JOINT AUDIT

OF

DELIVERING AS ONE

IN

MALAWI

Report No.1312

Issue Date: 1 May 2015
**LIST OF ACRONYMS**

<table>
<thead>
<tr>
<th>Acronym</th>
<th>Description</th>
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<tr>
<td>DaO</td>
<td>Delivering as One</td>
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<tr>
<td>HACT</td>
<td>Harmonized Approach to Cash Transfers</td>
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<tr>
<td>IMEP</td>
<td>Integrated Monitoring and Evaluation Plan</td>
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<td>MDGs</td>
<td>Millennium Development Goals</td>
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<td>OMT</td>
<td>Operations Management Team</td>
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<td>PMT</td>
<td>Project Management Team</td>
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<td>PUNOs</td>
<td>Participating United Nations Organizations</td>
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<td>RC</td>
<td>Resident Coordinator</td>
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<td>RMS</td>
<td>Resource Mobilization Strategy</td>
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<td>UNCT</td>
<td>United Nations Country Team</td>
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<td>UNDAF</td>
<td>United Nations Development Assistance Framework</td>
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<td>UNDG</td>
<td>United Nations Development Group</td>
</tr>
</tbody>
</table>
Table of Contents

I. Audit scope, objectives and methodology .................................................. 1
II. About Delivering as One in Malawi ............................................................ 1
III. Audit results ............................................................................................... 2
    A. One Leader .............................................................................................. 2
    B. One Programme ...................................................................................... 4
    C. One Fund ............................................................................................... 13
    D. Operating as One ................................................................................... 18
    E. Communicating as One ......................................................................... 22
Definitions of audit terms - ratings and priorities .............................................. 26
List of United Nations Organizations in Malawi ............................................... 27
Executive Summary

Joint audit of Delivering as One in Malawi

The Internal Audit Services of four United Nations organizations (FAO, UNDP, UNFPA, and UNICEF), collectively referred to herein as “the Internal Audit Services” or “the joint audit team”, conducted a joint audit of Delivering as One (DaO) in Malawi with a field audit mission from 2 to 13 June 2014. During the fieldwork, the joint audit covered the activities of DaO from 1 January 2013 to 31 May 2014. In response to the draft audit report circulated for management comments in December 2014, the joint audit team also reviewed and validated additional information and follow-up actions taken by management subsequent to the end of the audit fieldwork and up to March 2015. The joint audit focused on the five pillars of the DaO (One Leader, One Programme, One Fund, Operating as One and Communicating as One).

The audit was conducted in accordance with the Framework for Auditing Delivering as One programmes (signed in September 2011 by the above mentioned Internal Audit Services as well as by the Internal Audit Services of ILO, the United Nations, UNESCO, UNIDO, WFP, and WHO) and in conformance with the International Standards for the Professional Practice of Internal Auditing. These Standards require that internal auditors plan and perform the audit to obtain reasonable assurance on the adequacy and effectiveness of the governance, risk management and control processes related to the audited activities. The audit included reviewing and analysing, on a test basis, information that provides the basis for the conclusions and audit results.

Audit rating

The joint audit assessed DaO in Malawi as “Partially Satisfactory”, which means, “Internal controls, governance and risk management processes were generally established and functioning, but needed improvement. One or several issues were identified that may negatively affect the achievement of the objectives of the audited entities.” This rating is mainly due to the weaknesses observed in One Programme and One Fund.

The overall “Unsatisfactory” audit rating of the draft report, circulated to management for their comments in December 2014, was changed to “Partially Satisfactory” in this final report as a result of the improved audit ratings for One Leader, Operating as One and Communicating as One. The revision was based on the validation of additional information and follow-up actions taken by management subsequent to the end of the audit fieldwork and up to March 2015.

Ratings per audit area are listed below.

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<tr>
<th>Audit Areas</th>
<th>Not Assessed/Not Applicable</th>
<th>Unsatisfactory</th>
<th>Partially Satisfactory</th>
<th>Satisfactory</th>
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<td>E. Communicating as One</td>
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Key issues and recommendations

The audit raised 15 issues and resulted in 16 recommendations, of which 8 (50 percent) were ranked high (critical) priority, meaning, “Prompt action is required to ensure that the audited entities are not exposed to high risks. Failure to take action could result in major negative consequences for the organizations and may affect the organization at the global level.”
The high priority recommendations are as follows:

**One Programme (Issue 2)**

**Absence of robust quality review of UNDAF and Joint Annual Work Plans**

There were several issues in the United Nations Development Assistance Framework (UNDAF) and UNDAF Action Plan because of the absence of a robust quality review. These issues included inconsistencies between the UNDAF and the UNDAF Action Plan in terms of baselines, targets and indicative resources per key priority/cluster and per outcome, arithmetic errors in the Resource Requirements section of the UNDAF, and inappropriate targets set in the UNDAF Results Matrix.

**Recommendation 2**: The United Nations Country Team (UNCT) should develop a mechanism with clearly defined responsibilities to ensure quality assurance review during the development of the next UNDAF and Joint Annual Work Plans. The mechanism should also include a review of the UNDAF by the Regional United Nations Development Group (UNDG) Team as required by the UNDAF guidance to ensure the delivery of high quality programming documents.

**One Programme (Issue 3)**

**Weaknesses in design of UNDAF**

The design of the UNDAF was complex with an excessive number of outcomes, outputs and annual key results. Similarly, the targets were overambitious. Further, there was a tendency among agencies to overestimate the UNDAF funding gap with the aim of maximizing allocated resources from the One Fund. As a result, the estimated funding gap was not realistic. This practice made it difficult for the UNCT to determine the actual resources to mobilize.

**Recommendation 3**: The UNCT should: (a) focus on a reduced number of key expected outcomes and outputs specifically reflecting the capacities and comparative advantages of the United Nations system in the country; (b) raise the awareness and clarify the accountability and process for setting targets; (c) ensure that for the development of the next UNDAF, guidance is provided and monitored at both the agency and inter-agency levels for the establishment of more accurate funding gap estimates, covering all relevant entities; and (d) ensure the annual Common Budgetary Framework is properly developed along the UNDAF cycle for effective and complete resource planning.

**One Programme (Issue 4)**

**Gaps in Integrated Monitoring and Evaluation Plan**

The monitoring and evaluation process included, among others, the development of a five-year joint Integrated Monitoring and Evaluation Plan (IMEP) consolidating all United Nations agencies’ monitoring and evaluation activities. It was noted that the implementation of the IMEP was not monitored periodically, therefore reducing the usefulness of the IMEP as a monitoring tool. Other issues noted included limited joint monitoring visits, lack of adequate financial and human resources, including skill sets for monitoring and evaluation, and the absence of evaluation of the UNDAF 2008-2011 as required by the Standard Operating Procedures and the One Programme Guidance Note.

**Recommendation 4**: The Monitoring and Evaluation Technical Working Group should periodically monitor and update the Integrated Monitoring and Evaluation Plan, and report the status of the Plan’s implementation to the UNCT.
Recommendation 5: The UNCT, in collaboration with the Programme Management Team, should: (a) reinforce monitoring and evaluation capacity by increasing allocated resources (financial and human resources with necessary skill sets); (b) augment the frequency of joint monitoring site visits; and (c) timely plan for and undertake the evaluation of the UNDAF.

Gaps in reporting on results

Review of the UNDAF Progress Report 2012-2013 revealed that achieved results did not always match the reported progress. Also, it was noted that, in some instances, baselines and targets were set at the country level while progress was measured and reported at the project area level. To remediate the reported shortcoming, the UNCT reported that a Results Management System was being developed to address challenges around reporting and the capturing of data and reporting on United Nations work.

Recommendation 6: The UNCT in collaboration with the Programme Management Team should expedite implementation of the results management system and ensure accuracy of the result reports.

Incomplete Resource Mobilization Strategy for One Fund

The United Nations agencies prepared and drafted a Resource Mobilization Strategy (RMS) in March 2013. Although the draft RMS was shared with the local heads of agencies and discussed in the Programme Management Team meeting in 2013, the principles and specific actions and responsibilities for implementing the RMS had not been finalized and agreed among the agencies as of June 2014. There was a lack of confidence among the agencies that the RMS-outlined principles and actions would result in successful fund-raising efforts. Further, the joint audit team noted that progress on resource mobilization of the non-core resources by agencies and the funding gap of the One UN Fund were not shared among agencies or discussed in the UNCT meetings.

The Resident Coordinator Office did not provide financial statements on the status of the One Fund to the UNCT on a quarterly basis. This hampered the UNCT’s ability to monitor progress on resource mobilization, identify funding gaps and take corrective action in a timely manner.

Recommendation 7: The UNCT should: (a) finalize the RMS, including assigning clear responsibilities and establishing mechanisms for monitoring progress against resource mobilization indicators and targets; and (b) ensure that the frequency of reporting of funding status by agencies is revised to meet oversight needs and priorities.

Weakness in Business Operating Strategy and its implementation mechanism

A Business Operating Strategy was developed in October 2013; however, its design was inadequate and largely failed to achieve expected targets and deadlines. It was not developed based on needs and cost analyses as recommended by UNDG’s guidelines nor linked to UNDAF outcomes and performance indicators. There were other weaknesses in management of the working group, such as the absence of: detailed allocation of responsibilities; documentation of conclusions of the working group meeting; and active working group participation by certain members. There was no
comparative cost-tracking and analysis mechanism to accurately monitor and measure cost-savings as a result of the DaO introduction.

