Internal Audit of the Jordan Country Office

December 2017

Office of Internal Audit
and Investigations (OIAI)
Report 2017/19

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Summary

The Office of Internal Audit and Investigations (OIAI) has conducted an audit of the Jordan Country Office. The objective of the audit was to assess the office's governance, risk management and internal control processes, with a focus on key risks to delivering UNICEF's objectives. The audit team visited the office from 14 to 30 August 2017. The audit covered the period from January 2016 to August 2017.

The 2013-2017 country programme had four main programme components: *Young child survival and development*; *Child protection*; *Adolescent development and participation*; and *Social policy and evidence for equity*. There was also a cross-sectoral component. Following the 2015 mid-term review, the structure was revised to better reflect the change in the programming context and in particular the Syrian refugee response.

The original total approved budget for the country programme was US$ 11.8 million, which was revised upwards to US$ 68.8 million in 2015. US$ 5 million is Regular Resources (RR) and US$ 63.8 million is Other Resources (OR). RR are core resources that are not earmarked for a specific purpose. OR are contributions that may have been made for a specific purpose such as a particular programme, strategic priority or emergency response, and may not always be used for other purposes without the donor's agreement. An office is expected to raise the bulk of the resources it needs for the country programme itself (as OR), up to the approved budget. Moreover, the office planned to raise a further US$ 689.7 million to respond to the specific needs of Syrian refugees; this would be classed as OR (Emergency).

The country office is in the capital, Amman, and has a field office in Ruwayshed. As of August 2017, the country office had a total of 147 approved posts, of which 38 were for international professionals, 50 for national officers and 59 for general service staff. When the auditors visited in August 2017, 14 of the 147 established posts were vacant. The total budgets for the office were US$ 219 million in 2016 and US$ 278 million in 2017. At the time of the audit, the office was in the process of developing its country programme for 2018-2022.

The audit noted a number of positive practices. The office was making significant efforts to ensure it obtained value for money from its expenditure; this included performing a cost-benefit assessment of its investment in WASH infrastructure and starting to use this to drive down the cost of interventions. The office also performed well in the area of fundraising and contribution management, and was managing its evaluation function effectively to help demonstrate results and improve future programming.

The office was working to improve the working environment for its staff and so enhance their ability to deliver results. The audit found that the office was performing well against UNICEF's key global performance indicators. A comprehensive system had been established for monitoring performance against management and programme priorities; this included action trackers for all meetings and the use of dashboards.

The audit also found that experience was being shared amongst the UNICEF offices with a significant role in the Syrian refugee response. A two-day knowledge exchange took place in 2016 to look at lessons from UNICEF's response to the crisis in and around Syria, with participation from the relevant country offices, the Middle East and North Africa Regional Office (MENARO) and the headquarters Programme Division. Moreover, the country offices were interacting on an ongoing basis to coordinate their efforts, and the Syrian refugee

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response was being reviewed and discussed in detail during the MENA regional management team (RMT) meetings. Due to Turkey's refugee response, and despite being in the separate Europe and Central Asia Region, the Turkey Country Office too was invited to attend the MENA RMT and was thus party to the knowledge exchange and discussion, helping ensure that UNICEF's response to the refugee crisis was coordinated across regional boundaries as well as across country borders.

The UN's Resident Coordinator and Humanitarian Coordinator commented that UNICEF had an exceptional programme in Jordan and a very strong management team. The Government and donors told the audit team that UNICEF had credibility and was performing well, and implementing partners noted close and positive collaboration with the office.

Action agreed following the audit

The audit identified a number of areas where further action was needed to better manage risks to UNICEF's activities. In discussion with the audit team, the country office has agreed to take measures to address these risks and issues. None are being implemented as a high priority; that is, to address issues requiring immediate management attention.

Conclusion

Based on the audit work performed, OIAI concluded at the end of the audit that, subject to implementation of the agreed actions described, the controls and processes over the country office were generally established and functioning during the period under audit.

The Jordan Country Office, the Middle East and North Africa Regional Office (MENARO) and OIAI will work together to monitor implementation of the measures that have been agreed.

Office of Internal Audit and Investigations (OIAI)   December 2017

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Objectives

The objective of the country office audit is to provide assurance as to whether there are adequate and effective controls, risk-management and governance processes over a number of key areas in the office. In addition to this assurance service, the audit report identifies, as appropriate, noteworthy practices that merit sharing with other UNICEF offices.

This report presents the more important risks and issues found by the audit, the measures agreed with the auditee to address them, and the timeline and accountabilities for their implementation. It does not include lower-level risks, which have been communicated to the auditee in the process of the audit.

Background: The Syrian refugee crisis in Jordan

Jordan hosts 1.3 million Syrian refugees, of whom 660,315 are registered (51 per cent being children) with UNHCR. In addition, an estimated population of about 46,500 Syrians remains in areas near Hadalat and Rukban at Jordan's North-East desert border area with Syria (the Berm). The office is in year five of the refugee response across four different settings. They include camps, informal tent settlements and host communities. They also include the Berm, the earth mound that marks the border between Syria and Jordan, where an estimated 46,500 displaced persons are effectively trapped, unable to move further into Jordan. Each setting poses unique challenges.

