic Republic of the Congo (the Office). The audit covered the activities of the Office during the period from 1 January to 31 December 2012. During the period reviewed, the Office recorded programme and management expenditures totalling \$1.8 million. This was the first audit conducted of the Office.

The audit was conducted in conformance with the *International Standards for the Professional Practice of Internal Auditing*. These Standards require that OAI plan and perform the audit to obtain reasonable assurance on the adequacy and effectiveness of the governance, risk management and control processes. The audit includes reviewing and analysing, on a test basis, information that provides the basis for the conclusions and audit results.

Audit rating

OAI assessed the Office as **unsatisfactory**, which means “Internal controls, governance and risk management processes were either not established or not functioning well. The issues were such that the achievement of the overall objectives of the audited entity could be seriously compromised.” This rating was mainly due to unsatisfactory management of the governance processes, programme and projects, resource mobilization, information technology, management of assets and operational support provided by UNDP. Ratings per audit area and sub-areas are summarized below.

Audit Areas	Not Assessed/ Not Applicable	Unsatisfactory	Partially Satisfactory	Satisfactory
1. Governance and strategic management				
1.1 Organizational structure and delegations of authority	Unsatisfactory			
1.2 Leadership, ethics and values	Satisfactory			
1.3 Risk management, planning, monitoring and reporting	Unsatisfactory			
2. Programme activities				
2.1 Programme and project management	Unsatisfactory			
2.2 Partnerships and resource mobilization	Unsatisfactory			
3. Operations				
3.1 Human resources	Partially Satisfactory			
3.2 Finance	Partially Satisfactory			
3.3 Procurement	Partially Satisfactory			
3.4 Information and communication technology	Unsatisfactory			
3.5 General administration	Partially Satisfactory			
3.6 Safety and security	Satisfactory			
3.7 Operational support provided by UNDP	Unsatisfactory			
3.8 Asset management	Unsatisfactory			
3.9 Leave management	Partially Satisfactory			

Key issues and recommendations

The audit raised 15 issues and resulted in 13 recommendations, of which 7 (54 percent) were ranked high (critical) priority, 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 and may affect the organization at the global level.”

The high priority recommendations are as follows:

Organizational structure and delegations of authority (Issue 1)	<u>Lack of readiness to operate as a Country Office.</u> The Office was in the process of transitioning from a Programme Office to a Country Office and did not yet have delegated authority, adequate staffing levels, and the ability to achieve the planned activities in its Strategic Note/Annual Work Plan which was developed on the basis of the Office achieving Country Office status within 2012. OAI recommends that the Office prepare a detailed action plan that would fast-track its achievement of Country Office status within a pre-determined time period. This plan should include defined dates for: (a) the achievement of each of the corporate delegation criteria and further sub-delegations to appointed staff members; and (b) the review and analysis of the existing organizational structure and determination of the resources required to achieve the programmatic and management goals detailed in the Strategic Note/Annual Work Plan.
Risk management, planning, monitoring and reporting (Issue 2)	<u>Inadequate risk management, planning, monitoring and reporting.</u> OAI noted that the Office did not adequately manage core funds available during 2012. Supervision of its Sub-office was weak and Office personnel did not have adequate access to Atlas in order to perform their functions, which increased the risk of poor decision making, loss of funds and irregular activities. OAI recommends that the Office, in collaboration with the Programme Support Division, immediately take steps to strengthen its ability to identify and manage risk and to plan, monitor and report on all its activities by: (a) ensuring that the Office’s management receives training on the financial regulations and rules, policies and procedures, financial planning and management of Country Office operations, and ensuring adequate monitoring and oversight of the Sub-office by developing and implementing procedures that include the types and frequency of reports to be submitted to the Country Representative, as well as periodic visits to the Sub-office as part of the supervision activities; (b) requesting appropriate Atlas rights to allow for the approval of transactions within the delegated authority of the Office and training staff in the use of Atlas queries and reports developed at the headquarters level to facilitate reporting at the Office level of activity; and (c) determining and developing the programmatic and operational reports required on a daily, monthly and quarterly basis to adequately capture key activities, trends and statistics of the operations that are critical to support informed decision making and to manage the Office.
Programme and project management (Issue 3)	<u>Inadequate programme and project activities and processes.</u> During 2012, the Office was unable to achieve its planned targets. Moreover, the Office did not comply with the corporate procedures on project formulation, capacity assessments of Implementing Partners. Levels of monitoring, reporting and oversight were also insufficient and no system existed to ensure accurate recording of achievements. OAI recommends that the Office strengthen its programme and project processes and activities by: (a) ensuring compliance with the Programme and Operations Manual regarding programme design, project formulation, and monitoring and reporting on all programmatic activities, including ensuring that for each project, documents are prepared and approved using

