

COUNTRY OFFICE AUDIT

INTERNAL AUDIT REPORT
UN WOMEN COUNTRY OFFICE
IN BRAZIL



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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 audit of the UN Women Country Office (CO) in Brazil from October 2019 to January 2020, with a field visit to the CO from 28 October to 8 November 2019. The objectives of the audit were to assess the adequacy and effectiveness of the governance arrangements, risk management and control processes relating to the following areas and subareas:

- **Strategic priorities, programme planning and implementation:** advocacy and communications, coordination of gender mainstreaming, strategic planning and resource mobilization, programme implementation and monitoring, and project management.
- **Governance, risk management and internal controls:** office structure and authority, risk management, control environment, data quality, internal control system, and implementation of prior audit recommendations.
- **Operations:** Implementing Partners (IP), 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 CO activities from 1 January 2018 to 30 September 2019. Atlas-recorded expenditure for the CO totalled US\$ 3.0 million for 2018 and US\$ 2.7 million for January–September 2019.

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

Audit opinion and overall audit rating

IAS assessed the overall state of governance, risk management and internal controls in the CO as **Satisfactory** meaning that *“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.”*

IAS identified the following good practices employed by the CO, which could be considered for replication in other UN Women field offices:

- appointing a women’s civil society advisory group to guide UN Women’s work;
- partnerships with private and public companies to promote Women’s Empowerment Principles (WEPs);
- tracking significant in-kind contributions from donors, including for advocacy of UN Women’s work;
- monitoring process to aggregate data on results at project level and from external sources into results at the Strategic Note (SN) level, and use of information platforms to trace project performance source data for supporting aggregated project results; and
- use of the United Nations Country Team’s (UNCT) Joint Operations Facility (JOF) for procurement and travel services, with reasonable pricing of JOF services, in IAS’ opinion.

IAS identified areas of **major improvement** needed in:

- **Operations:** ensuring HR management compliance with UN Women’s policies and procedures; and institutionalizing safety and security management procedures.

Further, IAS identified areas of **some improvement** needed in:

- **Strategic priorities, programme planning and implementation:** setting an SN results framework with more realistic and measurable targets.
- **Governance, risk management and internal controls:** ensuring backstopping arrangements and adequate delegation of responsibilities for the Operations team; improving operational records management; and securing sensitive project data.
- **Operations:** improving IP selection, purchase order (PO) commitment monitoring and information security compliance.

IAS made 14 recommendations and provided advice to assist the CO in addressing the potential risks to achieving its mandate. Three recommendations were ranked as High priority and 11 as Medium priority.

The three High (Critical) priority recommendations mean that *“prompt action is required to ensure that UN Women is not exposed to high risks. Failure to take action could result in major negative consequences for UN Women.”* These related to addressing the following issues:

- Consider an SN results framework with more realistic and measurable targets, to enable effective measurement and reporting of the results achieved.
- Ensure that HR management complies with UN Women’s policies and procedures and best practices, including for gender parity, performance management, personnel training and development, establishing a consultant roster, and exit interviews.
- Institutionalize safety and security management procedures, including for annual security compliance, assessments of all new office premises and tracking of assessment recommendations.

The 11 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 focused on opportunities for programme and multi-donor pooled funding; streamlining project design; office governance and risk management;

securing sensitive project data; as well as improving operational records management, IP selection, PO commitment monitoring, information security compliance, and travel management.

Management comments and action plan

The Representative accepted the above recommendations and provided an action plan which is included in this report. Several of the recommendations were already under implementation. Management comments have been taken into account in this report, where appropriate.

Low priority issues were discussed directly with management and were not included in the final audit report; actions have been initiated to address them.



Lisa Sutton, Director
Independent Evaluation and Audit Services

ACRONYMS AND ABBREVIATIONS

ACRO	Americas and the Caribbean Regional Office
AWP	Annual Work Plan
CCA	Common Country Assessment
CFP	Call for Proposals
CO	Country Office
CPA	Committee for Partners Assessment
DRF	Development Results Framework
DRP	Disaster Recovery Plan
HR	Human Resources
IAS	Internal Audit Service
ICT	Information and Communication Technology
IEAS	Independent Evaluation and Audit Services
IP	Implementing Partner
JOF	Joint Operations Facility
M&E	Monitoring & Evaluation
OEEF	Organizational Efficiency and Effectiveness Framework
OM	Operations Manager
PMD	Performance Management and Development system
PO	Purchase Order
RBM	Results-Based Management
RMS	Results Management System
RO	Regional Office
SN	Strategic Note
SOP	Standard Operating Procedure
SWAP	System-wide Action Plan
UNCT	United Nations Country Team
UNDP	United Nations Development Programme
UNDSS	United Nations Department for Safety and Security
UNSDCF	United Nations Sustainable Development Cooperation Framework
UNSDPF	United Nations Sustainable Development Partnership Framework
UN Women	United Nations Entity for Gender Equality and the Empowerment of Women
US\$	United States Dollar
WEPs	Women's Empowerment Principles

I. BACKGROUND

About the Country Office

The UN Women Country Office (CO) in Brazil is hosted in the United Nations house in the country's capital Brasilia. At the time of the audit, the CO also had staff presence in São Paulo (State of São Paulo) and Boa Vista (State of Roraima). The CO reports to the Americas and the Caribbean Regional Office (ACRO).

