# Internal Audit of the Guinea Country Office

January 2017

Office of Internal Audit
and Investigations (OIAI)
Report 2016/20

*Sections of this report have been redacted in accordance with paragraph 9 of Executive Board decision EB2012/13, which states that a report may be redacted if particularly sensitive (relating inter alia to third parties or a country, government or administration); or compromising to a pending action; or likely to endanger the safety or security of any individual, or violate his or her rights or invade his or her privacy.*

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# Summary

The Office of Internal Audit and Investigations (OIAI) has conducted an audit of the Guinea country office. The audit sought to assess the office's governance, programme management and operations support, with a particular focus on the management of the response to the Ebola outbreak. The audit team visited Guinea between 15 February and 9 March 2016, and where transaction testing was performed this covered the period from 4 September 2014 (date of Ebola L3 emergency activation) to 31 January 2016.

The 2014-2016 Ebola outbreak in West Africa was the largest Ebola Virus Disease outbreak ever reported. Guinea was the first country to report Ebola in West Africa, with cases first reported by WHO in March 2014, and the disease quickly spread to neighbouring countries, mainly Sierra Leone and Liberia. The rapid spread of Ebola in West Africa was exacerbated by weak health systems and poor hygiene and sanitation practices. In particular, unsafe burial practices, and lack of early isolation and care, drove rapid transmission. In August 2014, the World Health Organization (WHO) declared the Ebola outbreak a 'Public Health Emergency of International Concern'.

Ebola has taken a dramatic toll on Guinea, with 3,804 cases of Ebola being reported, of which 749 were children, and 2,536 deaths, including 519 children. The epidemic left 6,220 orphans in Guinea. On 4 September 2014, UNICEF's Executive Director declared a Level 3 emergency and activated the Corporate Emergency Activation Procedure (CEAP) for an initial two-month period in the countries affected by the Ebola crisis in West Africa (Guinea, Sierra Leone, Liberia and Nigeria). The L3 CEAP was subsequently extended four times for Guinea, Sierra Leone and Liberia, until 31 December 2015. The country office, with the support of the regional office and HQ divisions, was responsive to the emergency. The office brought in significant financial and technical resources; it advanced emergency funding to programme activities before receiving it, and greatly simplified its administrative procedures.

The Ebola emergency meant the office was working with far more funding, and far more staff, than it would normally have done. At the height of the emergency in 2015, the office had 328 approved staff positions, compared with 99 approved for the country programme in 2012. The five-year approved country programme budget ceiling before the emergency was about US$ 104 million, or about US $20.8 million per year. Because of the emergency, total country office expenditure for 2015 was over four times this; US$ 87.5 million, of which about US$ 65 million was spent on emergency-related activities.

The office faced serious challenges as a result of the emergency. It was difficult to attract staff. The Ebola outbreak imposed significant pressures in terms of media coverage and interest from major donors and Governments. The operational and reputational risks were particularly high. However, partners interviewed during the audit all considered that UNICEF was a key contributor to dealing successfully with the Ebola outbreak. Areas in which UNICEF was actively leading included the social mobilization and community engagement pillar; the safe reopening and operation of schools; the reestablishment of non-Ebola health care, such as vaccination campaigns, nutritional activities and mother- and child-health weeks; the strengthening of child protection systems and the provision of minimum packages of support to orphans; and provision of clean water, sanitation and hygiene kits to health centres, schools and communities.

On 29 December 2015, Guinea was officially declared Ebola free by WHO. At the time of audit,

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the country had been downgraded to a Level 2 emergency (this lasted from 1 January to 31 March 2016). The country office had started to transition back to its regular programme operations. Ebola and other emergencies were to be mainstreamed into the regular programme activities. By 3 February 2016, the total approved posts for the country office had fallen back to 121, of which 32 were for international professionals, 49 for national officers and 40 for general service staff. Of these posts, 16 were vacant.