The audit found that the office managed the complexities of the refugee response well in 2016-2017. Evaluations of the responses in education, psychosocial support, of the Infant and Young Child Feeding (IYCF) programme in Syrian refugee camps and host communities, and of the Makani[1] programme all found that UNICEF interventions were relevant. The evaluations found that, in some cases, the quality of services required improvement, particularly in the informal tent settlements (ITS) setting. The audit team noted that the office was taking action to address the evaluations' findings, and that the Camp Response Plan and the ITS strategy had a clear focus on improving both the quality and cost effectiveness of interventions.

The office's approach to reaching the most vulnerable was highlighted as a good practice in a 2016 exercise in which UNICEF offices shared lessons learned. Since then, the WASH[2] section had conducted a water supply vulnerability assessment and a sewage system vulnerability assessment in 2017. These assessments served as the evidence base for selecting intervention sites. The office's Makani intervention was also highlighted as a good practice in the cross-country learning exercise. Makanis had been established in camps, and in host and ITS communities. The office had also established a comprehensive approach to monitoring the Syrian refugee response (this is discussed later in this report).

The Government had increasingly taken a leading role in the response to the crisis. It was closely involved in host communities and in the planning and monitoring of all refugee

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[1] Makani means literally "My Space". The Makani approach, a UNICEF initiative, provides learning opportunities, life-skills training and psychosocial support services under one roof. They also provide referral to government services. The office supports over 200 Makani sites nationwide. The Makani centres, which also assist Jordanian children, have now registered about 60,000 children and are active in all 12 Governorates of Jordan.

[2] Water, Sanitation and Hygiene.

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interventions. It still played a limited role in providing services to Syrian refugees in camps and informal tent settlements (ITSs), and more Government involvement is expected in the ITS sites: for example, children from approximately half of ITSs will be integrated into formal schools and local Makani centres through use of bussing. Moreover, the Ministry of Social Development was introducing Makanis in some its own centres in host communities. Meanwhile the UNICEF office was also seeking to increase the involvement of the Government in the camps, for example in the operation and maintenance of the WASH infrastructure (again, this is discussed later in this report).

The refugee crisis remains a serious challenge for the Jordan Country Office, as it does for all UNICEF offices responding to it. The HAC appeal[3] for the Syrian refugee crisis (covering Jordan, Lebanon, Iraq, Turkey and Egypt) targeted 1.4 million children in 2016, but that was increased to 2.8 million in the 2017 appeal. However, although UNICEF was targeting more, not less, children, the percentage of vulnerable children being targeted had reduced from 58.3 percent in 2016 to 30.4 percent in 2017; this reflected the fact that the vulnerability of Syrian refugee children had increased significantly. Whilst the offices were rightly being more ambitious, they were simply not able to meet the increased needs of these children. This was mostly due to lack of funding. Despite this, overall the office was performing well against its 2017 HAC indicators. However, gaps were noted in each section's response, and these are discussed in this report.

The remainder of this introduction reviews some specific issues regarding the refugee response in the camps, in the informal tent settlements, and in host communities.

The camps: There are four camps in which UNICEF is working. Za'atari, the largest, holds just under 80,000 people; the second largest, Azraq, has just over 35,000. Emirati Jordanian Camp has about 7,300; finally King Abdullah Park (KAP) has 301. The UN High Commissioner for Refugees (UNHCR) has the overall lead for the UN effort, as it constitutes a formal refugee response.

The system for coordination in the camps was established and functioned well, although the office reported that it had been a challenge to strike the right balance on the level of detail in the national-level memorandum of understanding (MoU) between UNHCR and UNICEF. The MoU does not clearly stipulate who does what in the camps, and there was thus an ongoing dialogue, and sometimes disagreement, on respective roles and responsibilities (for example, in the area of surface water drainage). However, it was found that a pragmatic approach had provided both a framework for mutual accountability and the flexibility that enabled responding to humanitarian response challenges as they arose.

The UNICEF office had taken significant steps to improve the cost efficiency of its response in camps Za'atari and Azraq, particularly in the area of water, sanitation and hygiene (WASH). Construction of infrastructure had led to a reduction in water tankering, desludging and solid waste management. This, together with the establishment of third-party monitoring mechanisms and the rebidding of services, had progressively reduced costs in 2016 by 13-15 percent for water and desludging and by 60 per cent for solid waste, resulting in average monthly savings of US$ 212,000 in Za'atari and US$ 104,000 in Azraq. The estimated total

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[3] HAC stands for Humanitarian Action for Children. An HAC is an appeal that UNICEF launches for assistance for a particular crisis or emergency response, and will state how much UNICEF thinks it needs to raise for a given situation. The appeals page is at https://www.unicef.org/appeals/; the page for Syrian refugees across the Middle East region can be found at https://www.unicef.org/appeals/syrianrefugees.html

annual saving was US$ 3.8 million. During a visit to Za'atari, the audit team found that the WASH infrastructure intervention was impressive both in its scale and the way it was managed.

Additionally, the office is planning to shift to direct programme implementation ('Syrianization') of the Makani intervention in the refugee camps in the new country programme, starting in 2018. At the time of the audit visit, the office was establishing the programming approach to be applied when undertaking direct implementation. The office estimated the cost of management and technical oversight of the 24 Makanis in camps would reduce from US$ 7 million (the INGOs' costs as of March 2017) to an estimated US$ 1 million in 2018. In addition to reducing costs, the transition would accelerate and intensify the engagement of refugees and provide much needed livelihood opportunities for Syrians in the camps, while at the same time maintaining quality of services. Steps had been taken to communicate this transition to local authorities, INGO partners, and the Syrian community in the camps. The audit thus found that effective action was being taken by the office to increase the efficiency of its interventions.