The previous Representative was in office until February 2019; the incumbent took office in December 2019. The interim period was covered by a Programme Specialist as Officer-in-Charge.

As of 30 September 2019, the CO employed 1 international staff member, eight national staff, 13 service contractors, 3 United Nations volunteers, 4 consultants and 6 interns. The Representative and two national staff positions were vacant at the end of September 2019.

The CO's budget and expenditure are summarized in Table 1 below:

Table 1: CO budget and expenditure, US\$

	2018	2019
DRF budget target	2,964,870	4,513,742
DRF actual budget	2,412,624	4,178,089 ¹
DRF expenditure	2,341,397	3,166,269
Delivery rate	97%	76%
OEEF budget target	1,059,724	1,172,132
OEEF actual budget	1,103,842	1,172,470 ²
OEEF expenditure	968,575	963,365
Delivery rate	88%	82%

Source: Results Management System (RMS) data

During 2018–2019, the CO's country field programme comprised 23 non-core funded donor agreements with a total project life-time budget of US\$ 18.7 million, funded by multilateral donors, international non-governmental organizations, private and public companies and foundations, federal and local governments in Brazil, bilateral donors and other United Nations organizations. This included nine smaller donor agreements with a total budget of US\$ 0.4 million as direct contributions to the CO's Annual Work Plans (AWPs).

The CO's revised Strategic Note (SN) 2017–2021 focused on four Impact areas (women's participation in governance systems; women's income security; women and girls free from violence; and women's and girls' contribution to sustainable peace and resilience) under the Development Results Framework (DRF) and four Clusters under the Organizational Efficiency and Effectiveness Framework (OEEF).

According to the SN, the CO's resource mobilization target of non-core funds for 2017–2021 was US\$ 12.4 million. The CO had secured US\$ 11.2 million of this funding, at the time of the audit.

Atlas-recorded expenditure for the CO totalled US\$ 3.0 million for 2018 and US\$ 2.7 million for January–September 2019. Overall, this consisted of: staff costs (31 per cent); other personnel costs (25 per cent); maintenance, utilities and common services (15 per cent); travel (11 per cent); training activities (9 per cent); specialized services (4 per cent); procurement (4 per cent); and grants (1 per cent). Eight per cent of the expenditure was incurred through liquidation of advances to selected Implementing Partners (IPs).

^{1,2} As at the time of the audit

II. AUDIT RESULTS

A. Strategic priorities, programme planning and implementation

The CO's SN 2017–2021 and AWP (aligned with UN Women's Strategic Plan, the United Nations Sustainable Development Partnership Framework (UNSDPF) for Brazil, and the country's international commitments) were evidence and lessons-learned based and guided the CO's strategic priorities. The SN was supported with diverse and innovative resource mobilization, resulting from extensive networking with partners and donors. The CO was in the process of developing its resource mobilization strategy, as well as working on gender and race System-wide Action Plan (SWAP) scorecards and a Country Gender Equality Profile for Brazil to support the mid-term review and the Common Country Assessment (CCA) for the expected new United Nations Sustainable Development Cooperation Framework (UNSDCF).

IAS assessed that the CO's advocacy, communication and gender mainstreaming coordination efforts, programme portfolio management and implementation monitoring, as well as project design, implementation and monitoring were satisfactory overall. The CO employed good practices through appointing a women's civil society advisory group to guide UN Women's work; partnerships with private and public companies to promote Women's Empowerment Principles (WEPs); tracking significant in-kind contributions from donors (while noting that such contributions always should follow established donor agreements); a monitoring process to aggregate data on results from project level to SN level; and the use of information platforms to trace project performance source data for supporting aggregated project results. Stakeholders interviewed by IAS appreciated the CO for its active and strategic role; leadership and expertise on gender and race issues; technical assistance; 'bridge-building' among sectors in the country; and its communication campaigns.

The CO needed some improvement in its strategic programme planning, e.g. a results framework with more realistic and measurable targets. IAS also recommended that the CO look for programme (SN/AWP) funding and multi-donor pooled funding opportunities (while adequately assessing feasibility and capacity to implement small projects), and define project performance baselines and targets at an early project stage.

KEY ISSUES AND CONCLUSIONS

Issue 1: The SN results framework requires more realistic and measurable targets

The CO's SN 2017–2021 results framework was ambitious with 12 Impact, 28 Outcome and 21 Output indicators in the DRF and 26 Output indicators in the OEEF. Some indicators were further disaggregated by gender and race, as required. This is the case in various COs organization-wide; as yet there is no corporate benchmarking for a reasonable number of performance indicators.