The country office is in the capital, Conakry; there are three zone offices, in the West, East and South regions.

## Action agreed following the audit

As a result of the audit, and in discussion with the audit team, the country office has agreed to take a number of measures.  Six are being implemented as high priority – that is to say, they concern issues that require immediate management attention. These measures are as follows:

- Assess the justification for the zone offices in their current form; ensure they are approved through a Programme Budget Review; clarify their roles and responsibilities in programme planning, implementation and monitoring; and strengthen quality assurance over zone-office management plans.
- Implement a work-planning process that ensures adequate consultation with zone offices and establish a rigorous quality-assurance process over the workplans; and help zone offices and partners improve operational planning based on signed national-level workplans.
- Prioritize finalization of a fundraising strategy that addresses under-funded programme areas, and assign responsibility for tracking the strategy's implementation.
- Take a number of steps to strengthen implementation of the Harmonized Approach to Cash Transfers (HACT), including: consistently apply standard frequencies for assurance activities, and regularly monitor their implementation; discuss with the Government ways forward on audit of Government partners receiving more than US$ 500,000 in a programme cycle; expand the pool of staff qualified to perform spot checks; and analyze why HACT training with partners did not achieve the expected results.
- Ensure that planning of key country programme evaluation activities follows consultations among programme staff and implementing partners; that implementation of the activities is monitored; and that results of evaluations are used to inform future programme planning and management.
- Strengthen controls over the management of property, plant and equipment, including timely reconciliation of the database with physical counts.

## Conclusion

Based on the audit work performed, OIAI concluded at the end of the audit that the controls and processes over the country office needed improvement to be adequately established and functioning.  Notwithstanding this conclusion, OIAI acknowledges the challenges of the Ebola outbreak and the difficult environment in which the office was working during the period under audit.

The Guinea Country Office, the regional office and OIAI intend to work together to monitor implementation of the measures that have been agreed.

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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.

The audit observations are reported upon under three headings; governance, programme management and operations support. For this report, an extra section has been added, on management of the Ebola emergency. The introductory paragraphs that begin each of these sections explain what was covered in that particular area, and between them define the scope of the audit.

# Audit observations

## 1 Management of the Ebola emergency

In this area, the audit reviewed the management of the emergency in light of the Core Commitments for Children in Humanitarian Action,[1] and the Simplified Standard Operating Procedures (SSOPs) that are applicable during Level 3 emergencies.[2] The scope of the audit in this area included the following:

- **Preparedness and planning**, including strategic moment of reflection, coordination, identification and mitigation of risks, adjustment of the office procedures to the SSOPs and staffing.
- **Response to the emergency** including preparation and implementation of response plans, advocacy and resource mobilization.
- **Monitoring and evaluation** including the humanitarian performance management and situation reports (SitReps).

The recent Ebola Virus Disease (EVD) outbreak in West Africa was the largest Ebola outbreak ever reported. Guinea was the first country to report Ebola in West Africa, with cases first reported by WHO in March 2014, and the disease quickly spread to neighbouring countries, mainly Sierra Leone and Liberia. Ebola took a dramatic toll on Guinea, with 3,804 cases being reported, of which 749 were children, and 2,536 deaths including 519 children. The epidemic left 6,220 orphans in Guinea.

On 4 September 2014 UNICEF's Executive Director declared a Level 3 emergency and activated the Corporate Emergency Activation Procedure (CEAP) in the countries affected by the Ebola

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[1] The Core Commitments for Children in Humanitarian Action constitute UNICEF's central policy on how to uphold the rights of children affected by humanitarian crises. The text can be downloaded from http://www.unicef.org/publications/index_21835.html.

[2] UNICEF defines an emergency as a situation that threatens the lives and well-being of a population and requires extraordinary action to ensure their survival, care and protection. There are three levels of emergency response: Level 1 – the scale of the emergency is such that a country office can respond using its own staff, funding, supplies and other resources, and the usual Regional Office/HQ support; Level 2 – the scale of emergency is such that a country office needs additional support from other parts of the organization to respond, and the Regional Office must provide leadership and support; and Level 3 – the scale of the emergency is such that an organization-wide mobilization is called for.