Informal tent settlements (ITS): About 16,000 people, mainly Syrians, are living in these settlements. They are difficult environments for children and youth. The vast majority of children are out of school, and many are involved in labour. UNICEF intervention in the settlements had been intermittent in the past, but accelerated efforts were underway at the time of the audit as field monitoring in 2016/17 had found very limited access to services for vulnerable children. Monitors and programme staff had also noted that a different Makani approach was required in the informal tent settlement from that in the camps in order to best respond to the particular needs of the target group. With the development of a strategy for ITS in 2017 and a revision to its programming approach, the office was working to reach these extremely vulnerable children (see observation below on achievement of results).

Host communities: The office was working to ensure that services target the most vulnerable in host communities without regard to nationality. Strong linkages were intentionally being created between ITS interventions and those in the host community.

Overall it was found that the office had done a good job in striking a balance between service provision to the Syrian refugee population and to the host communities, thus benefitting both. For example, rather than simply training the 4,800 teachers working with the Syrian refugee population, there was country-wide in-service training of 15,000 teachers. Similarly, Makanis had been established in camps, informal tent settlements and host communities alike. In the area of child protection, community-based child protection mechanisms such as foster care also benefit both the host population and refugees alike. Further, WASH and education sections, when selecting sites for rehabilitation works, did so based on a comprehensive analysis of vulnerability. This led to the selection of sites that were not linked to the refugee response, for example in Southern Jordan, as well as those that were.

The office's success in striking a balance between the refugee response and supporting host communities reflected a deliberate move away from projects and towards system-strengthening and large-scale and country-wide programme interventions. Moreover, in the new country programme, the office explicitly planned to target the most vulnerable, regardless of their "status" (nationality). Efforts in this regard had already started in the informal tent settlement programme where the Dom community, a highly marginalized Jordanian population group, was identified as a priority.

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Audit observations

Services at the Berm

At the Berm, the UNICEF country office was providing WASH services through a third party, and supported a health clinic where the military brought civilian patients from the 'No Man's land' adjacent to the barrier. The 'no man's land' adjacent to the Berm is a military zone and no NGOs or other implementing partners are operating in the area, so UN agencies are providers of last resort through contractors who require military approval to work in the area. The lack of direct access to the population presents a challenge to the UN's and the office's ability to provide much-needed services, and the humanitarian situation in the Berm remains dire. There had been social media allegations of inadequate UN action in the Berm.

The office was engaging in advocacy with the Jordanian government and was in discussion with various governments and with UNICEF's regional office and headquarters on advocacy aimed at enabling the displaced population in the Berm (estimated at 46,500 to access Jordanian territory, to provide adequate lifesaving services in a consistent manner, and to ensure all vulnerable people are reached without conditions. The financial cost of operating at the Berm was high. Moreover there had been issues of inaccessibility and scope limitation in relation to assurance activities since a WASH implementing partner lost access to the area following a June 2016 attack. The office needs to take care when formulating expected results in proposals pertaining to the Berm. For example, in one proposal it stated that UNICEF 'aims at delivering a minimum of 15 litres of water per day per person to the current population of more than 55,000 people currently at the Berm, and expected up to 100,000 people by the end of the year'. But the office would not currently have access to evidence to determine the achievement of such an intended result.

The office had sought to mitigate the risks attaching to limited access by obtaining feedback from community leaders on the situation in the Berm during a monthly meeting, and from community health volunteers and teachers via social media (including WhatsApp). It had also signed a small-scale funding agreement (SSFA) with a Syrian NGO in August 2017 to provide third-party monitoring. The use of these different data sources enabled cross-checking of data on access to water and other key indicators to ensure it was reliable.

Agreed action 1 (medium priority): In view of access constraints and other challenges to monitoring service provision inside the 'no-man's-land' at the Berm, the office agrees to formulate its results so they will be more readily measurable, and to further strengthen the quality assurance over these expected results.

Responsible staff members: Deputy Representative, Humanitarian Affairs Specialist
Date by which action will be taken: 28 February 2018

Accountability to the affected population

To foster accountability to the affected population, the office had taken a number of measures, including daily meetings in the communities, monthly meetings with community leaders and the creation of hotlines. All 129 ITS sites had been visited by UNICEF in 2016-2017. The hotline and contact system allowed a designated coordinator to be in touch with a cluster of ITSs or their leaders for urgent matters.

However, although the office had taken steps to solicit feedback from the target groups, there was no office-wide system to do so in an integrated fashion. This would have both helped the office assess its overall efficacy, and also to identify any cross-sectoral issues.

Agreed action 2 (medium priority): The office agrees to assess ways of streamlining its approach to accountability to the affected population, and introduce office-wide tools for this purpose.

Responsible staff members: Deputy Representative
Date by which action will be taken: 31 March 2018

Education and learning

Education and employment were identified as key priorities for supporting the future of Syria and the region during the 2016 international summit in London and the 2017 follow-up summit in Brussels. In addition to the educational needs of the host community, there are 230,000 school-age Syrian refugees in Jordan. The Government of the Hashemite Kingdom of Jordan provides access to school for Syrian refugees wherever possible. However, about 58,000 children are not participating in any form of organized learning.