As per corporate guidance, Output indicators should measure changes resulting from activities within the control of UN Women. However, the Brazil CO's 2018 Annual Report in RMS noted:

- for the 21 Output indicators in the DRF, annual targets were not reached for 11 indicators (one had significant progress), and
- for the 26 Output indicators in the OEEF, annual targets were not reached for five indicators (two had made significant progress), while 10 indicators were not measured, although they had annual targets.

This occurred because most of the indicators where targets had not been met largely depended on external counterparts' performance; lack of external data; changes in priorities or country context; some targets being ambitious or difficult to predict; some indicators were not successfully defined; results were achieved only for limited interventions; or there were insufficient controls to enforce some OEEF targets. Some OEEF indicators were not measured, although internal data was available.

IAS itself assessed reported results against the 2018 annual targets, as RMS reports only illustrated reporting against the SN's 2017–2021 multi-annual targets. The reporting of disaggregated data was also not available in RMS, but was available in offline reporting templates. As a result, RMS users organization-wide had a limited view of results reported. The Planning, Programme and Guidance Unit at headquarters indicated that improvements of RMS reporting tools were planned for reporting of results against the annual targets and, potentially, by disaggregated data.

Recommendation 1 (High):

To be able to accurately measure and report on the results achieved (following the SN mid-term review or

for the next SN), the Representative to:

- Establish a results framework with more realistic and measurable targets, which at Output level would primarily depend on UN Women's performance.
- Prioritize indicator measurement on an annual basis.

Issue 2: Opportunities to enhance programme funding and multi-donor pooled funding

The CO solicited donors to fund the CO's AWP activities, where possible. During the audit period, the CO managed nine smaller projects with a total budget of US\$ 0.4 million as donors' direct contributions to the CO's AWPs. This permitted the CO certain flexibility in assigning AWP activities to donor funding and in reporting of results. At the same time, the CO managed 14 other projects outside the programmatic approach with a total budget of US\$ 18.2 million (including three small projects below US\$ 50,000). These projects had separate results frameworks, earmarked funding and required more effort to meet donor requirements. Small individual projects imply more costly project management and reporting (in terms of 'cost per unit'), hence risk achieving less value for money. The CO did not manage any multi-donor funded projects with a single results framework and single reporting.

The CO's programme funding opportunities depended on donor preferences and priorities. Donors interviewed by IAS generally stated they would participate in multi-donor funded projects; however, most would require completion of their standard donor reporting.

Recommendation 2 (Medium):

The Representative to continue considering opportunities for programme (SN/AWP) funding and/or multi-donor pooled funding, to minimize costly project management and donor reporting for small individual projects.

Issue 3: Defining project performance baselines and targets at an early project stage

The projects reviewed by IAS had indications of satisfactory design and had comprehensive results frameworks. Inception studies were often undertaken to set performance baselines and targets.

However, for one humanitarian project (with a budget of US\$ 671,028, of which US\$ 384,790 related to implementation by UN Women), which started in December 2018 and had to be completed by December 2020, no baselines or targets were defined for the performance indicators, as at the time of the audit. The CO was preparing to define them. Lack of project performance targets (and baselines, where available) at a late project implementation stage impedes project accountability and objective assessment of and ability to report on project performance.

Recommendation 3 (Medium):

The Representative to ensure that Project Documents define project performance baselines and targets at an early project stage (at the end of the project inception phase, at the latest).

Issue 4: Assessing feasibility to implement small projects

Generally, the CO implemented its projects and submitted donor reports in a timely manner. All but one of the donors interviewed by IAS were satisfied with the CO's project management, capacity and reporting.

One donor raised concerns about delayed implementation of its US\$ 130,303 funded project, signed in October 2017 as a contribution to the CO's AWPs. The project was extended twice, at the CO's request, in June 2018 and again in June 2019, until November 2019. The CO had delayed its detailed progress report to the donor by three months, and some of the results were not achieved on time, as initially planned. This could impact future funding opportunities. The CO experienced delays due to limited staffing for this smaller project and expected to expedite results and the final report to the donor.

Recommendation 4 (Medium):

The Representative, prior to donor agreement signature, to adequately assess operational and technical feasibility, including the CO's capacity to implement projects and the resources made available by donors, particularly for smaller donor contributions to the CO's AWPs.

B. Governance, risk management and internal controls

The CO's total budget rose from US\$ 2.2 million in 2017 to US\$ 3.5 million in 2018 and US\$ 4.7 million in 2019. As of 30 September 2019, the CO employed nine staff, 20 personnel on non-staff contracts and six interns. There were three staff vacancies.

IAS assessed that the CO's overall structure, risk management practices, control environment, internal control system and progress on previous audit recommendations were satisfactory overall.