Recommendation 12: The UNCT should: (a) Improve the new Business Operating Strategy based on analyses of the past lessons and data being collected for the feasibility study, ensuring adequate use of cost analysis and link to the UNDAF outcomes. (b) Further enhance performance of the working group through: (i) assigning key activities to staff in the work plan of the working groups; (ii) clearly establishing the Results Monitoring Framework; (iii) documenting conclusions of the working group meetings, highlighting constraints and challenges to be raised to the Operations Management Team (OMT) and UNCT; and (iv) establishing a mechanism to recognize achievement and efforts of staff; local heads of agencies should communicate their support to harmonization of processes and allay staff concerns. The UNCTs should also create comparative cost tracking and analysis mechanism to ensure sound decision-making made and actions taken to implement the Business Operating Strategy.

Operating as One (Issue 13)

Inadequate follow-up on HACT macro-assessment

The last macro-assessment for the current UNDAF 2012-2016, which was conducted in 2011 by an international consultant, was agreed with the Government. The macro-assessment identified several weaknesses in the financial management system, including noncompliance with payment and procurement procedures, low procurement capacity and weak capacity of supreme audit institutions. The Harmonized Approach to Cash Transfers (HACT) Working Group indicated that they did not follow up on the macro-assessment recommendations. The joint audit team noted that there was no action plan to address the weaknesses reported in the macro-assessment.

The HACT Framework states that the macro-assessment is expected to be undertaken once per programme cycle for each country implementing the HACT Framework and should be updated during interim periods of the programme cycle if significant circumstances or changes are identified in the country’s public financial management environment. Following the incident that uncovered significant weaknesses in the public financial management, the HACT Working Group modified the cash transfer modality without an update of the macro-assessment. The joint audit team is of the view that the macro-assessment needs to be updated to evaluate the public financial management in order to reassess and realign the cash modality to the outcome of the evaluation.

Recommendation 14: The UNCT, in collaboration with the HACT Task Force, should: (a) update the HACT macro-assessment taking into consideration the changes in internal controls and government structure, and (b) address risks related to the changes identified in the country’s public financial management environment.
Management comments and action plan

The Resident Coordinator and the United Nations Country Team accepted all of the recommendations and are in the process of implementing them.

“Signed”

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Office of Audit and Investigation Services, UNFPA

Fatoumata Ndiaye, Director
Office of Internal Audit and Investigations, UNICEF

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I. Audit scope, objectives and methodology

Joint DaO audits assess the adequacy and effectiveness of the governance, risk management and control processes of DaO in order to provide reasonable assurance to the United Nations Country Team (UNCT) on the reliability and integrity of financial and operational information, effectiveness and efficiency of operations, safeguarding of assets, and compliance with legislative mandates, regulations and rules, policies and procedures. They also aim at assisting the management of the audited entities and other relevant business units in continuously improving governance, risk management and control processes.

As per the Auditing as One Framework, the general objectives of this audit were to assess:

- the implementation of the five DaO principles, focusing on governance structures and processes as well as joint decision-making and joint activities by the UNCT;
- the extent to which policies and procedures have been harmonized between the implementing United Nations agencies; and
- the extent to which the governance and accountability arrangements established by the Resident Coordinator (RC) or UNCT are adequate, focusing on the assurance mechanisms that the RC has to ensure accountability and oversight of joint funds made available to participating agencies.

The Internal Audit Services of four United Nations organizations (FAO, UNDP, UNFPA, and UNICEF) conducted a joint audit of the DaO activities in Malawi, with a joint field mission from 2 to 13 June 2014. The joint audit covered the activities of DaO during the period from 1 January 2013 to 31 May 2014. The joint audit focused on the five pillars of DaO: One Leader, One Programme, One Fund, Operating as One and Communicating as One.

In response to the draft audit report circulated for management comment in December 2014, the present report reflects the updated assessment and validation by the joint audit team of additional information and follow-up actions taken by the RC and the UNCT subsequent to the end of the audit fieldwork and up to March 2015.

II. About Delivering as One in Malawi

Following the recommendations contained in the 2006 report of the Secretary-General’s High Level Panel on System-wide Coherence, Malawi became a self-starter country of DaO in 2007. United Nations activities in Malawi are aligned with the Millennium Development Goals (MDGs) through the UNDAF 2012-2016, which focuses on four programmatic thematic pillars, namely: (a) Sustainable and Equitable Economic Growth and Food Security; (b) Basic Social and Protection Services; (c) HIV and AIDS; and (d) Governance. The total indicative resource required for the implementation of the UNDAF over the five-year period amounts to $625 million, broken down as follows:

- Core/regular resources: $165 million
- Non-core/other resources: $225 million
- Funding gap (to be mobilized): $235 million

A mid-year review of the UNDAF was undertaken in June 2013. The review focused on all aspects of DaO, including the UNDAF and Transformation Plan. The mid-year review was coordinated by the Programme Management Team (PMT) with technical support from the Monitoring and Evaluation Technical Working Group in Malawi.

A country-led evaluation of the DaO in Malawi was conducted in 2010. The evaluation assessed progress made against the strategic intent of DaO, recorded achievements, identified areas for improvement and remaining

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1 As part of the reform process, a Transformation Plan was developed alongside the UNDAF. The Plan aimed at ensuring the operational aspects of UN programming in the areas of procurement, human resources, information and communication technology, and common services are streamlined in order to make the United Nations system more efficient and enhance delivery of results.
challenges, and provided lessons to inform decision-making processes at national, inter-governmental and headquarters levels. The major challenges highlighted were as follows:

- The One Leader principle had been applied in Malawi, but to a limited extent. UNCT in Malawi adopted a ‘shared leadership’ approach.
- DaO activities were often viewed as ‘add-ons’ rather than core functions by some United Nations agencies.
- Most resources in the One Plan were controlled by individual agencies. The One Fund only constituted a small share of the resource envelope and it was mainly used to fill funding gaps.

The One Fund in Malawi was established in December 2008. Its objective is to support coherent resource mobilization, allocation and disbursement of donor resources to achieve the national development goals under the direction of the RC. Thirteen members of Participating United Nations Organizations (PUNOs) signed the One Fund Memorandum of Understanding, namely: FAO, ILO, UNAIDS, UNCDF, UNDP, UNESCO, UNFPA, UNHABITAT, UNHCR, UNICEF, UNIDO, WFP, and WHO. UNDP is the Administrative Agent for the One Fund. The Administrative Agent function includes, among others, the receipt and administration of donor contributions on behalf of the PUNOs. Total contributions to the One Fund amounted to approximately $54 million, covering the period from 2008 to May 2014.

III. Audit results

The joint audit team made eight recommendations ranked high (critical) and eight recommendations ranked medium (important) priority. Low priority recommendations were discussed directly and agreed with the RC and are not included in this report.

A. One Leader

According to the Standard Operating Procedures of DaO, the One Leader pillar is pivotal in strategically positioning the UNCT developmental interventions to the host country. Under the One Leader, the RC and the UNCT act as one leadership to contribute to the reduction of transaction costs, duplication, fragmentation and competition for funds.

The joint audit team interviewed key UNCT members and reviewed a sample of UNCT meeting minutes to assess the participation of all United Nations agencies (resident and non-resident) on the One Leader concept. Further, the joint audit team reviewed the local Management Accountability Framework created, and through discussions with the RC and heads of agencies, the joint audit team also assessed whether UNCT members were aware of the Management Accountability Framework and how it was implemented.

In all interviews and meetings with the local heads of the United Nations agencies, Government and donors expressed their satisfaction with the RC and the leadership taken by the RC in her role as the One Leader. The RC was duly recognized as the head of the UNCT and demonstrated a collaborative approach to development issues by involving heads of United Nations agencies for different bilateral and government meetings.

The following issue is being raised with a view to enhance the One Leader function in Malawi.

**Issue 1**  
Management and Accountability Framework not fully articulated, lack of induction briefing and lack of reciprocal performance appraisals.

In 2008, the UNDG approved the Management and Accountability Framework with the objective to further strengthen the RC system, providing “a clear framework in which both accountability and management can be exercised effectively.” This includes ensuring participatory, collegial and mutual accountability. In 2011, the UNDG resolved to fully implement four critical elements of the Management and Accountability Framework, namely: (a) revising the job descriptions of UNCT members; (b) reporting by UNCT members to the RC on resource
mobilization and programme implementation performance; (c) providing an assessment of UNCT members’ performance as formal input to agency performance appraisal processes; and (d) including UNCT results in agency performance appraisal systems. The UNDG Plan of Action for Headquarters in 2014 again called for full implementation and monitoring of the Management and Accountability Framework.

At the time of the audit fieldwork, the joint audit team noted that the established Management and Accountability Framework did not fully articulate the role and responsibility of the One Leader and the roles of heads of United Nations agencies participating in the DaO initiative. In particular, the accountability of local heads of United Nations agencies to their own agency and the collegial accountability to the RC was not defined. There was also no evidence of local heads of United Nations agencies being assessed by the RC as required under the UNDG guidelines.

In response to the circulated draft audit report, the UNCT indicated that the Management and Accountability Framework and the Code of Conduct had been amended, discussed, and endorsed as an outcome of the UNCT retreat in December 2014.

**Comment:**

The joint audit team was able to confirm the amendment and sign-off of the updated Management and Accountability Framework by the Resident Coordinator and local heads of United Nations agencies. Therefore, no recommendation is being made.

During the audit fieldwork, there was no induction on the local DaO provided to newly assigned heads of United Nations agencies to Malawi. Three out of four local heads interviewed were not aware of the details of the Management and Accountability Framework and the Code of Conduct, the functioning of the One Fund, or the basis for fund allocation. Not all local heads of agencies interviewed had previous DaO experience from past positions.

In response to the circulated draft audit report, the UNCT replied that the RC had systematically met with and inducted all new heads of United Nations agencies, and further stated that the Human Resources Working Group was developing a specific induction for all staff in Malawi, in addition to the existing ‘Welcome to Malawi’ packet. Subsequently, examples of a document set intended for the newly arrived heads of United Nations agencies were shared with the joint audit team.