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crisis in West Africa (Guinea, Sierra Leone, Liberia and Nigeria). The Level 3 emergency was declared for an initial two-month period, but later extended four times for Guinea, Sierra Leone and Liberia, remaining in force until 31 December 2015. On 29 December 2015, Guinea was officially declared Ebola-free by the World Health Organization (WHO). The country was downgraded to a Level 2 emergency from 1 January to 31 March 2016.

The audit team met some of the implementing partners that had been involved in the Ebola emergency response. These included the Ministries of Health and Education and the national coordination cell for the Ebola response, known by its French acronym of CNLEB.[3] They also included regional services for water and sanitation (WASH) and education, as well as a community radio station and an affected village community. These partners all considered that UNICEF was a key contributor to dealing successfully with the Ebola outbreak.

The country office was an active participant in high-level coordinating bodies established by the Government.  Both the Government and the implementing partners met during the audit stated that UNICEF had performed well compared to other aid agencies, especially in engaging the affected communities and in the provision of essential supplies. UNICEF had come up with innovative approaches to involve the communities, which were initially reticent.  For example, UNICEF used staff with anthropological background, training of community workers in disease control, 'encirclement',[4] a door-to-door approach, and use of community radio to gain communities' trust.  UNICEF played a key role in supporting the families of the victims of Ebola and in the reopening of schools, and was also flexible as it adapted its geographical coverage and its strategies of intervention as the epidemic evolved.

On the operational side, the office brought significant financial and technical resources, advanced emergency funding before receiving it, and significantly simplified its administrative procedures. It was also effective in strengthening the logistics capacity of the Government.

The audit team looked at various correspondence, minutes of meetings, peer-review reports and other documentation supplied by the country office. From this, it was noted that the office received significant support for its response (both experts and financial resources) from other parts of UNICEF. These included the Global Emergency Coordinator (GEC), the regional office, Supply Division (SD), Programme Division (PD) and the Office of Emergency Programmes (EMOPS). As an example, in April 2015, 41 staff from other UNICEF offices outside Guinea were deployed in 11 hotspots. At the time of the audit, the Evaluation Division was conducting an overall evaluation of the UNICEF response to Ebola.

From its review of the country office response to Ebola, the audit team noted the following areas for improvement that could help draw lessons learned for future emergencies.


## Preparedness/readiness
Guinea was the epicentre of the Ebola outbreak in West Africa. The first cases were reported in March 2014 in the Guinea Forest region in the south-east of the country and the disease quickly spread to neighboring countries, mainly Sierra Leone and Liberia.
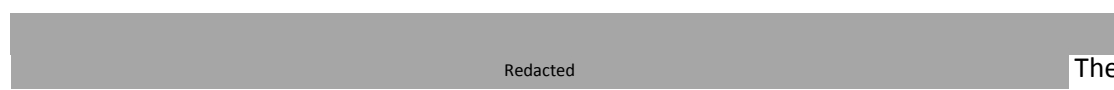
The rapid spread of Ebola in West Africa was exacerbated by weak health systems and poor

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[3] *Coordination de Lutte Contre la Maladie à Virus Ebola.*
[4] When new cases were reported, the surrounding area was delimited and a team was deployed in the field to provide a complete response package.