The CO needed some improvement in operational records management, backstopping arrangements and delegation of responsibilities within the Operations team; in completion of mandatory fraud prevention and ethics trainings (see Section C. Operations); and in securing sensitive project data. IAS also recommended that the CO track risk mitigation actions and embed risk management in life cycle and decision-making of all projects. IAS further advised the CO to identify opportunities for a dedicated Monitoring and Evaluation (M&E) function.

KEY ISSUES AND CONCLUSIONS

Issue 5: Potential for a dedicated M&E function

At the time of the audit, the CO employed 14 programme personnel (staff and service contractors). One of the Senior Programme Specialists had oversight responsibilities for overall M&E in the CO. Programme Coordinators and Project Managers were in charge of M&E for their projects. One programme team also employed an M&E Associate (on service contract).

The CO did not have core resources for a dedicated M&E function and had not considered one, using its time-limited non-core project funding, which nevertheless required M&E. A dedicated M&E function would provide consistent M&E methodology across the CO and more independent validation of M&E source data.

IAS advises the Representative to identify opportunities for a dedicated (independent) M&E function.

Issue 6: Enhancing risk management

The CO maintained a results-focused risk register, which was updated annually. For its 2020 AWP, the CO prepared its first fraud risk register. The CO had also designed a monitoring template, including risks from its risk register, for quarterly monitoring. However, as at the time of the audit, the template had not been used for monitoring of risk mitigation actions; and no mechanism was yet in place to oversee what actions were actually undertaken. As a result, the CO's risk register and fraud risk register were not fully used as management and follow-up tools to mitigate and update risks in a systematic manner.

The CO maintained risk registers for most of the projects IAS reviewed and discussed identified risks in monitoring meetings. For the largest project reviewed by IAS, risks

were also tracked in regular project monitoring reports. Progress reports to the donor included a section on 'risk and adaptive management'. However, this project did not have a dedicated risk register. Varying risk management approaches among projects may complicate aggregation of project risks at CO level.

Recommendation 5 (Medium):

The Representative to track actual risk mitigation actions for the risks identified in risk registers, and to embed risk management in the life cycle of all projects and as part of the project decision-making process.

Issue 7: Improving operational records management

The CO had not instituted some best practices for its operational records management, leading to difficulties in identifying, verifying and validating relevant records:

- local recruitment documents were not in the CO's custody, as required by policy, and were only kept by the United Nations Development Programme's (UNDP) Brazil Office, who partially administered some the CO's local recruitments;
- some personnel files IAS reviewed included details of non-related personnel, while some files did not include mandatory documents such as oath of service, job descriptions, medical clearances and birth certificates;
- payment vouchers were not always filed together with supporting documentation, such as invoice, purchase order (PO) or Terms of Reference, where applicable;
- petty cash receipts were not kept with petty cash

records but in another location; and

- the vehicle log was completed daily with total mileage and time out and in per day, but not for each trip, as required by policy.

The CO had not terminated its obsolete non-staff positions in Atlas. Of 14 positions appearing as 'vacant', not all were valid with a budget to fill them. None of the positions had a 'position end date'. Therefore, Atlas did not include accurate information on positions available for recruitment.

Recommendation 6 (Medium):

The Representative to devise a risk-based process and controls for improved operational records management, including in recruitment, budgeting positions in Atlas, filing supporting documentation for payments, petty cash, and vehicle logs.

Issue 8: Improving backstopping arrangements and delegation of responsibilities within the Operations team

The Operations Associate assumed diverse administrative responsibilities and at times took over tasks previously delegated to some of the other four personnel in the Operations team. As a result, delegation of responsibilities or distribution of tasks was not always effective, and some tasks became delayed or were not well documented.

The CO did not plan regular backstopping arrangements for its only driver, and at least two staff had lost some of their overdue annual leave. This was partially due to quarterly mission and leave plans not being prepared for every staff

member, which could enable the CO to better plan for backstopping purposes whilst ensuring due regard to work-life balance.

Recommendation 7 (Medium):

The Representative to ensure regular backstopping arrangements to cover staff leave, where required, and arrange for adequate delegation of administrative responsibilities within the Operations team.

Issue 9: Securing sensitive project data

For one of its managed projects, the CO and its project implementing counterparts used online cloud drives to store and track project monitoring source data. These included comprehensive and internal project records, including some personal data on project beneficiaries and participants. Although the link to access the drives was generally provided only to relevant project counterparts, the drives were widely used and were not password protected. The CO had not assessed the exposure risks of personal data, which could result in security breach risks for the individuals and reputational risks for the organization.

Recommendation 8 (Medium):

The Representative to ensure secure storage, access, maintenance and disposal of sensitive project data, including any private data of project beneficiaries and participants.

C. Operations

Atlas-recorded expenditure for the CO totalled US\$ 3.0 million for 2018 and US\$ 2.7 million for January–September 2019 (including staff costs of US\$ 1.0 million and US\$ 0.7 million, respectively).