**Comment:**

In view of the actions taken by management and confirmation by the joint audit team on its adequacy subsequent to the end of the audit fieldwork, no audit recommendation is being made.

Reciprocal performance appraisals (which are mutual 360 degree performance appraisals) of both the RC and the local heads of the United Nations agencies are included in the UNCT Conduct and Working Arrangement. These are to be endorsed by the UNCT as a key step for the implementation of One Leader in the Standard Operating Procedures for Countries adopting the DaO approach issued in August 2014.

In response to the circulated draft audit report, the UNCT stated that performance appraisals of the UNCT was a policy issue for UNDG and the Regional Directors Team and beyond, the control of the One Leader at the country level. The Resident Coordinator Office, however, replied that the RC was asked to provide inputs to the annual appraisals of the local heads of agencies, i.e., UNICEF, UNHCR, and FAO, and the implementation was actually ongoing.

Lack of performance feedback may lead to performance issues not being addressed properly.
Priority: Medium (Important)

**Recommendation 1:**

The Resident Coordinator, in coordination with the United Nations Country Team, should pursue reciprocal performance appraisals of both the Resident Coordinator and the local heads of the United Nations agencies in accordance with the United Nations Development Group guidelines.

**Management action plan:**

It is a policy issue that needs to be followed up with UNDG.

**Estimated completion date:** February 2016

**Joint audit team response**

The joint audit team encourages the follow-up with UNDG so as to pursue implementation of the reciprocal performance appraisals.

**B. One Programme**

United Nations activities in Malawi are aligned with the MDGs and Malawi Growth and Development Strategy 2011-2016 (MGDS II) through the UNDAF 2012-2016. The UNDAF is the outcome of close consultations and a dynamic partnership between the Government of Malawi and the United Nations.

The UNDAF, as the basis of the One Programme, is a strategic medium-term result framework through which the United Nations system supports the efforts of Malawi to achieve the MDGs and other global and national policy objectives. The UNDAF was developed around four priority areas of cooperation, namely: (a) Sustainable and Equitable Economic Growth and Food Security; (b) Basic Social and Protection Services; (c) HIV and AIDS; and (d) Governance.

An UNDAF Action Plan was developed to bring coherence, simplification, and a reduction in transaction costs. The UNDAF Action Plan Results Matrix provided indicators, baselines, targets and means of verification associated with specific results.

As per the UNDAF Progress Report 2012-2013, the total programme expenditures for the period 2012-2013 amounted to $262.5 million, or $42 million (or 19 percent) higher than the budgeted amount. Approximately 45 percent of the expenditures incurred related to the Basic Social and Protection Services thematic pillar, which focused on health services and education outcomes. The Sustainable and Equitable Economic Growth and Food Security pillar accounted for 42 percent of the expenditures and focused on the social support and disaster risk management outcome, while the HIV and AIDS, and the Governance pillars accounted for the remaining 8 and 5 percent, respectively, of the expenditures.

A review of the One Programme included a review of: (a) the development of the UNDAF and the UNDAF Action Plan; (b) the alignment of planned outputs with overall outcomes; (c) the governance structure of the One Programme; (iv) the monitoring and evaluation process in place; and (v) the reporting process. The annual planning process was also reviewed, including baselines, indicators and output targets that outlined the results chain. Meetings were held with the RC, UNCT members, the Resident Coordinator Office, the OMT,
The joint audit team took note of some positive elements, as follows:

- The UNDAF and UNDAF Action Plan had been developed and were aligned to national priorities and the national planning cycle. The UNDAF development process was conducted in a consultative manner to ensure national ownership and involved all United Nations agencies operating in Malawi, including non-resident agencies, with a clear division of labor.

- The UNDAF Results Matrix showed indicators, baselines and targets, means of verification, risks and assumptions, key partners, and indicative resources required per outcome and output, while some improvements were needed.

- A clear coordination, management and accountability framework was put in place, including a Joint National/United Nations Steering Committee to provide strategic guidance and oversight, and Result Groups responsible for the implementation, reporting, and monitoring and evaluation.

In Malawi, however, only two joint programmes had been implemented during the period under review: the Development Effectiveness and Accountability Programme since 2013, and the Joint United Nations Programme on Adolescent Girls since 2011. The two joint programmes’ aggregated budget for the period 2012-2013 amounted to $4.5 million, which was only 2 percent of the total One Programme budget for the same period ($220.5 million) which was essentially an aggregation of programme budgets of individual agencies. The UNCT explained that a decision was made to only develop joint programmes in strategic areas where significant impact could be achieved.

Despite the above, in 2014, some positive development took place according to the UNCT. Additional areas for joint programming had been identified and corresponding joint programmes had been developed, namely: (a) Joint Programme on Girls’ Education (2014-2017 for an estimated budget of $14.7 million); (b) Joint Programme on HIV and AIDS (2014-2016 for an estimated budget of $23.4 million); and (c) Joint Programme on Resilience (2014-2016) for an estimated budget of $2 million.

Issues noted in the review of the One Programme are detailed below.

**Issue 2**  
Absence of robust quality review of UNDAF and Joint Annual Work Plans

Several issues in the UNDAF and UNDAF Action Plan were identified due to the absence of a robust quality review, as follows:

- There were inconsistencies between the UNDAF and the UNDAF Action Plan in terms of baselines, targets and indicative resources per key priority/cluster and per outcome. For instance, total required resources for the implementation of the UNDAF amounted to $602 million compared to $625 million in the UNDAF Action Plan. Similarly, 10 instances of inconsistent baselines and/or targets were noted related to 7 outcome indicators. For example, the target for Outcome 1.3, indicator “average number of days taken to start assistance after onset of disaster” was set at less than seven days in the UNDAF compared to less than five days in the UNDAF Action Plan. The baselines for Outcome 1.4 “number of vulnerable households benefiting from social cash transfer programme” in the UNDAF and UNDAF Action Plan were 30,000 and 26,000, respectively.

- Mathematical errors were noted in the Resource Requirement sections of the UNDAF, UNDAF Results Matrix and UNDAF Action Plan.
• Inconsistencies were noted in indicative resources included in different sections of the UNDAF Action Plan Results Matrix. Identified inconsistencies related to 9 out of the 17 UNDAF outcomes, which amounted to $23 million.

• No indicative resources were included in the UNDAF Results Matrix for key priority/Cluster 3 National Response to HIV.

• Inappropriate targets were set in the UNDAF Results Matrix. For example, the target for the percentage of "stunted children under five years" was higher than the baseline.

• There was no data available at the time of the annual review to measure progress against set targets for 11 out of 55 indicators.

• Joint Annual Work Plans providing detailed activity planning and setting out what would be accomplished during one year for each output identified in the UNDAF Action Plan had been developed per outcome per available guidance on developing Joint Annual Work Plans. However, it was noted that these annual work plans did not identify the activities to be performed to achieve set outputs. Similarly, baselines and targets had not been systematically defined. The UNCT explained that annual baselines and targets are captured in individual agency work plans.

Further, the joint audit team could not obtain evidence of whether the UNDAF and the UNDAF Action Plan had been reviewed by the Regional UNDG Team.3

Other issues concerning the lack of quality review and assurance are illustrated below.

The United Nations system developed in collaboration with the Government of Malawi a project document on Strengthening of Institutional Capacity for Development Effectiveness and Accountability Programme for which the participating agencies were UNAIDS, UNDP (lead agency), UNFPA and UNICEF. The joint audit team reviewed the project document against the UNDAF Action Plan and noted several inconsistencies in set targets (Outcome 4.2 and Output 4.2.4) and baselines (Output 4.2.4). Further, two project targets for Output 4.2.4 were lower than the baseline.6

The UNCT acknowledged that, due to time constraints in completing the UNDAF and the corresponding Action Plan, some typographical errors and discrepancies were present and some quality checks were not rigorously performed. Also, the UNCT explained that, given the time elapsed between the development of the two documents, the level of resources available changed between the date when the UNDAF was finalized and the date when the Action Plan was developed. The same explanation was provided to justify the discrepancies between the UNDAF Action Plan and the DEAP programme document. The UNCT also reported that the targets were discussed in detail with the Government of Malawi and that indicators were showing relative allocation of resources to different sectors. Finally, the UNCT explained that there was an effort to ensure that all higher level indicators had baselines and targets; however, high level indicators changed slowly, and it required expensive national surveys that could not be conducted on an annual basis (i.e., demographic and health surveys) for proper assessment. According to the UNCT, Malawi was one of the few countries that had responded to the global call

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3 Outcome 2.2 – Children under 5 years of age, pregnant women and lactating mothers in selected districts have access to and use quality nutrition services by 2016.

5 The key role of Regional UNDG Teams (formerly known as “Regional Directors Teams”) is to provide leadership, strategic guidance and support to Resident Coordinators (RCs) and UN Country Teams (UNCTs) for the achievement of country level results. The Regional UNDG Teams’ core functions are focused on the provision of coherent and timely technical support to RCs and UNCTs including quality assurance of UNDAFs/UN Programme.

5 Outcome 4.2: Public institutions are better able to manage, allocate and utilize resources for effective development and service delivery by 2016.

6 Output 4.2.4: National institutions have the capacity to align policies, programmes and budgets with national development strategies and MDGs for efficient achievement of development results.

6 Percentage of annual national budget allocated to the health sector and percentage of annual national budget allocated to the agriculture sector.
from the heads of UNDP, UNICEF and UNFPA on the adoption of real-time monitoring and had made a concerted effort in 2014 to adopt this approach. The objective of the real-time monitoring framework is to ensure that data is available to the UNCT for review and analysis in between the period of large-scale national surveys.