The audit team looked at aspects of the office's Education programme.

Data and assessment: The office's end-year 2016 result assessment in RAM[4] had reported that 166,000 children were enrolled in schools and assessed the education section outcome and outputs as 'on-track' (end-year 2016). But the office did not state that this was only an estimate and was not based on the formal education dataset, which was released only in May 2017. In fact the official enrolment figure was only 126,000. The original estimate would indeed have meant that the outcome was on track, but the official figure indicated that it was actually delayed. This had not been subsequently revised in RAM. In fact, recording the education outcome as delayed would have been more realistic anyway, in view of the significant challenges and delays in implementing the catch-up programme and non-formal education. The audit team also noted that a child protection outcome was said to have been achieved a year ahead of schedule, although there was no data to support this conclusion.

Data gaps existed with regards to quality of learning and learning outcomes. There was also concern with regards to access to the open education management information system (EMIS) and the accuracy, reliability and completeness of data, not least in view of the large downward revision of enrolment data in 2017. It is noteworthy that 15,000 teachers were trained but no learning assessment was done to determine learning achievements. The lack of pre- and post-tests[5] undermined the office's ability to establish the usefulness of the in-service teacher training intervention. The office was relied on the Government to strengthen EMIS with support from UNESCO (as lead UN agency in this area).

Camp: During a visit to Za'atari, the audit team found that in order to achieve the expected results pertaining to learning, the learning environment in the camp would have to be improved. The four schools visited in the camp differed in set-up, but all faced common challenges. These included lack of electricity, ventilation, sound insulation and light.

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[4] The Results Assessment Module, in which UNICEF offices report their results in an online portal where they can be easily found by staff across the organization.
[5] These are tests administered in order to assess the outcomes from learning interventions.

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Moreover, further work was required to make the schools child-friendly and fully accessible to children with disability. Ramps had already been built, but the door entrances to the prefabricated classrooms were too small for wheelchair access, and toilets for children with disability were being used by schools as storage rooms for janitors.

The office was well aware of these shortfalls, and eight out of 18 schools in the camps had been prioritized to be connected to the electricity grid prior to the winter season. Meanwhile an international company had been contracted to carry out an overall assessment of the schools and Makani centres in the camps (18 and 24 respectively) to provide sustainable energy and power systems for lighting, heating and ventilation.

ITS: During a visit to an ITS for Syrian refugees in Jeezah, Amman, it was noted that service provision (including quality) had been insufficient to achieve expected results pertaining to a protective environment and learning. However, the office was taking steps to address any shortfalls through a new ITS strategy. For example, prior to the summer break only seven out of 35 school-age children had been enrolled in the local school; but with transport that UNICEF had promised, the community expected that all eligible children would attend school in the new school year. Nonetheless, the audit found that the needs of the community exceeded the service provision envisioned in the office's new ITS strategy. As many of the ITS community's needs were beyond UNICEF's mandate and capacity, the office was working toward strengthening coordination with other UN agencies and advocating that they increase their involvement in provision of services to ITS communities.

Host community: During a visit to a Makani in Jeezah, Amman, the audit team found that services were in high demand. Moreover, through the provision of bus services, 210 Out of School Children had been enrolled in schools through the Makani centre's outreach activities. However, the quality of outreach remained an area for improvement. Most children heard of the Makani through teachers or friends, and the outreach worker from the UNICEF partner was not able to clearly outline the Makani's approach to reaching the most vulnerable. The office was aware of the risk, and had taken steps to improve outreach. This included developing an outreach/C4D[6] strategy for Makanis. The office noted that a rationalization in 2016 had sought to reach the most vulnerable by ensuring that Makanis were placed closest to them.

The audit found a need to introduce more flexibility in the implementation of Makani interventions so as to enable them to adjust better to their specific context. For example, only 200 out of the 400 children who had completed the pre-test took the post-test. This was due to the post-test being administered in the middle of the summer break when many young people were working or were staying with family members in other parts of Jordan. These children missed parts of the Makani courses and the post-test. The office should consider enabling centres to provide shorter but more intensive learning programmes that are aligned with the school year (spring and fall semesters), with recreational activities being provided during the summer. The office reported that summers were used for catch-up education and summer school.

The catch-up programme: The Ministry of Education's Catch-Up programme, started in 2016, aimed at enabling children aged 9-12 years who had missed more than three years of school to participate in a 'fast track' learning programme and, after a subsequent assessment, join the age-appropriate class in the formal education system. UNICEF had started a flagship endeavour to help the Government achieve its goals for this programme.

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[6] C4D: Communication for Development.

UNICEF's intervention in this area was fully-funded, but was nonetheless not reaching its planned targets. At the time of the audit only 2,650 out of the target 15,000 children (5-17 years) were enrolled in non-formal education. This was partly because those targets had been overly ambitious. However, there had also been a significantly lower demand by parents and their children than had been expected. More positively, according to the education section an increased demand was noticed during the summer where a majority of summer students had participated.

The office said that steps had been taken to accelerate the implementation of the programme. This included receiving the Ministry of Education's (MoE) commitment to open additional centres, subject to new demand. (The requirement for opening a new centre was the identification of at least five eligible and interested Out of School Children.)