IAS assessed that the CO's procedures for monitoring IPs, procurement, payments, accounting and monitoring of advances, travel and asset management were satisfactory overall. The CO employed a good practice through use of UNCT's Joint Operations Facility (JOF) for procurement and travel services, with reasonable pricing of JOF services, in IAS' opinion.

The CO needed major improvement in (i) its management of human resources (HR), particularly with regard to performance management, gender parity, personnel training and development, establishing a consultant roster, and exit interviews; and (ii) its safety and security management of annual security compliance, assessments of all new office premises and tracking of assessment recommendations. The CO needed some improvement in its IP selection process; monitoring of PO commitments; and ICT management. For travel management, IAS recommended that the CO only order tickets based on authorized POs and to use the JOF portal to monitor more timely submission of travel claims and mission reports.

KEY ISSUES AND CONCLUSIONS

Issue 10: Improving IP selection process

During the audit period, the CO selected six of its IPs through direct (single source) contracting. Although justifications for direct selection and detailed IP capacity assessments were always documented, and IPs were engaged through the right agreements (including reasonable budgets and appropriate IP performance frameworks) these documents were not always reviewed and cleared by the Committee for Partners Assessment (CPA). The Operations team was not involved in budget preparation. Since direct selection of IPs presents higher risks, CPA reviews are important to ensure and demonstrate the integrity of the selection process, capacity assessment, and adequacy of the budget and results framework to ensure value for money.

One IP was selected through a Call for Proposal (CFP). However, the CFP was only advertised for 18 days and was sent to three IP candidates with only 14 days to apply. Since submission of an IP project proposal can be a time-consuming exercise, only one IP candidate (whose personnel had worked with the CO in the past) applied, resulting in limited competition.

Recommendation 9 (Medium):

The Representative to ensure IP selection, budget negotiation and contracting process are reviewed by the CPA, and that there is a sufficient time frame for IP candidates to respond to CFPs.

The Operations team to participate in budget negotiations to mitigate concentration of incompatible

duties for Project Managers otherwise responsible for selecting IPs, drafting IP agreements and then monitoring IPs.

Issue 11: Strengthening HR management procedures

Local recruitment was managed between the CO and UNDP Brazil Office. Recruitment was generally transparent and competitive. However, the CO did not have gender parity among its personnel, with 33 women and two men employed at the time of the audit. Although gender parity was also an issue for other United Nations agencies in Brasilia, the CO needed more efforts to encourage men to apply (on average 89 per cent of applicants were women). In six of the recruitment processes reviewed, the CO's recruitment panels only consisted of women. More time was not given to identify a male panel member, for example from ACRO or another United Nations agency in Brazil.

In general, the recruitment of consultants was generally transparent and competitive as well. However, the recruitment panels, where applicable, consisted of only women in six cases reviewed. In one case, a separated staff member was rehired as a consultant, without the break in service after separation, as required by policy. The CO had considered, but not yet established, a Portuguese-speaking consultant roster, although frequent consultant recruitments were demanding for the CO's limited capacity.

The CO had procedures for personnel performance management. However, at the time of the audit, the final 2018 performance appraisal in the Performance

Management and Development system (PMD) had not been finalized for three staff. The 2019 performance plans were not finalized for two staff. Mid-term reviews were not completed for most CO staff in 2018 and for none of the CO's staff in 2019. As a result, some staff may not receive adequate and timely assessment of their performance, and the organization is not aware of how staff are performing. Gaps in the performance management process could also hinder overall staff performance, due to the lack of agreed performance objectives, timely performance assessments and staff feedback to management.

The CO had not established an office-wide learning and development plan and did not follow up on completion of mandatory training. According to an organizational report, as of July 2019, the average mandatory training completion rate in the CO was around 50–60 per cent. Mandatory online fraud prevention and ethics training had only been completed by 13 and 9 personnel, respectively. Some personnel may have completed the mandatory training, but not uploaded their certificates in the system. In October 2019, only 19 personnel attended the mandatory in-person fraud prevention training. As a result, some personnel may not be aware of the key concepts and knowledge required for United Nations and UN Women personnel, including on standards of conduct, ethical values and fraud prevention.

The CO had the required controls in place for personnel separation; however, it had not encouraged the personnel to complete the exit interview. This is important as the CO had a considerable turnover of personnel. During the audit period, four staff and two service contractors resigned (as well as the Representative who retired).

Recommendation 10 (High):

The Representative to establish a practice ensuring that HR management complies with UN Women's Policy, Procedure and Guidance framework and best practices, including for gender parity, performance management, personnel training and development (including mandatory fraud prevention and ethics training), establishing a consultant roster, and exit interviews.

Issue 12: Improving PO commitment monitoring

The CO ensured budget monitoring through project status and delivery reports. However, it may not have regularly monitored the outstanding balances of unused POs for validity and to ensure liquidation. As of 24 December 2019,

the CO had 289 POs with outstanding balances close to year-end. These unused commitments blocked the budget that could be used for other activities and could result in budget expiry.

Recommendation 11 (Medium):

The Representative to ensure periodical verification of unused POs for their validity.