It should be noted that the UNDG guidance (Standard Operating Procedures for Delivering as One) dated April 2014, recommended a replacement of the UNDAF Action Plans and wherever possible of annual work plans of agencies, funds and programmes, with the Joint Annual Work Plan. In view of this, the UNCT explained that a concerted effort was made to adopt the guidance and not use the Action Plan for the next UNDAF; therefore, spending time to revise the existing Action Plan would not necessarily be productive and/or beneficial for the UNCT. In alignment with the UNDG’s guidance and UNCT’s views, the joint audit team is not making any recommendations on the revision of the UNDAF Action Plan. The audit team, however, recommends preparation and implementation of adequate quality measures for the Joint Annual Work Plans.

The absence of an adequate quality assurance process may jeopardize the quality of the programming documents.

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<td><strong>Recommendation 2:</strong></td>
<td>The United Nations Country Team should develop a mechanism with clearly defined responsibilities to ensure a quality assurance review during the development of the next UNDAF and Joint Annual Work Plans. The mechanism should also include a review of the UNDAF by the Regional UNDG Team as required by the UNDAF guidance to ensure the delivery of high quality programming documents.</td>
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**Management action plan:**

A mechanism with clearly defined responsibilities will be developed to ensure quality assurance review during the development of the next UNDAF (2017-2021) and Joint Annual Work Plans. The process and timeline for the development of the next UNDAF has already been shared with the Regional UNDG Team for their advice. The UNCT accepted the audit recommendation, but noted that the drafting and finalization of the 2012-2016 UNDAF was well outside of the audit period under review. As such, it is a forward-looking recommendation that the UNCT fully takes on board but the corresponding issue should not impact the audit rating. In addition, the UNCT obtained a comment from the UN Development Operations Coordination Office on the mechanism for review by the Regional Directors Team for the UNDAF and Joint Annual Work Plans, which stated that the regional Peer Support Group is already fulfilling the UNDAF quality review role.

**Estimated completion date:** Partially implemented. New UNDAF will be developed by April 2016.

**Joint audit team response**

The joint audit team acknowledged the action taken by the management and will review evidence of action as part of the audit team’s follow-up process. The high (critical) priority ranking of this recommendation is being maintained, as the issues observed were of critical importance to the quality of UNDAF and Joint Annual Work Plan regardless of the UNDAF cycle period, and similar shortcomings must be addressed through an effective quality assurance mechanism.

**Issue 3**  
**Weaknesses in design of UNDAF**

The UNDAF defines common United Nations positions on key development issues and outlines the strategies that will be used to support the Government of Malawi. The fundamental objective of the UNDAF is therefore to
increase the impact of the United Nations System’s assistance to the Government through increased coordination and coherent programming with clear and attainable targets and baseline settings.

The joint audit team noted the following issues with the design of the UNDAF:

- **Complex UNDAF**: The Malawi UNDAF 2012-2016 identified four priority areas of cooperation for United Nations support to the people and the Government of Malawi. Under the four key priorities were 17 UNDAF outcomes, 64 UNDAF outputs and over 250 annual key results. An expanded annual review and planning process was undertaken in 2013 and culminated in the revision of the UNDAF structure, reducing the outcomes from 17 to 14. The UNCT agreed that the UNDAF Action Plan had a complex set of result matrices. During the formulation of the UNDAF in 2010/11, it was felt that having such a detailed Action Plan would lead to enhanced harmonization; however, this was not the case. The UNCT further explained that, through various reviews and reflections in 2013, there was an effort to reduce the complexity of the UNDAF and its coordination structures. These processes led to a simplification of the UNDAF, with a reduction in outcomes, outputs and annual key results as well as a reduction in the number of coordination meetings.

- **Over ambitious target setting**: The achievements for Cluster 3 (HIV and AIDS), and Cluster 4 (Governance and Human Rights) in 2012 and 2013 were far below targets for most of the outcome indicators. Setting over ambitious targets was identified as the main cause of low implementation progress during meetings with the cluster conveners and heads of agencies, as well as in the Progress Report 2012-2013. The UNCT acknowledged the issue and explained that it was also the intention of the UNCT to use the UNDAF and the UNDAF Action Plan for resource mobilization. As such, the targets became too ambitious in relation to baselines, and United Nations and Government capabilities. In 2013, an expanded annual review of the UNDAF was conducted to simplify the contents and processes of the UNDAF and ensure it was lighter, more aligned to national priorities, and more achievable. The joint audit team took note of this positive development.

- **Overestimation of the funding gap**: According to the UNDG’s guidance, the Common Budgetary Framework was adopted to increase the transparency of planned activities and results, and identify resources and funding gaps. For the 2012-2016 UNDAF, the funding gap was estimated at $235 million, which was equivalent to 37 percent of the total resources to be mobilized. There was a tendency among agencies to overestimate the funding gap, with the aim to maximize resources allocated from the One Fund. As a result, the gap was either exaggerated or unrealistic. This practice made it difficult for the UNCT to determine the actual resources to mobilize. Furthermore, the Common Budgetary Framework, which was the consolidated financial framework reflecting the agreed UNDAF Action Plan results’ costs, had not been completed. The projection of resources and funding requirements was only available at the overview level and did not provide a practical basis for an effective budget and costing exercise for the UNDAF.

In addition, the UNDAF Common Budgetary Framework did not include the OMT and the UN Communication Group’s budgets as required by the UNDG guidelines. UNCT explained that UNDG’s requirement was issued after the UNDAF Action Plan was prepared; as such, Malawi was unable to integrate these in the Common Budgetary Framework. The joint audit team acknowledged this point and suggested to UNCT to integrate the OMT and UN Communication Group’s budgets to the Common Budgetary Framework for more complete and effective resource planning in the future.

A complex UNDAF, compounded with unrealistic targets and inaccurate estimated funding gaps may prevent the UNCT from providing adequate and necessary assistance to the host country.
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**Recommendation 3:**

The United Nations Country Team should:

(a) focus on a reduced number of key expected outcomes and outputs specifically reflecting the capacities and comparative advantages of the United Nations system in the country;

(b) raise the awareness and clarify the accountability and process for setting targets;

(c) ensure that for the development of the next UNDAF, guidance is provided and monitored at both the agency and inter-agency levels for the establishment of more accurate funding gap estimates, covering all relevant entities; and

(d) ensure the annual Common Budgetary Framework is properly developed along the UNDAF cycle for effective and complete resource planning.

**Management action plan:**

A Results Management System, a web-based inter-agency IT tool is being developed locally to plan, monitor, and report on UNDAF results. The system will address the points described in the audit recommendation.

While UNCT accepts the audit recommendation, it is of the view that the drafting and finalization of the 2012-2016 UNDAF was well outside of the period under the audit review, and should not affect the audit rating.

**Estimated completion date:** April 2016

**Joint audit team response**

The joint audit team appreciates the action taken by the UNCT in regard to the Results Management System and will review evidence of implementation of the audit recommendation as part of the audit team’s follow-up process. Concerning the point raised by the UNCT on the audit rating, the audit team is of the view that the nature of the issues discussed is of critical importance to the quality of the UNDAF, in particular for the UNDAF to be developed for the next cycle. Thus, the audit team is maintaining the high (critical) priority ranking for the recommendation.

**Issue 4  Gaps in Integrated Monitoring and Evaluation Plan**

According to the UNDAF Action Plan, the PUNOs work closely with the Government of Malawi to monitor, evaluate and report on the results of the UNDAF Action Plan. A Monitoring and Evaluation Plan was developed and implemented at the beginning of the UNDAF cycle to ensure continuous monitoring and periodic evaluation of the UNDAF Action Plan. The Plan included, among others: (a) the establishment of a Monitoring and Evaluation Technical Working Group to advise and guide the UNCT, the PMT and the UN Working Groups in the monitoring and tracking of results stipulated in the UNDAF, UNDAF Action Plan, and their implementation of work plans; (b) the development of a detailed five-year IMEP consolidating all United Nations agencies’ monitoring and evaluation activities; and (c) a periodic review and evaluation to assess progress made in achieving expected results and contribution towards the country programme outcomes.

The following issues were noted during the review of the One Programme monitoring process.
- **Lack of monitoring of the implementation of the IMEP:** The implementation of the IMEP was not periodically (e.g. annually) monitored. Management explained that the implementation of the IMEP was monitored at the agency level. The joint audit team is of the opinion that monitoring only at the agency level may diminish the usefulness of the IMEP as a tool to coordinate monitoring and evaluation activities of all agencies, and to take timely corrective actions as needed.

- **Limited joint monitoring visits:** The IMEP consistently identified joint field visits involving different United Nations agencies and development partners as a monitoring and evaluation activity to be undertaken every year of the UNDAF cycle. However, only one joint monitoring field visit was undertaken during the period under review. According to the UNCT, field visits were undertaken by the agencies separately; however, information on the field visits was not centrally captured. The need for an increased number of joint field visits was highlighted by different stakeholders interviewed during the audit, as a potential means to save individual field visit costs and to enhance knowledge sharing.

- **Limited monitoring and evaluation resources (financial, human resources and skill sets):** From discussions with the head of the Monitoring and Evaluation Technical Working Group, the effectiveness of monitoring and evaluation activities was diminished by the lack of adequate financial and human resources, including skill sets. For example, according to the Monitoring and Evaluation Technical Working Group 2013 Annual Work Plan, the indicative resources for 2013 monitoring and evaluation activities amounted to only $18,200, or 0.01 percent of total UNDAF expenditure for the year. Resources required for monitoring and evaluation activities came mainly from individual agency budgets. The joint audit team identified the impacts of several issues that could have been attributed to limited monitoring and evaluation resources. These issues, discussed throughout the report, related to the quality of programming documents developed, the ability to report on results and the accuracy of results reported. The PMT acknowledged that additional resources were required to ensure adequate monitoring of progress and results; however, there were constraints on availability of financial and human resources, including skill sets.