the standard template and that an adequate monitoring and oversight mechanism and plan are in place; (b) reviewing the Annual Work Plan 2013 to ensure baselines exist for each outcome; (c) implementing a system to track and accurately report progress for each target/indicator to ensure adequate oversight and accurate and comprehensive reporting on the results to be achieved by each office; (d) liaising with the Regional Office on a regular basis regarding regional projects taking place in the Country; and (e) completing capacity assessments for all Implementing Partners and retaining the documentation in the project. In addition, a mechanism should be established to ensure that the gaps noted in such assessments are incorporated into project activities for capacity building of the Implementing Partners, and further, ensuring that Implementing Partners understand clearly the requirements relating to and timing for submission of reports and adequate support documentation.

Partnerships and resource mobilization (Issue 7)	<u>Inadequate resource mobilization strategy and processes.</u> The Office had a target to raise \$5 million in non-core resources in the 2012-2013 biennium, but the Office had only mobilized, at the time of the audit, \$97,000. The preparatory work for resource mobilization had been delayed due to factors that were within the control of UN Women. OAI recommends that the Office strengthen its resource mobilization strategy and processes by: (a) developing an action plan to expedite its outreach with potential donors and providing timely follow-up to address questions or concerns from any potentially interested parties; (b) building the capacity of the staff member assigned with responsibility for resource mobilization; and (c) seeking guidance from the Resource Mobilization Unit at Headquarters on additional strategies that could be utilized.
Procurement (Issue 10)	<u>Weaknesses in the management of contracts signed with vendors.</u> The Office had issues with a vendor regarding the services agreed upon in a contract. However, there was no attempt made by the Office to correct the deficiency, and the Office contracted for those services with another vendor, at an added expense for the Office. The Office also accepted deliverables from other contractors that were not only late, but of poor quality. OAI recommends that the Office take steps to improve contract management, and monitor the services procured for compliance with the terms of the agreement.
Information and communication technology (Issue 11)	<u>Inadequate management of information and communication technology function.</u> The Office had no IT function, nor was it taking steps to back-up any of its data. OAI recommends that the Office strengthen its information management by: (a) immediately addressing the need for a secure back-up mechanism; (b) developing an information security plan that establishes the frequency and protocol for data back-ups; and (c) developing a formal disaster recovery policy that addresses the security, and storage of data and back-up devices.
Asset management (Issue 14)	<u>Weaknesses in the management of fixed assets.</u> The Office had not properly recorded correct information on the assets in-service and could not locate all assets flagged for disposal. OAI recommends that the Office strengthen its asset management by: (a) conducting an inventory of all assets, both in-service and those flagged for disposal, and following up with the appropriate procedures and reporting for any assets not physically located; and (b) securing assets awaiting disposal and following through with proper disposal in a documented and timely manner.

Management comments and action plan

The Country Representative accepted all 13 recommendations and is in the process of implementing them. Management's comments, including details on the actions taken/being taken, are incorporated in the report.

In response to the draft report, management commented that the audit took place during a transition period, while responsibility for oversight of the Office remained with the former Central Africa Sub-regional Office in Rwanda. UN Women's new Regional Architecture was approved by its Executive Board in November 2012 and part of this process included the strengthening and upgrading of UN Women's field presence. In this context, the Office was one of several offices which transitioned from having only a programme presence to being a full Country Office. Effective June 2013, in recognition of the many challenges in the Office and the Country, and the need for dedicated corporate support, UN Women Headquarters is temporarily providing oversight of the Office as an interim measure. Beginning December 2013, the Office will be under the oversight of the Regional Office in Nairobi in accordance with the new architecture.



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