Issue 13: Strengthening ICT management

All principal ICT services to the CO were provided by the UNDP Brazil Office. The CO was supported by its ICT Specialist. Overall, the CO had adequate procedures for ICT management and was progressively transitioning to the One-Drive environment. However, based on the new information security compliance dashboard of the Information Systems and Telecommunications Team at headquarters, in September 2019 the CO was only '43 per cent compliant with basic requirements' and '15 per cent compliant with full requirements' of the dashboard. Compliance rates in the new dashboard were low across most UN Women field offices, as they prepared to meet the new requirements.

The CO had a disaster recovery plan (DRP) in place, which was recently tested by UNDP. The DRP did not extend to some of the CO's outsourced data sources, including certain project monitoring source data stored in external cloud-drives. The CO was not aware that it had ultimate ownership of the DRP, including of test results. At the time of the audit, the CO did not have a copy of the test report and may not have been prepared for disaster recovery in a possible crisis.

Recommendation 12 (Medium):

The Representative to liaise with the Information Systems and Telecommunications Team at headquarters to ensure full information security compliance and to ensure full ownership of its DRP, including for any outsourced data sources and DRP test results.

Issue 14: Enhancing travel management

The CO's travel was generally well planned, justified with business needs and authorized. Travel expenses generally conformed to the policy.

However, the JOF travel management portal used by the CO presented a risk relating to ticket issuance. The portal

permitted the CO to use a 'generic' PO, in case an actual PO for the ticket had not yet been issued. This option was used in some cases. Although not observed by IAS, it could result in ticket issuance without further availability and authorized commitment of funds.

The CO did not fully use portal functionalities for follow-up on travel claims (F10) and mission reports. These were not always submitted on time. This could result in unauthorized travel deviations, unjustified expenses, or travel objectives not being met. However, generally travel claims and supporting documents were ultimately submitted, including mission reports that were comprehensive.

Recommendation 13 (Medium):

The Representative to ensure that tickets are only ordered in the JOF travel management portal based on authorized POs and to use portal tracking system for timely submission (within 30 days of return from travel) of travel claims (F10), supporting documents and mission reports.

Issue 15: Enhancing safety and security management

The UNDP Brazil Office, in collaboration with the United Nations Department for Safety and Security (UNDSS) Brazil Office, was responsible for the safety and security of the United Nations house premises in Brasilia, where the CO's main office was located. Safety and security arrangements were generally satisfactory. The CO was primarily in

charge of requesting safety and security assessments and completion of recommendations for the CO's sub-office premises. At the time of the audit, these were located in Boa Vista and São Paulo.

In February 2019, the Security Team from headquarters undertook an assessment of the CO premises in the United Nations house and the CO's sub-office in Boa Vista, and a nearby project site in Pacaraima. In March 2019, the UNDSS Brazil Office undertook an assessment of the CO's sub-office in São Paulo. In May 2019, the Security Team from headquarters also tested the CO's Crisis Response and Business Continuity Plan. The recommendations arising from these assessments were being implemented by the CO. However, the CO did not have a record of their implementation status at the time of the audit. The CO had not completed its 2019 annual security compliance checklists for any of its office locations in the Security Team's online portal. Prior to the audit, personnel in the Boa Vista office had moved to other temporary premises, for which the CO had not yet requested an UNDSS safety and security assessment.

These gaps in safety and security procedures could result in risks to office personnel, premises and assets.

Recommendation 14 (High):

The Representative to institutionalize safety and security management procedures, including for annual security compliance; assessments of all new office premises; and tracking of assessment recommendations.

III. RECOMMENDATIONS AND MANAGEMENT ACTION PLAN

Issue	Recommendation	Process	Responsible Unit	Priority	Action Plan	Implementation date
1: The SN results framework requires more realistic and measurable targets	1. To be able to accurately measure and report on the results achieved (following the SN mid-term review or for the next SN), the Representative to: <ul style="list-style-type: none"> • Establish a results framework with more realistic and measurable targets, which at Output level would primarily depend on UN Women’s performance. • Prioritize indicator measurement on an annual basis. 	Strategy and resource mobilization	Representative	High	1. To undertake a rigorous review of the SN results framework, as a part of the mid-term review. The process to include hiring a consultant to facilitate the process, conducting internal contextual analysis, launching partnership perception survey, organization of the consultations with the Government partners, civil society, United Nations, and development partners, to promote a strategic and collective decision-making process with UN Women Brazil CO. 2. To submit the proposed revisions for approval by the RO and headquarters (for 2021 AWP and the new SN).	By 1 September 2020 By 31 October 2020 for AWP (in line with corporate annual work planning process); by 31 October 2020 for the new SN
2: Opportunities to enhance programme funding and multi-donor pooled funding	2. The Representative to continue considering opportunities for programme (SN/AWP) funding and/or multi-donor pooled funding, to minimize costly project management and donor reporting for small individual projects.	Strategy and resource mobilization	Representative	Medium	1. To elaborate a CO Resource Mobilization Strategy, identifying opportunities for fundraising for larger multi-year projects, direct contributions to the SN, and the multi-donor funded initiatives. The strategy to integrate donor intelligence and information on innovative financing modalities. 2. To engage in dialogue with headquarters, to jointly define a resource mobilization outreach to key donors and request guidance on multi-donor pooled funding.	By September 2020 Continuously
3: Defining project performance baselines and targets at an	3. The Representative to ensure that Project Documents define project performance baselines and targets at an early project stage (at the end of the project inception phase, at the latest).	Project design	Representative	Medium	1. To ensure completion of the on-line UN Women Results-Based Management (RBM) training course by all managers. 2. To organize recurrent learning sessions on RBM	By 1 April 2020 By 1 June 2020