- **Absence of evaluation of the UNDAF 2008-2011:** Evaluation of the previous UNDAF was not undertaken as required by the Standard Operating Procedures and the One Programme Guidance Note. The UNCT acknowledged this issue and informed the joint audit team that an evaluation of the current UNDAF had been discussed and planned for.

Inadequate monitoring may prevent the UNCT from detecting and correcting programmatic issues affecting successful implementation of the One Programme.

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<td><strong>Management action plan:</strong></td>
<td>The Integrated Monitoring and Evaluation Plan is monitored and updated periodically at the start of each year. The last update was done in January 2014. The IMEP structure has also been updated and agreed to.</td>
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7 Joint UNICEF-UNDP field visit (18-21 November 2013) was conducted to: (i) explore opportunities for joint programme to support the process of developing socio-economic profiles and district development plans; (ii) monitor UNICEF support to strengthen district Monitoring and Evaluation Officers’ capacity; and (iii) hold meetings with counterparts to establish a Malawi monitoring and evaluation association.
For 2015, the Monitoring and Evaluation Technical Working Group has already agreed to review the Integrated Monitoring and Evaluation Plan to improve usability and make it easier to track completion of surveys, evaluations, studies, etc., in line with the National Statistical System Strategic Plan (2013-2017). The revised Integrated Monitoring and Evaluation Plan will clearly map all data that the United Nations system and other key stakeholders will produce each year, which will be used to track achievement of results.

In addition to the Integrated Monitoring and Evaluation Plan, the UNCT has invested heavily in a Joint Real Time Monitoring Framework which will enable the UNCT to monitor the progress and adjust accordingly in real time. The Joint Real Time Monitoring Framework and results are discussed by the UNCT, PMT and outcome groups. As such, they address and even go beyond the concerns raised in the audit.

**Estimated completion date:** February 2015

**Joint audit team response**

The joint audit team welcomes the action taken by the Monitoring and Evaluations Technical Working Group and will review evidence of implementation of the audit recommendation as part of the audit team’s follow-up process.

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**Recommendation 5:**

The United Nations Country Team, in collaboration with the Programme Management Team, should:

(a) reinforce the monitoring and evaluation capacity by increasing allocated resources (financial and human resources with necessary skill sets);
(b) augment the frequency of joint monitoring site visits; and
(c) timely plan for and undertake the evaluation of the UNDAF.

**Management action plan:**

(a) The UNCT has accepted this recommendation. Monitoring and evaluation capacity has been strengthened by adjusting the Terms of Reference of a United Nations Volunteer to focus exclusively on monitoring and evaluation. In addition, $150,000 has been mobilized for monitoring and evaluation work at the United Nations level in 2015. Further strengthening of monitoring and evaluation capacity will be considered pending resource availability.

(b) The number of joint monitoring visits, through the Programme Management Team, has been increased from 1 to 3 in 2015.

(c) The UNDAF evaluation will take place in the first half of 2015. The Terms of Reference were endorsed on 17 December 2014 and the recruitment process has been launched with a deadline of 1 February 2015. The proposed process has been shared with the UN Development Operations Coordination Office for their input.

**Estimated completion date:** December 2015

**Joint audit team response**

The joint audit team welcomes the action taken by the UNCT and will review evidence of implementation of the audit recommendation as part of the audit team’s follow-up process.
Issue 5  

Gaps in reporting on results

As per the Standard Operational Format & Guidance for Reporting Progress on the UNDAF dated January 2010, the RC, supported by the UNCT, should produce at least once in a programme cycle, a report to national authorities on progress towards achieving results; the RC may decide to report more frequently. The report should focus on the outcome level, and information in that regard may be developed as part of the annual results review process.

The review of the UNDAF Progress Report 2012-2013 revealed that results achieved did not always match with the progress reported. Particularly, achievements for five indicators under Outcome 1.2,\(^8\) Outcome 1.4,\(^9\) Outcome 2.1,\(^10\) and Outcome 2.5\(^11\) for which partially satisfactory progress (amber color) was assigned in the UNDAF Progress Report, should have been changed to low/unsatisfactory progress (red color).

For Outcome 4.3, progress reported against the indicator “share of women in wage employment in the non-agriculture sector” was 33 percent higher than the one reported for the same indicator under Outcome 1.2 (16 percent).

Two instances were noted where baselines and targets were set at the country level, whereas progress was measured and reported at the project area level (Outcome 1.1). The UNCT acknowledged the issue and explained that it was due to the unavailability of annual data at the country level.

To address the shortcomings, the UNCT informed the audit team that a Results Management System was being developed to address challenges on data capturing and reporting on the UNDAF progress. The system was intended to facilitate monitoring and reporting on results, as well as allow for a more effective quality assurance process. The Results Management System was designed to validate the process for all plans and reports, and also allow for better reporting of the United Nations impact. The joint audit team welcomed this initiative and confirmed the design of the system that aimed to address these shortcomings in the system’s requirement analysis document.

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<td><strong>Recommendation 6:</strong></td>
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<td>The United Nations Country Team, in collaboration with the Programme Management Team, should expedite implementation of the Results Management System and ensure accuracy of the result reports.</td>
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<td><strong>Management action plan:</strong></td>
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<td>The system is now in its final stage of development and is due to be completed by early April 2015. Programme and operations units have already received training in the system and feedback has been extremely positive. Training has also been provided to heads of agencies, the Programme Management Team and the Monitoring and Evaluation Technical Working Group. The system will be launched shortly and users will begin using it immediately for the first quarter review.</td>
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\(^8\) Progress was reported using traffic light rating system with green indicating satisfactory/good progress, amber indicating partially satisfactory progress and red indicating unsatisfactory/low progress.

\(^9\) Employment and Private Sector Development

\(^10\) Social Support and Disaster Risk Management

\(^11\) Health Services

\(^12\) Protection Services
C. One Fund

In 2008, the Malawi One Fund was established to mobilize and allocate resources for the One UN initiatives. It was one of the vehicles for maximizing the effectiveness of the United Nations system in Malawi by pooling resources into a common fund and allocating them to unfunded One Programme key priorities. The governance arrangements, allocation criteria, monitoring and evaluation, reporting and administration of the One Fund had been established under the Terms of Reference and Memorandum of Understanding signed by UNDP, the Administrative Agent (through UNDP’s Multi-Partner Trust Fund Office13), and the PUNOs.

The UNDAF 2012-2016 had a total budget of $625 million to be funded from core resources ($165 million), non-core resources ($225 million) and showed a funding gap of $235 million to mobilize through the One Fund. As of June 2014, the total amount mobilized through the One Fund since its inception in 2008 amounted to $53 million. Of this amount, $51 million was raised for the previous UNDAF 2008-2011. Therefore, only $2 million or less than 1 percent of the funding gap ($235 million) for the current UNDAF 2012-2016 had been raised through the One Fund.

The UNCT in Malawi established thematic funding windows as part of the One Fund, such as Humanitarian, Climate Change, Girls Education, and Right to Food. All funds received during 2013-2014 were raised through these thematic funding windows and were ear-marked at the cluster or outcome level. During the January/February 2015 flood disaster in Malawi, a total of $2.28 million was mobilized and made available through the Humanitarian Window of One Fund.

The joint audit team assessed: (a) the adequacy of the UNCT Special Session in providing guidance and strategic orientation regarding One Fund; and (b) whether the resource mobilization approach and key principles were mapping donor priorities, focusing on UNDAF outcomes, driving a joint resource mobilization in a transparent, flexible and pragmatic manner, and whether they were ensuring effective inter-agency coordination and significantly reducing transaction costs for governments, donors and the United Nations system.

Issue 6 Incomplete Resource Mobilization Strategy for One Fund

According to the UNDG’s guidance, the One Fund’s RMS aims at ensuring a coherent approach to fund-raising activities in the country, with inter-agency coordination under the leadership of the RC representing all agencies’ interests. The resource mobilization shall be supplemented by agency-specific resource mobilization efforts. As part of the UNCT Code of Conduct, all UNCT participating organizations agree on key principles driving a joint RMS at the country level, with the individual United Nations agency fund-raising efforts complementing the joint resource mobilization.

In Malawi, the United Nations agencies drafted the RMS in March 2013. Although the draft RMS had been shared with all heads of United Nations agencies and discussions were undertaken in the PMT meeting held in 2013, the

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13 The Malawi One Fund is administered by the Multi-Partner Trust Fund Office (MPTF Office) of the United Nations Development Programme (UNDP). The MPTF Office is a United Nations centre of expertise on pooled financing mechanisms.
principles and specific actions and responsibilities for implementing the RMS had not been finalized and agreed upon among the agencies as of June 2014. This was partly due to a lack of confidence among the agencies that the RMS would result in successful fund-raising efforts. Further, the progress on resource mobilization of the non-core resources by agencies and the funding gap of the One Fund were not shared among agencies or discussed in the UNCT meetings.

Also, although required in One Fund’s Terms of Reference, no United Nations agencies provided the Resident Coordinator Office quarterly updates on the status of financial resources. As a result, the Resident Coordinator Office could not provide to the UNCT, as required in the Terms of Reference, quarterly financial statements of the One Fund. The joint audit team also did not find evidence of the Resident Coordinator Office following up with the United Nations agencies on the quarterly updates. The lack of quarterly updates on the financial status of financial resources of the One Fund limited the UNCT’s ability to monitor progress on resource mobilization, identify funding gaps and take corrective actions in a timely manner.