The office's approach: There is a risk that the office's current concept of how the education programme would reach its goals in future might not adequately address the root causes of some of the observations above.

When offices plan a new five-year country programme, they will include a Theory of Change (ToC) for each sector: this explains how the planned actions will bring about the planned changes in the situation of children. However, the draft ToC for education for 2018-2022 did not embody a clear and comprehensive approach to overcoming barriers and bottlenecks pertaining to demand for education. It simply stated: "UNICEF believes that if communities are reached through social mobilization and benefit from reduced out-of- pocket education-related expenses, then demand for quality education will be prioritized at family and community levels".

This does not reflect the complex reality facing vulnerable families. According to the 2016 vulnerability assessment and the draft country programme document, *"Child labour and child marriage are increasingly relied on as negative coping mechanisms in response to the socio-economic pressure facing the most vulnerable households. An estimated 76,000 boys and girls in Jordan are engaged in economic activities, of whom about 92 percent are child labourers".* Reducing the direct cost of education will not have a significant impact on increasing enrolment unless the issue of income generation (that is, the opportunity cost of foregoing child labour) is also addressed.

Agreed action 3 (medium priority): The office agrees to accelerate its planned work to make schools in refugee camps more child-friendly in support of the achievement of results pertaining to learning, subject to funding availability.

Responsible staff members: Construction Engineer, Education
Date by which action will be taken: 31 December 2017

Agreed action 4 (medium priority): The office agrees to strengthen the feedback loop so as to ensure that interventions such as Makanis in host communities and Makani+[7] in ITS sites provide context-specific services, rather than relying on a standard package in all cases.

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[7] The "Makani+" approach offers additional services over the standard Makani centre, using a mobile platform to provide a package that includes water, sanitation and hygiene services; informal learning; child protection and psychosocial support services; life skills training; outreach; and winterization support.

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Responsible staff members: Education Officer
Date by which action will be taken: 31 March 2018

Agreed action 5 (medium priority): The office agrees to strengthen the quality assurance process pertaining to results assessment in the Results Assessment Model, to ensure there is adequate and reliable evidence recorded to support the results being claimed.

Responsible staff members: Monitoring and Evaluation Officer, Education
Date by which action will be taken: 31 December 2017

Knowledge of the situation of women and children

UNICEF programmes are meant to be evidence-based, and should be planned using the best data available on the situation of children and women in a country. The Jordan Country Office generally performed well in the area of evidence generation. It had drawn up a prioritized and strategic 2016-17 Integrated Monitoring and Evaluation Plan (IMEP) that included 16 activities (three evaluations and 13 studies), out of which the five activities planned for 2016 had all been completed. The office also had a comprehensive IMEP for 2017 that was 79 percent funded (with US$ 1 million out of the US$ 4.8 million plan being unfunded).[8]

However, the office faced some delay in actually implementing the IMEP. According to the May 2017 minutes of the office's management team, the delays appeared to be between review by the office's Contract Review Committee and the issue of contracts.

Outcome-level data was generally available and/or surveys were planned to elicit it. The Jordan Population and Family Health Survey (JPFHS, an interagency child poverty study and a household income and expenditure survey) was scheduled for 2017. A census had been undertaken in 2015, and a situation analysis (SitAn) on children and women was done in 2016.

The office's research and evaluation activities were generally perceived to be timely as they supported the availability of a sound evidence base for the development of the new country programme.

Programme sections reported that data was available and accurate (except in Education; see previous observation). Whilst data gaps existed in the area of child poverty, studies were underway to address these through the JPFHS. As soon as survey data became available, the office planned to revise a child poverty index developed in 2017. Meanwhile six research activities were uploaded to the evaluation and research database in the period 2016-2017.

Agreed action 6 (medium priority): The office agrees to assist the Ministry of Education (MoE) in strengthening the compilation of quality-of-learning data. The office also agrees to establish monitoring and evaluation frameworks for all large-scale capacity-building interventions.

Responsible staff members: Chief of Education
Date by which action will be taken: 31 March 2018

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[8] The aggregate figure included the total cost of the Jordan Population and Family Health Survey (JPFHS) (costing $1.5 million, to which UNICEF contributed $170,000).

Monitoring

UNICEF offices use a number of methods to monitor implementation of a country programme. First, the programme's results structure will include appropriate indicators against which progress can be measured. Then, during implementation, there will be field-monitoring trips to ensure that it is proceeding on track. In addition, there will be periodic reviews of programme progress that are carried out in cooperation with partners. The audit team looked at both sets of monitoring activities, and noted the following.

Monitoring: The office had a comprehensive approach to monitoring. This included a dedicated team of field monitors in the planning sections, and detailed monitoring and evaluation (M&E) systems for flagship interventions such as the Makani Centres and Child Cash Grant. The office also generally made use of third-party monitors where appropriate, for example in the area of cash transfers.

Nonetheless, there was room for improvement in some areas. The office had set standards for field monitoring and required section chiefs to undertake at least two monitoring trips each month. However, according to the 2017 mid-year review, the sections – except for Education – faced challenges meeting the performance standards for field monitoring. The poorest performing sections in terms of volume of monitoring were Youth (68 percent of monitoring activities completed) and WASH (69 percent). Moreover it was not clear if the travel tracking only included monitoring visits or also included visits to donors. It should not have included the latter, so if it did then performance against the set standard was lower than the figures indicated above. In particular, the audit team noted that the chief of one section, according to the July travel tracking, undertook only 70 percent of the standard requirement set by the office, and in two out of five months in 2017 that chief had undertaken no field travel at all; this is a concern as first-hand knowledge of the situation on the ground is critical to the section chief's role.