Issue	Recommendation	Process	Responsible Unit	Priority	Action Plan	Implementation date
early project stage					and project management to strength capacities of project managers. 3. To create a check list for project design clearance aiming its quality assurance. 4. To define mitigation actions for approved documents.	with regular follow-up sessions By 1 June 2020 By 1 April 2020
4: Assessing feasibility to implement small projects	4. The Representative, prior to donor agreement signature, to adequately assess operational and technical feasibility, including the CO's capacity to implement projects and the resources made available by donors, particularly for smaller donor contributions to the CO's AWP.	Project design	Representative	Medium	To define clear strategy and approach to asses feasibility (technical and financial) for negotiating the small value projects with the donors, to ensure that staff is informed (as a part of the Resource Mobilization Strategy preparation).	By 1 September 2020
6: Enhancing risk management	5. The Representative to track actual risk mitigation actions for the risks identified in risk registers, and to embed risk management in the life cycle of all projects and as part of the project decision-making process.	Risk Management	Representative	Medium	1. To bring the OM on a detail assignment to facilitate the implementation of the recommendation. 2. To review the CO's and projects' risk and fraud risk registers, as well as the monitoring mechanism, and introduce changes, where necessary to allow a more friendly use and follow-up of agreed actions. 3. To ensure that the risk matrices are consistently used by project managers for monitoring of risk mitigation actions, and updated in a systematic manner. 4. To promote an organizational culture adaptation to strengthen the use of risk register and fraud risk register as managerial tools, owned by all Brazil CO staff. 5. To set a mechanism for regular oversight of actual actions taken, including through the quarterly risks monitoring meetings, tracking the regular project monitoring reports.	By 20 March 2020 By 10 April 2020 By 1 September 2020 Continuously By 1 July 2020
7: Improving operational records management	6. The Representative to devise a risk-based process and controls for improved operational records management, including in recruitment, budgeting positions in Atlas, filing supporting documentation	Data quality	Representative	Medium	1. To bring the OM on a detail assignment to facilitate the implementation of the recommendation. 2. To undertake rigorous training series for the	By 20 March 2020 By 1 May 2020

Issue	Recommendation	Process	Responsible Unit	Priority	Action Plan	Implementation date
	for payments, petty cash, and vehicle logs.				entire Operations team on records management, corporate standards, rules and procedures. 3. To adjust the available good practices from the other offices and enforce application of the system and the checklists for managing the HR processes and filing.	By 1 May 2020
8: Improving backstopping arrangements and delegation of responsibilities within the Operations team	7. The Representative to ensure regular backstopping arrangements to cover staff leave, where required, and arrange for adequate delegation of administrative responsibilities within the Operations team.	Organizational structure, authority, capacity and reporting lines	Representative	Medium	1. To bring the OM on a detail assignment to facilitate the implementation of the recommendation. 2. To analyze and clarify the functions, roles and responsibilities of the operations and programme support staff. 3. To develop and enforce implementation of a clear system and tools for handover and backstopping arrangements during the staff absences, including handover meetings with the backstopping staff, sharing handover notes with the team prior to absences, etc.	By 20 March 2020 By 1 April 2020 By 1 May 2020
9: Securing sensitive project data	8. The Representative to ensure secure storage, access, maintenance and disposal of sensitive project data, including any private data of project beneficiaries and participants.	Data quality	Representative	Medium	1. To request advice from headquarters and/or ICT security specialist on the appropriate storage mechanisms and disposal of project files, when external partners are involved. 2. To bring the OM on a detail assignment to share the good practices from the other offices. 3. To train staff to apply the agreed mechanisms and how to deal with sensitive data.	By 1 March 2020 By 20 March 2020 By 1 May 2020
10: Improving IP selection process	9. The Representative to ensure IP selection, budget negotiation and contracting process are reviewed by the CPA, and that there is a sufficient time frame for IP candidates to respond to CFPs. The Operations team to participate in budget negotiations to mitigate concentration of incompatible duties for Project Managers otherwise responsible for selecting IPs, drafting IP agreements and then monitoring IPs.	IP management	Representative	Medium	1. To bring the OM on a detail assignment to facilitate the implementation of the recommendation. 2. To formalize a Standard Operating Procedure (SOP) in the office, followed by a check list, including all required steps, supporting documents and approval/clearance instances to guarantee adequacy to the policy. 3. To strengthen a culture of joint/collaborative work among programme and operations teams.	By 20 March 2020 By 10 April 2020 Continuously