While the UNCT stated that quarterly reporting was not realistic, it agreed that the Terms of Reference of the One Fund would need to be revised, but this had not been done as of June 2014.

An incomplete joint RMS might hamper the UNCT’s ability to pool resources to allocate to unfunded priorities, and therefore prevent the United Nations system from providing adequate and necessary assistance to the host country.

**Priority**  
High (Critical)

**Recommendation 7:**

The United Nations Country Team should:

(a) update the Resource Mobilization Strategy, assigning clear responsibilities and establishing mechanisms for monitoring progress against resource mobilization indicators and targets; and

(b) ensure that the frequency of reporting of funding status by agencies is revised to meet oversight needs and priorities.

**Management action plan:**

(a) Instead of finalizing the strategy in June 2014, the UNCT decided to take incremental steps to build confidence that would be leading to agreement on a strategy to involve more joint work and more sharing of information. The incremental steps have been to develop thematic windows under the One Fund. These steps have been taken and a framework for a Resource Mobilization Strategy was agreed upon at the recent UNCT retreat and the strategy is now being drafted.

(b) This has been agreed to and a report of funding status will be done every six months.

**Estimated completion date:** July 2015

**Joint audit team response**

The joint audit team appreciates the action taken by the UNCT in regard to the Resource Mobilization Strategy and will review evidence of implementation of the audit recommendation as part of the audit team’s follow-up process.

**Issue 7**  
Lack of clarity in the Terms of Reference of the One Fund
The Terms of Reference of the One Fund stated that the UNCT Special Session “guides and decides on the overall strategic orientation of all aspects of delivering the UNDAF in Malawi.” However, the UNCT Special Session was not held in 2013 and 2014 (as of June). The RC explained that the role of the UNCT Special Session was largely to make decisions on allocation of un-earmarked funds from the One Fund and therefore it was not held as no un-earmarked funds were received into the One Fund during the period under review. The RC clarified that the strategic direction in the UNDAF implementation was provided by the Joint Strategic Meeting through annual review mechanisms. However, these roles, as explained by the RC, were not clearly documented in the Terms of Reference of the One Fund.

There were also unclear governance arrangements for the Humanitarian Window of the Malawi One Fund. The locally established Memorandum of Understanding for the Humanitarian Window, which was drafted in 2011, was not signed by the Administrative Agent at the time of the field mission (i.e., the Multi-Partner Trust Fund Office of UNDP) and it was not involved in the administration of this fund. Further, the governance mechanism described in the Memorandum of Understanding was different from the Standard Administrative Agreement signed with the donors. The Resident Coordinator Office and the local representative of the Administrative Agent referred to the locally drafted Memorandum of Understanding as the governing document of the Humanitarian Window. Subsequent to the audit field mission, the UNCT stated that there was an understanding by UNCT that the Memorandum of Understanding for the Humanitarian Window was not valid, as the United Nations agencies had already signed the Memorandum of Understanding for the One UN Fund. Therefore, according to the UNCT, the reporting requirements should have remained as explained in the Terms of Reference appended to the Memorandum of Understanding of the One UN Fund. The Multi-Partner Trust Fund Office confirmed that there was a misunderstanding at the country level on which Memorandum of Understanding to use and that a local agreement for the Humanitarian Window should not have been drafted.

Lack of clarity in the definition of UNCT Special Sessions and the governance arrangement of the Humanitarian Window in the Terms of Reference of the One Fund may lead to confusion and inefficiencies in fund-raising.

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**Recommendation 8:**

The United Nations Country Team should:

(a) revise the Terms of Reference of One Fund to reflect the actual role of the United Nations Country Team Special Session; and

(b) ensure that the governance mechanism of the humanitarian funding is aligned with the Standard Administrative Agreements signed with the donors and those established in the Terms of Reference and Memorandum of Understanding of One Fund.

**Management action plan:**

The Terms of Reference of the One Fund will be revised to reflect the actual role of the Special Session and the governance mechanism of the humanitarian fund will be aligned with the Standard Administrative Agreement. This will be reviewed and agreed to during a special session in early 2015. Since the United Nations Country Team has been able to mobilize resources through the One UN Fund, it now makes sense to call a Special Session where these issues can be dealt with.

**Estimated completion date:** July 2015

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**Issue 8**

**Inadequate monitoring and reporting of unspent balances**
According to the Terms of Reference of the One Fund, monitoring and evaluation of the One Fund, including, as necessary and appropriate joint evaluation by the PUNOs, the Administrative Agent, the donor, the Government of Malawi and other partners, will be undertaken in accordance with the approved programmatic document.

The Resident Coordinator Office and the local Administrative Agent lacked oversight on the unspent balance from funds disbursed to the United Nations agencies.

- **Unspent balance from the One Fund**: The cumulative unspent balance of the One Fund amounted to $1.2 million as at 31 December 2013 and the respective PUNOs had been requested to refund to UNDP their unspent balances. However, only $150,000 (13 percent) had been refunded as of June 2014. Although the UNCT explained that agencies had up to one year to return unspent balances, the joint audit team was of the view that it would be useful for the Resident Coordinator Office to ensure that balances are adequately monitored and returned to UNDP as soon as possible for reallocation to other unfunded activities to achieve more development impact.

- **Unspent balance from the Humanitarian Window**: As of June 2014, the unspent balance, out of the total transfers of $1.8 million made to PUNOs during the period from January 2013 to June 2014, was unknown. This resulted from the responsibilities, at the UNCT level, for monitoring utilization of funds that were disbursed to PUNOs, and for follow-up on the refund of unspent balances that had not been defined in the Terms of Reference or the Memorandum of Understanding of the One Fund.

The lack of a mechanism to monitor unspent balances may hamper the UNCT’s ability to make appropriate use of donors’ funds and ensure that projects have been implemented in accordance with project documents in a timely manner.

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<td><strong>Recommendation 9:</strong></td>
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<tr>
<td>The United Nations Country team should:</td>
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(a) establish acceptable justifications for the outstanding refund of unspent balances and accordingly instruct United Nations agencies to return unjustified unspent balances sooner so that it could be reallocated to other unfunded priority projects; and

(b) revise the Terms of Reference of the Humanitarian Window to ensure clarity of responsibilities of the local Administrative Agent (UNDP) and the Resident Coordinator Office regarding financial monitoring on utilization of funds, including following up on unspent balance refunds.

| Management action plan: |

The Terms of Reference of the Humanitarian Window will be clarified. The local Administrative Agent (UNDP) will oversee utilization of funds, including following up on unspent balance refunds.

*Estimated completion date: March 2015*

**Issue 9**  
Delays in disbursing funds to United Nations agencies and inadequate supporting programme documents

According to the One Fund and the Humanitarian Window Memorandum of Understanding, the Administrative Agent was required to make disbursements to the PUNOs within three to five days from receipt of instruction.
from the RC, who was the Chair of the United Nations Country Team Special Session or the Humanitarian Country Team.

A sample of nine disbursements was selected to test the timeliness of disbursements. Of which, 6 instances were noted where the transfers took 6 to 20 working days after receipt of instruction from the RC. Further, in seven of the nine cases reviewed, the copies of relevant project proposals or programme documents as required in the Memorandum of Understanding were not attached to the payment vouchers. The documents were misfiled and therefore it could not be confirmed whether these had been reviewed by the approving officers before approval of payments. The causes for delays in disbursing funds to the agencies could not be established by the joint audit team.

Delays in disbursing funds may prevent United Nations agencies from implementing project activities timely, which may therefore negatively impact the progress of the One Programme.

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<td><strong>Recommendation 10:</strong></td>
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<td>The local Administrative Agent should ensure that disbursements to United Nations agencies are effected in accordance with the prescribed timeframe in the Memorandum of Understanding of the One Fund, and report on timeliness of payments against targets to the Resident Coordinator Office on a semi-annual basis.</td>
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<td><strong>Management action plan:</strong></td>
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<td>According to the UNCT’s analysis of the 12 transactions through the Humanitarian Window of the One Fund during the audit period, only one took more than 5 days.</td>
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<tr>
<td><strong>Estimated completion date:</strong></td>
<td>Implemented.</td>
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<tr>
<td><strong>Joint audit team response</strong></td>
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<td>The joint audit team will assess the implementation of the audit recommendation subsequent to the issuance of the audit report.</td>
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**Issue 10** Annual narrative progress and financial reports not submitted timely

The One UN Fund Memorandum of Understanding and Terms of Reference indicate that each PUNO is required to provide the Administrative Agent with annual progress reports and financial reports.

The Administrative Agent did not receive narrative progress reports from the PUNOs as required in the Memorandum of Understanding and Terms of Reference. The PUNOs provided progress reports to the UNDAF outcome leads, which in turn reported to the Resident Coordinator Office. In addition, for the Humanitarian Funding Window, PUNOs did not consistently provide narrative progress reports on time, and some reports provided to the Resident Coordinator Office were not in the agreed upon format. As of June 2014, three of seven reports due in 2013 and one of three reports due in 2014 had not been submitted by the PUNOs to the RC. The UNCT stated that the UNDAF Annual Report served the same purpose as the submission (and consolidation) of individual reports from PUNOs and that requiring agency level reporting would significantly increase transaction costs.

Lack of timely submission of annual narrative progress and financial reports in the required format may diminish the value of such reports and may prevent timely action to address errors or irregularities.
Priority | Medium (Important)

**Recommendation 11:**

The Resident Coordinator Office should ensure that:

(a) the actual reporting mechanism for annual narrative progress reports and financial reports by participating organizations is in line with the Terms of Reference and the Memorandum of Understanding of the One Fund; and

(b) follow-up is done to ensure that participating organizations submit reports according to the required format in a timely manner.