Bayanati: The office also conducted real-time monitoring through the Bayanati ('my data' in Arabic) system. Bayanati is an information management system, and is an innovation introduced by the Jordan Country Office that can be used by UNICEF and its partners to track child-related data and thus monitor children's situation in real time. Child-specific data is uploaded by frontline workers to Bayanati, which has currently registered and is tracking over 60,000 children, adolescents and young people who access Makani centres where integrated services are provided; the office aims to expand the system for other programmes and service points.

Data entered in Bayanati was analyzed by the PM&E section, and findings were reportedly used to identify capacity development needs and areas in programme implementation that needed strengthening. The Bayanati data was also used to verify the accuracy of implementing partners' reporting in Activity Info (an interagency system used to report on the refugee response). The audit team noted that the data entered into Bayanati should itself be verifiable. The office agreed to the importance of auditing the accuracy and reliability of data in Bayanati. .

KoBo Toolbox: The office had introduced a new monitoring tool in 2017, using KoBo Toolbox, an open-source data-collection program developed for use in humanitarian situations. The office was using it for registration and for data collection for the life-skills programme, but this had led to duplication of registration effort as there was an overlap between Bayanati and KoBo. This was emphasized by implementing partners who were required to enter data into

both systems, and was acknowledged by the office. Technical problems had further undermined the usefulness of KoBo.

KoBo's use was a regional initiative from the MENA regional office's Youth section, and the office had been instructed to use the system. At the time of the audit visit, another UNICEF country office (Lebanon) was in the process of revising the KoBo system in order to address the technical glitches. Another, and more concerning issue, with regard to the KoBo as a monitoring tool was that users such as implementing partners and the UNICEF Jordan office were not able to access the collected data or analyze it; instead the office was required to request the analyzed data from the regional office.

Programme reviews: The 2016 end-year and 2017 mid-year reviews were of good quality. Progress against planned results was assessed and bottlenecks to programme implementation reviewed. Most notable was the office's use of programmatic dashboards in the 2017 mid-year review, which helped the office systematically assess performance against management and programme priorities. The office had also established a comprehensive system for programme review of partnerships. Information obtained through assurance activities, regular monitoring and third-party monitoring fed into the reviews of partnerships conducted by UNICEF staff and the partners themselves. Both commented that the programme reviews were useful and helped strengthen partnerships.

Agreed action 7 (medium priority): The office agrees to ensure that indicators in the 2018-2022 country programme fully measure the result structure, thereby enabling effective monitoring of progress against results. The office also agrees to conduct data-quality audits of the data entry into Bayanati in order to ensure the system contains accurate and reliable data. Working with the regional office, the office agrees to review whether the use of KoBo for registration represents a duplication of other activities, and if so then discuss with the regional office whether to discontinue KoBo's use; this includes assessing whether it is better to include the pre-and post-test modules in Bayanati rather than having them in a separate system.

Responsible staff members: Chief of PM&E, Chief of Social Protection, Chief of Youth
Date by which action will be taken: 31 March 2018

Agreed action 8 (medium priority): The regional office agrees to review its approach with regards to KoBo, and look into whether it is better to give country offices the flexibility to gather information required by the region on life skills through existing country-office monitoring systems where these systems already enable this.

Responsible staff members: Jordan Country Office Deputy Representative
Date by which action will be taken: 30 June 2018

Assurance activities

UNICEF offices use several types of activity to provide assurance on the use of cash transfers. These are grouped together under the Harmonized Approach to Cash Transfers (HACT), a risk-based system used by several UN agencies under which partners are assessed for their level of risk and the number and type of assurance activities are fixed accordingly. Assurance activities include programmatic visits, defined in the HACT guidance as "a review of progress towards achievement of planned results, challenges and constraints in implementation and ways to address them performed with the partner at the programme site". Other assurance

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activities include spot checks of the partner's financial management, scheduled audits (for partnerships over a certain size), and special audits where the office has a particular concern.

The audit found that implementation of HACT in Jordan should be further strengthened. For example, review of a sample of five programmatic visit reports did not show evidence that progress of programme implementation had been assessed against expected achievements. Also, with one exception, the reports did not assess the extent to which the most vulnerable were reached and interventions were gender-sensitive. Three reports lacked recommendations to address the weaknesses identified, while a fourth had such recommendations even though no weaknesses had been reported.

The office did perform reasonably well on the quantity of programmatic assurance visits, having done 86 percent of those required by UNICEF's standard at the time of the audit, although only 19 out of the minimum 32 spot-checks had been done as of 19 September 2017 (this minimum is set according to UNICEF's global standards). The office reported that the low implementation rate was due to the time it took to complete assurance-activity reports.

The audit team found that the partnership manager system, which was linked to HACT, was functioning well (see following observation). However, while the HACT Specialist participated in sectoral meetings where spot-check findings were discussed, the office did not systemically analyze the gaps in partners' capacity that were revealed by assurance activities. Neither did it devise a comprehensive training plan to address these gaps. This was particularly important as the office was moving from reliance on international to national NGOs and the latter would require additional capacity-building support. Instead the office relied on the individual managers to follow up with partners on issues found during assurance activities.