Issue	Recommendation	Process	Responsible Unit	Priority	Action Plan	Implementation date
11: Strengthening HR management procedures	10. The Representative to establish a practice ensuring that HR management complies with UN Women's Policy, Procedure and Guidance framework and best practices, including for gender parity, performance management, personnel training and development (including mandatory fraud prevention and ethics training), establishing a consultant roster, and exit interviews.	HR management	Representative	High	<ol style="list-style-type: none"> To request for ACRO HR Business Partner's and/or Human Resources Specialist's training of the CO Operations and Programme managers on HR policies and procedures. To bring the OM on a detail assignment to facilitate the implementation of the recommendation. To formalize a SOP in the office, followed by a check list including all required steps, supporting documents and approval/clearance instances to guarantee adequacy to the policy. To review compliance control of mandatory trainings and status of uploads to Agora; to conduct in-person mandatory training on fraud and corruption with new staff and staff that were not able to attend the previous training. 	<p>By 1 March 2020</p> <p>By 20 March 2020</p> <p>By 1 May 2020</p> <p>By 1 May 2020</p>
12: Improving PO commitment monitoring	11. The Representative to ensure periodical verification of unused POs for their validity.	Financial management	Representative	Medium	<ol style="list-style-type: none"> To bring the OM on a detail assignment to facilitate the implementation of the recommendation. To train the Operations and Programme support staff on procurement planning, implementation and monitoring. To ensure the organization of the monthly monitoring meetings to review POs and timely closure. 	<p>By 20 March 2020</p> <p>By 1 May 2020</p>
13: Strengthening ICT management	12. The Representative to liaise with the Information Systems and Telecommunications Team at headquarters to ensure full information security compliance and to ensure full ownership of its DRP, including for any outsourced data sources and DRP test results.	ICT	Representative	Medium	<ol style="list-style-type: none"> To bring the OM on a detail assignment to facilitate the implementation of the recommendation. Under the guidance of the headquarters' Information Systems and Telecommunications Team, to undertake measures for compliance of the CO with basic requirements of the UN Women's information security compliance dashboard. To review the CO's DRP and identify actions required to secure the CO's outsourced data sources, including certain project monitoring source data stored in external cloud-drives. 	<p>By 20 March 2020</p> <p>By 1 September 2020</p> <p>By 1 May 2020</p>

Issue	Recommendation	Process	Responsible Unit	Priority	Action Plan	Implementation date
					4. To organize learning sessions to the Operations and Programme staff to inform about the role and responsibility of the CO for the DRP, including of test results, to adequately prepare for disaster recovery in a possible crisis.	By 1 June 2020
14: Enhancing travel management	13. The Representative to ensure that tickets are only ordered in the JOF travel management portal based on authorized POs and to use portal tracking system for timely submission (within 30 days of return from travel) of travel claims (F10), supporting documents and mission reports.	Travel management	Representative	Medium	1. To bring the OM on a detail assignment to facilitate the implementation of the recommendation. 2. To formalize a SOP in the office, followed by a check list including all required steps, supporting documents and approval/clearance instances to guarantee adequacy to the policy.	By 20 March 2020 By 10 April 2020
15: Enhancing safety and security management	14. The Representative to institutionalize safety and security management procedures, including for annual security compliance; assessments of all new office premises; and tracking of assessment recommendations.	Safety and security management	Representative	High	1. To bring the OM on a detail assignment to facilitate the implementation of the recommendation. 2. To formalize a SOP in the office, followed by a check list including all required steps, supporting documents and approval/clearance instances to guarantee adequacy to the policy. 3. Liaise with UNDSS and headquarters for the implementation of the security measures. 4. Create a checklist and an office culture to track security requirements and recommendations. Special attention to be given to decentralized programme presence and business continuity plan.	By 20 March 2020 By 10 April 2020 By 20 April 2020 By 1 May 2020

Annex 1: DEFINITIONS OF AUDIT TERMS, RATINGS AND PRIORITIES

A. AUDIT RATINGS

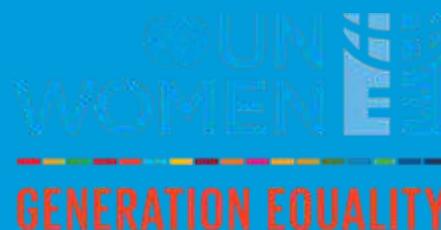
Satisfactory	The assessed governance arrangements, risk management practices and controls were adequately established and functioning well. Issues identified by the audit, if any, are unlikely to affect the achievement of the objectives of the audited entity/area.
Some Improvement Needed	The assessed 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 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.

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.



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