

UNITED NATIONS DEVELOPMENT PROGRAMME
Office of Audit and Investigations



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AUDIT

OF

UN WOMEN WEST AND CENTRAL AFRICA REGIONAL OFFICE

IN

SENEGAL

Report No. 1608
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(REDACTED)

Report on the Audit of UN Women West and Central Africa Regional Office in Senegal Executive Summary

The UNDP Office of Audit and Investigations (OAI) conducted an audit of the UN Women West and Central Africa Regional Office in Senegal (the Office) from 29 February to 18 March 2016. 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) gender mainstreaming in development coordination;
- (c) programme activities (programme and project management, partnerships and resource mobilization); and
- (d) operations (human resources, finance, procurement, information and communication technology, general administration, safety and security, UNDP support to office).

The audit covered the activities of the Office from 1 January to 31 December 2015. The Office recorded programme and management expenditures of approximately \$4 million. This was the first audit of the Office.

The audit was conducted in conformance with the *International Standards for the Professional Practice of Internal Auditing*.

Overall 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 weaknesses in organizational structures, leadership, human resources, procurement, and general administration.

Key recommendations: Total = **14**, high priority = **7**

The 14 recommendations aim to ensure the following:

Objectives	Recommendation No.	Priority Rating
Achievement of the organization's strategic objectives	1, 4	High
	2	Medium
Effectiveness and efficiency of operations	5	High
	3, 7, 8	Medium
Safeguarding of assets	12	High
	11	Medium
Compliance with legislative mandates, regulations and rules, policies and procedures	6, 9, 10	High
	13, 14	Medium

For high (critical) priority recommendations, 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. All high (critical) priority recommendations are presented below:

Corporate Issue: Following the UN Women Africa Annual Work Plan 2016 peer review meeting in November 2015, the Office's portfolio of projects was reviewed and most of the projects directly implemented by the Office were closed or delegated to Country Offices within the region. However, the Office's structure and functions were not reorganized accordingly. In addition, the job descriptions of all key staff in the Office were outdated and neither mirrored the functions the staff were performing nor reflected the corporate requirements for the staff of Regional Offices. Furthermore, all job descriptions reviewed were in the form of generic Terms of Reference for filling vacancies, or in the form of non-finalized drafts, with visible tracked changes. In addition, there were only two thematic advisors to perform the roles originally designed for four advisors.

Absence of a well-defined office structure (Issue 1)

Recommendation 1: The Programme Division, in collaboration with the Office of Human Resources, should urgently address the issues with the Office's structure by: (a) fast tracking the human resources and business processes review to ensure that the Office's structure is in line with the corporate priorities and to determine the staffing resources required to efficiently operate the Office; and (b) updating all job descriptions and the Office's organization chart to reflect and clearly define staff roles, responsibilities and accountabilities and reporting lines.

Corporate Issue: The Office faced challenges in the formation and continuity of its senior management. The audit identified the following: Over a period of 18 months, the Office had both a Director and a Deputy Director for only 2 ½ months. For the remaining 15 ½ months, the Office was managed either by one incumbent or an *ad interim* designation. From July to December 2015, the Director *ad interim* was on detail assignment in the Office. From 29 February 2016, she was designated as Officer-in-Charge of the Regional Office in Kenya and the incumbent was relocated to Kenya. The Deputy Director was issued a delegation of authority as Officer-in-Charge of the Regional Office in the Country effective 29 January 2016. However, these changes were neither timely nor clearly communicated to all external stakeholders and as a result, the Office was not invited to the United Nations Development Group meeting that took place in January 2015. The most senior programme staff in the Office (Regional Programme Advisors) were reporting to the Officer-in-Charge based in Kenya, while the rest of the Office's personnel were reporting to the Deputy Director who was also the Director *ad interim* of the Office. The audit team was not provided with any specific justification for this arrangement. Five stakeholders interviewed, including the Government, United Nations agencies and UN Development Group representatives, indicated that there was confusion as to who led and represented the Office, because the Director of the Office was also the Representative of the UN Women Country Office (now Programme Presence) in Senegal. This resulted in the inadequate oversight of the Office and in ineffective UN Women representation and advocacy activities in the West and Central Africa region.

Weaknesses in the Office's senior management set-up (Issue 4)

Recommendation 4: The Programme Division, in collaboration with the Office of Human Resources, should develop and implement a strategy to ensure a more robust senior management system for the efficient and effective handling and monitoring of the operations of the Office.