There was no office-wide system to track the implementation of action points coming out of assurance activities, although UNICEF's global E-tools initiative was expected to help map capacity gaps and assist tracking of implementation of assurance activity recommendations.

Agreed action 9 (medium priority): The office agrees to analyze office-wide trends in implementing partner capacity gaps (based on assurance activities) and develop a capacity-building strategy to address these. The office will also improve the quality of programmatic visits and reports, and strengthen staff members' understanding of HACT with regard to programmatic visits. Further, it will accelerate the implementation of HACT activities so as to meet minimum requirements for financial assurance activities in terms of both quantity (according to the current UNICEF standard) and quality.

Responsible staff members: Operations Manager – HACT and Quality Assurance, Chief of PME
Date by which action will be taken: 30 November 2017

Partnership management

The office had 41 implementing partners, receiving a total of $33.7 million in 2017 (up to the time of the audit visit in August). Four partners were rated as high risk, according to the office's own assessment, four were rated as moderate and the remaining 33 as low risk. The office had a comprehensive approach to partnership management. This included standard operating procedures.

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The office's approach also included a system of partner relationship managers. Each partner had one UNICEF staff member serving as their relationship manager. The objective of this system was to clarify responsibilities and strengthen accountability for results. The manager was responsible for:

- Concluding a partnership with the best comparative advantage in achieving results for children.
- Ensuring timely and good-quality implementation of projects.
- Ensuring timely disbursement of payments and liquidation.

The audit found that the relationship manager system offered significant advantages over other approaches. It heard from partners that UNICEF was invested heavily in building their capacity. The development of project documents was done in a participatory fashion. However, the partners also noted that messaging from Ruwayshed Field Office and from the country office in Amman was not always consistent. They also said that advance notice on new activities such as training was too short, and that the quality of some training could be further improved so that partner staff could translate principles into action when returning to their duty station. They also suggested standardizing the date by which partners were requested to submit their monthly report, and streamlining monitoring and reporting tools. It was noted that the quality of some training and workshops could improve.

The audit team reviewed five high-value programme cooperation agreements (PCAs); these are the agreements that govern UNICEF's work with its partners. Overall, the PCAs were of good quality, although the audit team noted that in two out of the five, implementing partners contributed less than 1 percent to direct programme implementation costs. There is no fixed rule for what the percentage should be, but it should normally be significantly higher. Moreover, in three out of five cases, the result framework in the PCAs was not adequate for measurement of results. For example, a PCA with a major international NGO had 11 indicators but only one of these was at the appropriate level for measuring the result statement. In another PCA, the indicators didn't adequately measure four out of eight outputs.

More positively, the proportion of UNICEF's contribution that went to indirect programme cost was generally low. Additionally, the office was changing the way it implemented programmes in order to further reduce the overhead cost. This included increasingly working with national NGOs (as noted in the section on the Berm above). The office's focus on value for money was particularly important in view of projections of significant reductions in funding in coming years. This was already becoming an issue in 2017.

Agreed action 10 (medium priority): The office agrees to strengthen the quality of project documents to increase the partner contribution to direct implementation, and better reflect the partner's contributions in the project document. It also agrees to improve result frameworks to facilitate more robust measurement of the achievement of results.

Responsible staff members: Deputy Representative, M&E Specialist
Date by which action will be taken: 31 March 2018

Contract management
The office uses various dashboards to monitor supplies and contracts for services. Starting in the second quarter of 2017, the office more actively monitored and followed-up on the closure of contracts that were past their validity date. This effort had led to a reduction of the unspent balance from US$ 3 million on 168 expired contracts and purchase orders (POs) in

April 2017, to US$ 347,992 on just 14 expired contracts and POs as of 24 August 2017. (The unspent balance on expired POs had not led to unspent funds past expiry of donor grants.) The office had a comprehensive system for contract management that clearly outlined roles and responsibilities. For each contract there was a contract manager who was responsible for day-to-day management of the contract, including timely receipt and review of deliverables, payment certification, cost and quality control, performance evaluation, reporting, amendment requests (if applicable) and contract closure. However, the supply and logistics unit remained the focal point for all administrative, financial and commercial queries and correspondence, including contract amendment and resolution of claims and disputes. According to the office's guidance on the contract management process, managers would be held individually liable if changes were made to a contract without the involvement of the supply and logistics unit leading to extra commitments for UNICEF or legal disputes. The audit did note specific points with reference to contracting in two areas, WASH and child labour; these are discussed below.

WASH: The audit team reviewed contract management pertaining to the high-value WASH infrastructure programme. It found that the office was performing well in this area at the time of the audit. Besides a contract for construction works, a contract was also issued for technical supervision/oversight. Both Supply Division and the legal counsel in UNICEF headquarters had been involved in quality assurance of the contracts prior to their finalization.

A lesson learned was that large-scale construction requires strong internal capacity on contract management. In addition to recruiting a manager with the required skills, key staff in the WASH section had been trained in International Federation of Consulting Engineers (FIDIC) standards, which were used as the foundation for managing the WASH infrastructure intervention. This had clearly helped manage risk to these projects more effectively.