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hygiene and sanitation practices. In particular, unsafe burial practices and lack of early isolation and care drove rapid transmission. However, it was only on 8 August 2014 that the World Health Organization (WHO) declared the epidemic to be a "public health emergency of international concern". On 13 August 2014 that the President of Guinea declared a national health emergency, and on 4 September 2014 the UNICEF Executive Director declared Level 3 emergency and activated the Corporate Emergency Activation Procedure (CEAP) in the countries affected by the Ebola crisis in West Africa (Guinea, Sierra Leone, Liberia and Nigeria). A UN Mission for Ebola Emergency Response (UNMEER), the first-ever UN emergency health mission, was established on 19 September 2014.[5]

A UNICEF two-day Ebola preparedness workshop was organized in Dakar on 26-27 September 2014, more than six months after the outbreak.  Following this workshop, preparedness plans for countries in the region were revised and funding requirements were determined. These were then reflected in the December 2014 update of the Humanitarian Action for Children appeal (HAC), allowing UNICEF to identify critical funding needed for Ebola response.

Redacted                                                                                      The audit team met the chair of the CNLEB, who explained that the peak in cases observed in March 2014 was followed by a reduction, and that had reduced vigilance. However, in discussion with the audit team, the UNICEF office stated that it had monitored developments, and remained in close touch with the Government and other partners, throughout this period.


## Management of risks

The Core Commitments for Children in Humanitarian Action state that strengthening risk management is particularly important in emergency humanitarian action, due to increased security and disaster risks as well as a more complex operating environment.  However, OIAI's review of inSight[6] data showed that the office had not updated its RCSA[7] in 2013 or 2014; there was thus nothing to demonstrate a review of, or modified responses to, evolving risks. This was despite a major change in the programme environment with the L-3 Ebola emergency declaration in September 2014.

The office had mobilized more than US$ 110 million to implement its emergency response plan, which was more than the budget for the original 2013-2017 country plan of US$ 104 million. It had also made significant changes to its staffing structure. In addition, the Ebola outbreak imposed significant pressures in terms of media coverage and interest from major donors and Governments. The operational and reputational risks were therefore particularly high. The fact that the RCSA had not been updated meant that it did not incorporate risks arising from the emergency, including fraud. A number of cases of misuse of funds, committed

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[5] UNMEER closed on 31 July 2015, having achieved its core objective of scaling up the response on the ground.

[6] inSight is the performance component in UNICEF's management system, VISION (Virtual Integrated System of Information). inSight streamlines programme and operations performance management, increases UNICEF staff access to priority performance information, and assists exchanges between country offices, regional offices and HQ divisions, as everyone sees the same data/information.

[7] Under UNICEF's Enterprise Risk Management (ERM) policy, offices should perform a Risk and Control Self-Assessment (RCSA). The RCSA is a structured and systematic process for the assessment of risk to an office's objectives and planned results, and the incorporation of action to manage those risks into workplans and work processes. The risks and their mitigation measures are recorded in a risk and control library.

by staff and implementing partners, had been reported by the Representative. The audit noted that some of these cases had been dealt with and the funds recovered, while other cases were still under investigation by OIAI at the time of the audit.

The office said that it had not updated its risk assessment because priority was given to concrete emergency response activities. It said it had identified and managed the specific risks related to the response to the Ebola crisis based on staff knowledge of risks that might arise. However, this approach was not systematic and may therefore not have been an adequate basis on which to identify, prioritise and manage the risks. In general, there was no evidence to show how the office had identified and managed the risks related to the Ebola response.

The absence of a coherent, consistent and well-communicated approach to risk management reduces the assurance available to management at all levels that key risks have been identified and are being properly managed. In addition, it may hinder the effectiveness of risk management in practice, through a lack of clarity as to who should be doing what and an inability to monitor implementation of risk-mitigation measures.

## Simplified Standard Operating Procedures

The Simplified Standard Operating Procedures for Level 3 Emergencies (L3 SSOPs) apply where the UNICEF Executive Director has declared a Level 3 emergency and activated the Corporate Emergency Activation Procedure (CEAP).[8] The objective of these SSOPs is to simplify, streamline and clarify UNICEF procedures to enable a more effective response. These procedures are meant to support the country office at the centre of the emergency response.