Corporate Issue: Special Services Agreement chapter of 'Programme and Operations Manual' no longer relevant to field operations (Issue 5)

The Office, based on advice from the UN Women Office of Human Resources in headquarters, approved annual leave and renewed contracts for individuals under Special Services Agreement, contrary to the requirements of the relevant chapter in the 'Programme and Operations Manual'. These actions were in line with the practices followed in headquarters units, although not supported by the existing policies. This misalignment between existing policies and current practices had been raised by OAI in two previous reports on the audit of the Procurement Function and of the UN Women Country Office in the United Republic of Tanzania, and one recommendation had been raised, which remained unresolved. In view of this situation, OAI will withdraw the previous recommendation and issue a new one in this report, in order to better address the issue.

Recommendation 5: The Office of Human Resources should improve its guidance to all offices on contracting individuals by: (a) updating the Special Services Agreement chapter of the 'Programme and Operations Manual' taking into consideration the conflict between the existing guidelines and practices in leave and contract renewal processes and controls to be implemented over contracts with individuals; and (b) communicating the new or updated guidelines to all field offices and headquarters units.

Mandatory courses not completed (Issue 6)

Only 2 of the 35 personnel in the Office had completed all seven mandatory courses, 5 had completed between two and six courses each, and the remaining 28 (80 percent) had not completed any of the mandatory courses.

Recommendation 6: The Office should ensure that the mandatory courses are completed by: (a) requesting copies of completion certificates from individuals that already completed the mandatory courses and update the learning records; and (b) establishing a time frame within which all personnel should complete the mandatory training courses.

Delays in liquidation of advances made to implementing partners (Issue 9)

Contrary to the requirements of the 'Programme and Operations Manual', the Office had total outstanding advances of \$1.11 million, of which \$0.9 million (82 percent) were over six months. There were also significant long-outstanding advances in the Nigeria and Niger Country Offices, as well as in the Ghana Programme Presence, which were under the purview of the Office. These amounts totalled \$209,000. From December 2014, the Office had implemented an action plan to reduce the advances that were long outstanding.

Recommendation 9: The Office should improve the management of advances to implementing partners by: (a) strengthening the existing action plan to reduce existing long-outstanding advances – the plan should detail the actions to be taken to liquidate the outstanding advances and the individual that will have overall responsibility for completing the actions within the specific time frame; and (b) considering revising the advances schedule to make smaller payments to

partners on specific milestones to facilitate timely reporting and liquidation of the advance.

Inadequate
procurement
management
(Issue 10)

The audit reviewed 73 transactions valued at \$978,000 and noted exceptions for 30 percent of the transactions reviewed, totalling \$294,174 and relating to incomplete supporting documentation of procurement actions taken by the Office, unjustified modifications to procurement modalities during the procurement process, non-compliance to travel related procurement guidelines, and inadequate vendor due diligence process.

Recommendation 10: The Office should strengthen its procurement processes by: (a) obtaining and filing all the documents that support the procurement action taken, including waivers for direct procurement duly authorized by the head of office; (b) organizing refresher courses on procurement to ensure that the Office personnel engaged in procurement actions are up to date with the requirements of the 'Programme and Operations Manual'; and (c) performing, documenting and maintaining records of due diligence on all vendors in accordance with the 'Programme and Operations Manual'.

Weaknesses in
management of motor
vehicles and fuel
consumption
(Issue 12)

The Office did not maintain records of vehicle maintenance and use of three of its five vehicles. In addition, no reconciliations of the fuel consumption for all vehicles were maintained and the Office was paying for fuel that it had not verified through obtaining the respective invoices. The total amount paid for fuel in 2015 that was not verifiable was approximately \$6,300.

Recommendation 12: The Office should comply with the Vehicle Management chapter of the 'Programme and Operations Manual' by: (a) having drivers complete the fuel receipt column of the daily vehicle logs; (b) assigning the responsibility for verification and signing off of daily vehicle logs to an applicable authority; (c) obtaining monthly invoices and statements from the vendor for all Office vehicles; (d) reconciling the Office's records of fuel consumption against the vendor's statement of account; and (e) maintaining individual files for each motor vehicle that contains details such as purchase information, registration and maintenance history, fuel consumption and other relevant information to facilitate the review of the motor vehicle records.

"Corporate issue" means action is required from a headquarters unit or division.

Management comments and action plan

The Director a.i. of the Division of Management and Administration, the Director of the Programme Division, and the Director of the Office of Human Resources accepted all 14 recommendations and are in the process of implementing them. Comments and/or additional information provided had been incorporated in the report, where appropriate.

Issues with less significance (not included in this report) have been discussed directly with management and actions have been initiated to address them.

A handwritten signature in blue ink, appearing to read 'H. Ostveiten', is located inside a rectangular box.

Helge S. Ostveiten
Director
Office of Audit and Investigations