**Management action plan:**

The Terms of Reference and Memorandum of Understanding will be amended to clarify that annual reports are provided to the Resident Coordinator Office which will then consolidate into one annual report.

**Estimated completion date:** April 2015

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**D. Operating as One**  
**Partially Satisfactory**

Operating as One unites agencies working at the country level through harmonized business processes, common services and often common premises or a UN House. By establishing common services and clustering operational activities of agencies together, the United Nations system aims to reduce operational costs considerably and to become more effective and efficient in supporting programme delivery. In Malawi, the operational set-up of the Operating as One pillar includes the OMT and working groups for five areas, namely: procurement, human resources, budget and finance, information and communication technology, and HACT. The working groups were established by the UNCT to identify and prioritize the existing operational services to be harmonized and to ensure that they adequately support the implementation of the One Programme. The role of the OMT was two-fold: (a) to advise the UNCT on the rules, regulations and practices that require special expertise and inter-agency technical coordination; and (b) to harmonize business practices across agencies. The OMT was headed by UNDP.

The joint audit team noted that the OMT and working groups succeeded in harmonizing some business practices as illustrated below:

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**Issue 11**  
**Weakness in Business Operating Strategy and its implementation mechanism**

The key objective of Operating as One is to reduce transaction costs for United Nations agencies and their partners. The harmonization of business processes, common services and often common premises or a UN House aims to ensure efficient operational support for the delivery of the One Programme, through increased harmonization, coherence between the different United Nations entities, and cost savings.

The joint audit team noted that the OMT and working groups succeeded in harmonizing some business practices as illustrated below:
- The Human Resources Working Group established the “consultant and temporary staff database” where consultants’ and temporary staff data was collected from all agencies and uploaded onto a website which was accessible by all United Nations agencies.

- The Human Resources Working Group conducted training for staff of all agencies, including induction training, defensive driving, ethics, and emergency preparedness and response.

- The Procurement Working Group succeeded in harmonizing several procurement initiatives and sharing of Long Term Agreements among agencies; it also conducted two joint procurements of vehicle spare parts and stationery.

A Business Operating Strategy was developed in October 2013; however, its road map failed to achieve the expected targets and agreed upon deadlines. Furthermore, it was not developed based on needs or cost analyses as recommended by the UNDG’s guidelines. Further, the key elements were missing, such as a link to the UNDAF outcomes and performance indicators to measure transaction costs. At the time of the field mission, the OMT and different working groups started collecting data to assess the feasibility of the Business Operating Strategy implementation. The Resident Coordinator Office informed the joint audit team that a new Business Operating Strategy would be developed after the finalization of the data collection exercise.

In terms of the management of the working groups, the joint audit team noted that detailed activities were not assigned to working group staff for each objective, and that a Results Monitoring Framework was not established to monitor the implementation of the working groups’ activities. In the absence of a clearly assigned activity and Results Monitoring Framework, the OMT may not achieve the intended objectives. Moreover, the OMT may not obtain consistency of the working groups’ various initiatives, and may even fail to identify critical processes to harmonize.

There was also inadequate documentation of conclusions of working groups’ meetings, including challenges and constraints that should have been raised to the OMT and UNCT. In addition, discussions with different stakeholders indicated limited participation and limited contributions from working groups’ members. In part, this was due to the perception among staff that, with the harmonization of business processes, staff might lose their jobs. Further, heads of agencies indicated that smaller agencies had fewer staff yet still had to attend many DaO meetings, even if their participation did not add value. As such, staff in smaller agencies perceived DaO meetings as additional workload.

There was an absence of comparative cost tracking and analysis mechanisms to accurately monitor and measure cost savings on an itemized basis as a result of DaO introduction. There was no systematic mechanism to capture and compare transaction costs before and after the harmonization of processes in all of the agencies involved. Only the Procurement Working Group reported an estimated savings of $36,000 on spare parts and $23,000 on stationery, resulting from joint procurements. Without such a mechanism, the OMT would not be in a position to objectively assess the result of harmonized processes in terms of efficiency and economy.

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<th>Priority</th>
<th>High (Critical)</th>
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**Recommendation 12:**

The United Nations Country Team should:

(a) Improve the Business Operating Strategy based on analyses of past lessons and data collected for the feasibility study, ensuring adequate use of cost analysis and link to the UNDAF outcomes.

(b) Further enhance performance of the working groups through:

i. assigning key activities to staff in the work plan of the working groups;

ii. clearly establishing the Results Monitoring Framework;
iii. documenting conclusions of the working group meetings, highlighting constraints and challenges to be raised to the Operations Management Team and United Nations Country Team; and

iv. establishing a mechanism to recognize achievement and efforts of staff, having local heads of agencies communicate their support to harmonization of processes and allay staff concerns.

(c) Create comparative cost-tracking and analysis mechanisms to ensure sound decision-making and actions taken to implement the Business Operating Strategy.

Management action plan:

(a) The Operations Management Team undertook the exercise of strategic planning and Business Operations Strategy in April 2014. This was only shortly before the audit took place, therefore, only a limited amount of data was available. The OMT, with support from UNDP Regional Office in Ethiopia continues to work on Business Operating Strategy data analysis.

(b) i. Key activities have been assigned to individual staff members in the 2015 work plans of the different operations groups, procurement, HR, ICT, finance and transport/logistics.

ii. A Results Monitoring Framework has been established in the 2015 work plans. These plans will be entered into Results Management System to facilitate monitoring.

iii. The challenges and constraints are being raised to the OMT by working groups in monthly meetings. Issues may, as appropriate, be escalated to the UNCT. The UNCT feels that this is already in place.

iv. This point was addressed in the UNCT retreat of 2014 and will be done through implementation of the appraisal system and awards, identified through working groups and presented at the UN town hall.

(c) A comparative cost-tracking and analysis mechanism will be developed through the additional support that will be provided by the Deputy Resident Representative Operations from the Ethiopia Country Office.

Estimated completion date: December 2015 (Business Operating Strategy data collection and analysis is part of the 2015 work plan)

Issue 12  Lack of Business Continuity Plan

The main objective of having a Business Continuity Plan is to avoid the disruption of services provided by the UNCT and to allow critical staff to work from a different location in case access to their respective offices is restricted in the event of an incident.

In November 2014, WHO in Malawi led the creation of a draft joint Business Continuity Plan as part of the UNCT’s Ebola Contingency Plan, which was in response to the possible Ebola outbreak in Malawi. The joint audit team obtained and reviewed the draft Business Continuity Plan and was generally satisfied with the quality of the Plan, except for the lack of a disaster recovery planning aspect in regard to information technology and the absence of formal sign-off and issuance of the Plan by UNCT. The draft Business Continuity Plan did not describe the procedures, roles and responsibilities for the back-up, safeguarding, and restoration of data, in case information technology services were to be disrupted. Further, the Ebola Contingency Plan that included the Business Continuity Plan was not issued formally.

In the absence of an information technology disaster recovery plan in the Business Continuity Plan and lack of formal issuance of the Plan, continued operation of key business processes may not be ensured, and critical staff may not be able to resume or continue working in case of an incident.
Investigate and prosecute the suspects and address the use of government funds. At the time of the audit fieldwork (June 2014), the Government was in the process to develop an action plan to follow up on the weaknesses reported in the macro assessment. The HACT Framework consists of four processes: macro-assessment, micro-assessment, cash transfers and disbursement and assurance activities. The purpose of the macro-assessment is to evaluate whether there is adequate public financial management within which agencies provide cash transfers to implementing partners, while micro-assessments assess implementing partner’s financial management capacity to determine the overall risk rating and ensure appropriate cash transfer modalities and assurance activities.

At the time of the audit field mission, six agencies (FAO, UNAIDS, UNDP, UNICEF, UNFPA and WFP) participated in the HACT Working Group which was chaired by UNICEF. The activities of the working group included monthly meetings, capacity building, joint macro/micro-assessments and joint assurance activities. The joint audit team noted that joint assurance activities were planned and implemented, and the results were shared between the HACT Working Groups. Further, to ensure harmonization, the Working Group developed a standard spot check template.

The last macro-assessment for the current UNDAF 2012-2016, which was conducted in 2011 by an international consultant, was agreed upon with the Government. The macro-assessment identified several weaknesses, including non-compliance with payment and procurement procedures, low procurement capacity and weak capacity of the supreme audit institution. The joint audit team noted that there was no action plan to follow up on the weaknesses reported in the macro-assessment. The HACT Working Group indicated that they did not follow up on the macro-assessment recommendations because the capacity issues could have been better addressed with the support of the World Bank and other donors. Instead, the HACT team focused more on weaknesses identified from micro-assessment.

Additionally, the HACT Framework states that a macro-assessment is expected to be undertaken once per programme cycle for each country implementing the HACT Framework and should be updated during interim periods of the programme cycle if significant circumstances or changes are identified in the country’s public financial management environment. Following the incident that revealed significant weaknesses in public financial management, also known as “Malawi Cashgate”, the HACT Working Group modified the cash transfer framework to deliver a harmonized approach to cash transfers, or HACT. It requires the use of a harmonized approach to request and transfer cash, assessment of risks of implementing partners, and introduces risk-based assurance activities on the utilization of funds.

### Recommendation 13:
The United Nations Country Team should include an information technology disaster recovery element in the joint Business Continuity Plan and formally issue the Business Continuity Plan.

### Management action plan:

**Priority** Medium (Important)

**Estimated completion date:** September 2015

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14 “The Malawi Cashgate”, refers to a financial scandal where civil servants had alleged looted large sums of money (million) from government funds. At the time of the audit fieldwork (June 2014), the Government was in the process to develop an action plan to investigate and prosecute the suspects and address the weaknesses that allowed the theft to occur.
modality without updating the macro-assessment. The joint audit team was of the view that the macro-assessment needed to be updated to evaluate the adequacy of public financial management in order to reassess/realign the cash modalities to the outcome of the evaluation.