Child labour: Child labour is increasingly relied on as a negative coping mechanism by the most vulnerable households in Jordan. As the vulnerability of the refugee population increases, there will be a growing risk that contractors or sub-contractors will engage child labour.

The office had sought to mitigate this risk by analyzing trends in child labour in the camps and developing action plans to combat the problem. Following two cases where subcontractors had themselves used child labour, the office had issued an amendment to contracts, setting out standards and penalties to minimize the risk of child labour in UNICEF's supply chain. The issue was also reported to have been emphasized during signature of contracts, and contractors were told to clearly communicate the ban on child labour to all their staff and subcontractors. In addition, partners – and UNOPS,[9] which performs monitoring in the camps – had been specifically asked to watch out for evidence of child labour. However, the contract compliance monitoring mechanisms could be further strengthened.

Agreed action 11 (medium priority): The office agrees to introduce a means of checking that contractors' and sub-contractors' staff are made aware of UNICEF's prohibition on the use of child labour. The office will consider establishing a system whereby contractors obtain a copy of registration cards when hiring day labourers, or expanding the cash-for-work system used by partners to cover contractors and sub-contractors.

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[9] The United Nations Office for Project Services, an operational arm of the UN that implements projects on behalf of both the UN itself and other international organizations.

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Responsible staff members: Supply and Logistics Manager, Field Coordination Specialist, Makani Programme Coordinator
Date by which action will be taken: 30 November 2017

Communication and C4D

The office had a communication and public advocacy strategy for 2016-2017. This clearly outlined target audiences, advocacy priorities and key messages. Moreover, a result framework was established to some extent in that key performance indicators (KPIs) had been selected. However, the audit team noted that no baselines or targets were included, and at the time of the audit there had been no measurement of performance against the KPIs.

Moreover, apart from an evaluation of the Learning-For-All-campaign, the office had not taken steps to determine the impact of communication for development (C4D) interventions in the current country programme. Measurement of C4D interventions was at activity level and assessed (for example) the number of community mobilisers engaged in a campaign. The evaluation of the learning for all campaigns assessed impact by recording their number in relation to the number of children registered.

More positively, the office had taken steps to improve the measurement of attitude and behaviour change as part of the new country programme. Most importantly, there was a new results framework for this area that included indicators pertaining to behaviour in the areas of Health and Nutrition, WASH and Child Protection.

Meanwhile, knowledge, attitudes and practices surveys (KAPs) were being formulated in the areas of WASH and Child Protection. These KAPs will serve as baselines for the new country programme (2018-2022) rather than determine results of C4D interventions in the current programme, as previous KAPs had pre-dated the Syrian refugee response and so baseline data was not available.

Agreed action 12 (medium priority): The office agrees to strengthen its approach to measuring communication activities through the monitoring of relevant KPIs.

Responsible staff members: Chief of Communication, C4D Officer
Date by which action will be taken: 31 March 2018

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Annex A: Methodology, and definitions of priorities and conclusions

The audit team used a combination of methods, including interviews, document reviews, testing samples of transactions. It also visited UNICEF locations and supported programme activities. The audit compared actual controls, governance and risk management practices found in the office against UNICEF policies, procedures and contractual arrangements.

OIAI is firmly committed to working with its clients and helping them to strengthen their internal controls, governance and risk management practices in the way that is most practical for them. With support from the relevant regional office, the country office reviews and comments upon a summary of observations before the departure of the audit team. The Representative and their staff then work with the audit team on agreed action plans to address the observations. These plans are presented in the report together with the observations they address. OIAI follows up on these actions, and reports quarterly to management on the extent to which they have been implemented. When appropriate, OIAI may agree an action with, or address a recommendation to, an office other than the client's (for example, a regional office or headquarters division).

The audit looks for areas where internal controls can be strengthened to reduce exposure to fraud or irregularities. It is not looking for fraud itself. This is consistent with normal auditing practices. However, UNICEF's auditors will consider any suspected fraud or mismanagement reported before or during an audit, and will ensure that the relevant bodies are informed. This may include asking the Investigations section to take action if appropriate.

The audit was conducted in accordance with the International Standards for the Professional Practice of Internal Auditing of the Institute of Internal Auditors. OIAI also followed the reporting standards of International Organization of Supreme Audit Institutions.

Priorities attached to agreed actions

High: Action is considered imperative to ensure that the audited entity is not exposed to high risks. Failure to take action could result in major consequences and issues.

Medium: Action is considered necessary to avoid exposure to significant risks. Failure to take action could result in significant consequences.

Low: Action is considered desirable and should result in enhanced control or better value for money. Low-priority actions, if any, are agreed with the country-office management but are not included in the final report.

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Conclusions

The conclusions presented in the Summary fall into one of four categories:

[Unqualified (satisfactory) conclusion]
Based on the audit work performed, OIAI concluded at the end of the audit that the control processes over the office were generally established and functioning during the period under audit.

[Qualified conclusion, moderate]
Based on the audit work performed, OIAI concluded at the end of the audit that, subject to implementation of the agreed actions described, the controls and processes over the office were generally established and functioning during the period under audit.

[Qualified conclusion, strong]
Based on the audit work performed, OIAI concluded that the controls and processes over the office needed improvement to be adequately established and functioning.

[Adverse conclusion]
Based on the audit work performed, OIAI concluded that the controls and processes over the office needed **significant** improvement to be adequately established and functioning.