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<th>Priority</th>
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<tr>
<td><strong>Recommendation 14:</strong></td>
<td>The United Nations Country Team, in collaboration with the HACT Task Force, should update the HACT macro-assessment taking into consideration the changes in internal controls and government structure and address risks related to the changes identified in the country’s public financial management environment.</td>
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**Management action plan:**

The HACT macro-assessment will be updated in 2015. The HACT team waited for the elections and the public financial management process to be finalized. Now that this has been completed, the HACT macro-assessment will be undertaken.

**Estimated completion date:** December 2015

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**E. Communicating as One**

The United Nations Communication Group in Malawi has been established with Terms of Reference; it is composed of Communication Officers from the United Nations agencies in Malawi and is chaired by a head of an agency. The joint audit team reviewed the communication strategy, standard communication products, and assessed the processes the United Nations Communication Group monitors, report and evaluate the activities for lessons learned.

Based on findings on gaps in certain elements reviewed under this audit area it was rated initially as “Partially Satisfactory” in the draft report. With subsequent actions taken and confirmed, the audit rating has been adjusted accordingly.

**Issue 14**

**Gaps in the One Communication strategy and Terms of Reference**

Communicating as One ensures coherent messaging from the United Nations agencies, with the objectives to improve the quality of dialogue with the host country Government and other national stakeholders. It also helps to highlight results achieved by the United Nations agencies at the country level.

During the audit fieldwork in June 2014, the joint audit team noted certain gaps in the One Communication strategies and the Terms of Reference of the United Nations Communication Group, as described below.

**Gaps in communication strategy:** The joint audit team acknowledged some progress made in 2014 in the implementation of the One Communication strategy, which included: (a) formulating the communication strategy in April 2014; (b) drafting and circulating for comments common messages on key United Nations positions pertaining to national development as reflected in the key priorities of the UNDAF; and (c) launching of the United Nations in Malawi website. Although recommended by the Standard Operating Procedures, there were no mechanisms and responsibilities for capturing and sharing lessons learned from both joint and agency-specific communications work. This omission limited the ability of the UNCT in supporting improved knowledge management at the country level. Similarly, although recommended in the Standard Operating Procedures, the communication strategy did not include a crisis communication strategy or specific ground rules (Code of Conduct) to guide United Nations agencies in Communicating as One.
Comment:

In view of the follow-up action taken by management and confirmation by the joint audit team on its adequacy subsequent to the end of the audit fieldwork, no audit recommendation is being made.

Gaps related to United Nations Communication Group Terms of Reference: The United Nations Communication Group Terms of Reference stated that focal points were expected to spend 10 percent of their time on Communicating as One and their roles assessed in their performance appraisals. The joint audit team noted the performance of staff who were members of the United Nations Communication Group was not assessed. The lack of performance appraisals of staff on United Nations Communication Group activities increased the risk of United Nations Communication Group activities not being given priority by concerned staff members.

Further, the Terms of Reference of the United Nations Communication Group stated that the United Nations Communication Group was required to meet twice every month. However, the Group met only five times in 2013 and three times in 2014 (as of June). In addition, although required in the Terms of Reference, the United Nations Communication Group did not prepare and submit an annual progress report to the United Nations Communication Group Secretariat at United Nations Headquarters. The Resident Coordinator Office stated that the frequency of meetings stated in the Terms of Reference was unrealistic and that requirements for reporting to the United Nations Headquarters were incorrect and should have been corrected. Subsequent to the audit fieldwork, the Resident Coordinator Office provided an updated United Nations Communication Group Terms of Reference, which reduced the frequency of the United Nations Communication Group meetings to once a month.

Comment:

In view of the follow-up action taken by the management and confirmation by the joint audit team on its adequacy subsequent to the end date of the audit fieldwork, no audit recommendation is being made.

Priority Medium (Important)

Recommendation 15:

The United Nations Country Team should:

(a) update the Terms of Reference of the United Nations Communication Group to ensure it contains accountability on appraisal mechanisms; and
(b) perform an appraisal of the United Nations Communication Group members as required.

Management action plan

It is not clear what appraisal mechanisms to enhance member’s performance means. If it refers to performance appraisal of staff members on their contribution to Delivering as One, then, this is in place.

Estimated completion date: Implemented

Joint audit team response

The joint audit team will assess the implementation on the audit recommendation subsequent to the issuance of the audit report.
Inadequate design and implementation of the Communication Group’s Annual Work Plan

One of the objectives of Communicating as One is to improve the efficiency and effectiveness of common messages and communication products, by pooling expertise and resources. It will also play an important role in building support for the successful implementation of DaO with external partners and staff of United Nations agencies.

A review of the Communication Group Annual Work Plans for 2013 and 2014 noted the following issues:

Incomplete design and lack of cost sharing mechanism of the 2014 Annual Work Plan: The 2014 Annual Work Plan did not include clear responsibilities or indicators and targets to facilitate accountability and assessment of progress in the implementation of planned activities. The communication strategy identified that activities relating to capacity-building of the media, such as training of journalists, were fragmented and based on individual agency initiatives or one-off exercises, with limited sustained follow-up. Individual agency communication work plans were not shared among agencies, missing resulting in missed opportunities for cost-saving and consistency in capacity-building exercises.

The total budget in the 2014 Annual Work Plan was $58,000, of which $30,000 was to be funded by the Resident Coordinator Office and the remaining $28,000 of which was to be mobilized. There was, however, no clear mechanism established for cost-sharing of communications activities. Consequently, there was no clear mechanism on how the gap in communications budget was to be funded by United Nations agencies.

Subsequent to the audit fieldwork, the UNCT prepared the 2015 Communicating as One Annual Work Plan and corresponding budget. The joint audit team confirmed that the weaknesses raised above had been adequately addressed.

Comment:
In view of the follow-up action taken by the management and confirmation by the joint audit team on its adequacy subsequent to the end date of the audit fieldwork, no audit recommendation is being made.

Low implementation rate of 2013 Annual Work Plan: The 2013 Annual Work Plan implementation rate for planned communication activities was low. Out of 21 activities planned, only 6 (29 percent) were completed, 2 (10 percent) were partially completed and 13 (61 percent) were not implemented. The low implementation rate of planned activities was partly due to the lack of financial resources dedicated to the United Nations Communication as One Group activities, competing demands of individual agency-specific communication roles, compounded with the vacancy periods of the United Nations Communication Group Chair and Secretary posts, which ranged from three to six months, respectively.

A low Annual Work Plan implementation rate and insufficient funding of activities may hamper the UNCT’s ability to effectively and efficiently communicate its actions and results and build support for the successful implementation of DaO with external partners and United Nations agencies.

Priority: Medium (Important)

Recommendation 16:

The United Nations Country Team should ensure sufficient funding for the United Nations Communication Group Annual Work Plan with a view to fully implement the planned activities.
Management action plan:

The United Nations Country Team agrees that sufficient funding should be allocated to the United Nations Communication Group.

**Estimated completion date:** June 2015
Definitions of audit terms - ratings and priorities

A. AUDIT RATINGS

In providing the auditors’ assessment, the Internal Audit Services of UNDP, UNFPA, UNICEF and WFP use the following harmonized audit rating definitions.

- **Satisfactory**
  Internal controls, governance and risk management processes were adequately established and functioning well. No issues were identified that would significantly affect the achievement of the objectives of the audited entities. *(While all offices strive at continuously enhancing their controls, governance and risk management, it is expected that this top rating will only be achieved by a limited number of business units.)*

- **Partially Satisfactory**
  Internal controls, governance and risk management processes were generally established and functioning, but needed improvement. One or several issues were identified that may negatively affect the achievement of the objectives of the audited entities. *(A partially satisfactory rating describes an overall acceptable situation with a need for improvement in specific areas. It is expected that the majority of business units will fall into this rating category.)*

- **Unsatisfactory**
  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 entities could be seriously compromised. *(Given the environment the United Nations organizations operate in, it is unavoidable that a small number of business units with serious challenges will fall into this category.)*

B. PRIORITIES OF AUDIT RECOMMENDATIONS

The audit recommendations are categorized according to priority, as a further guide to management in addressing the issues. The following categories are used:

- **High (Critical)**
  Prompt action is required to ensure that the audited entities are not exposed to high risks. Failure to take action could result in major negative consequences for the organizations and may affect the organization at the global level.

- **Medium (Important)**
  Action is required to ensure that the audited entities are not exposed to significant risks. Failure to take action could result in negative consequences for the organizations.

- **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 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**.
List of United Nations Organizations in Malawi

Resident Agencies:
FAO - Food and Agriculture Organization
UNAIDS - Joint United Nations Programme on HIV/AIDS
UNDP - United Nations Development Programme
UNFPA - United Nations Population Fund
UNHCR - United Nations High Commissioner for Refugees
UNICEF - United Nations Children's Fund
UN WOMEN - United Nations Entity for Gender Equality and the Empowerment of Women
WHO - World Health Organization
WFP - World Food Programme

Non-Resident Agencies:
IAEA - International Atomic Energy Agency
IOM - International Organization for Migration
IFAD - International Fund for Agricultural Development
ILO - International Labour Organization
OHCHR - Office of the United Nations High Commissioner for Human Rights
UNCDF - United Nations Capital Development Fund
UNEP - United Nations Environment Programme
UN-HABITAT - United Nations Human Settlements Programme
UNESCO - United Nations Educational, Scientific and Cultural Organization
UNIDO - United Nations Industrial Development Organization
UNODC - United Nations Office on Drugs and Crime
UNOCHA - United Nations Office for the Coordination of Humanitarian Affairs