The Guinea Country Office had organized a two-day retreat (24-25 October 2014) with the objective, among others, of adapting its procedures and work processes to the Level 3 context. The audit team noted that the review focused more on operational aspects, such as simplified procedures for partnership with NGOs, disbursements of funds, human resources and supplies. The programmatic SSOPs were also reviewed but in much less depth.

The Core Group of Directors overseeing UNICEF's response to the Ebola outbreak in West Africa[9] noted in its meeting of February 2015 that more training was needed to help country-office staff to understand and implement the L3 SSOPs.

## Human resources

The office staffing increased significantly because of the Ebola emergency. In addition to the PBR[10] held in 2012 for the 2013-2017 country programme, the office went through four other PBRs in 2014 and 2015. In 2015 staff posts had risen to 328 positions, compared to the 99 posts when the country programme was designed in 2012. To help meet the emergency, a staff surge was organized with the support of the regional office, the Division of Human Resources (DHR) and EMOPs. There were regular internal meetings with, and visits from, the

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[8] CF/EXD/2011-001 of 21 March 2011.
[9] GEC and senior staff from affected countries, regional offices and HQ divisions involved in the response.
[10] The programme budget review (PBR) is a review of a UNICEF unit or country office's proposed management plan for its forthcoming country programme. For a country office, it is carried out by a regional-level committee, which will examine – among other things – the proposed office structure, staffing levels and fundraising strategy, and whether they are appropriate for the proposed activities and objectives.

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regional office and HQ that helped monitor human resources, based on the evolving needs as dictated by the spread of the virus.

However, in its 2015 annual report, the office stated that one of the most important challenges in responding to the emergency was in the area of HR surge capacity. The office reported that it had had problems filling some posts, attributing this to difficulties in identifying qualified candidates ready to be deployed on short notice, and fear of exposure to Ebola, particularly at the onset of the emergency when there was lack of health services for staff and no international medivac procedures. Also mentioned were a limited pool of francophone candidates, short-term contracts that were seen as unattractive, and competition for staff with other aid agencies involved in the response. Furthermore, the office had also to provide staff to UNMEER. As a result, some key positions were vacant for extended periods. As an example, the Emergency Chief/Advisor position was vacant for more than six months, and the Deputy Representative had to fill in despite his own heavy workload.

In a 'lessons learned' meeting, held on 21 February 2015 in Dakar by the Core Group of Directors overseeing UNICEF's response to Ebola, the participants called for an updated rapid response mechanism with a greater range of potential staff and consultants for deployment. They also recommended spreading the burden for surge capacity more evenly spread across UNICEF offices, which in turn requires a better system for assessing and enabling staff availability across the organization. OIA will follow up the actions taken on the 'lessons learned' in a capping report covering the Ebola response for the three affected countries.


## Moment of strategic reflection

According to the Planning and Performance Monitoring SSOP, the Guinea Country Office was expected to organize a moment of strategic reflection (MSR) in order to decide on adjustments required to the regular country programme, and determine the most appropriate balance between that programme and the emergency response. During this MSR, the office was to do the following:

- Decide whether to suspend any parts of the country programme, and which to continue for an initial period.
- Identify activities to be renegotiated with national partners and donors to allow re-allocation of resources.
- Identify any gaps in human resources and funding.
- Ensure integrated programmatic and operational approaches.
- Ensure the realignments required were fed into a rolling PBR.

The office did not organize this formal MSR. Instead, following the L3 CEAP, interventions were based on the response plans and parts of the signed 2014-2015 multi-year workplans (MYWP). The office told the audit team that the activities of the regular programme that were maintained were discussed internally in the various management meetings, and externally during the annual review; however, this was not captured in the approved annual review reports. A CMT[11] meeting on 14 April 2015 reported that the Ebola emergency had reduced the rate of implementation of the regular programme, although it did not give further details.

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[11] The CMT is the Country Management Team. It advises the Representative on the management of the country programme and on strategic programme and operations matters. It consists of senior staff from Programme and Operations sections, and staff representatives.

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In the absence of the MSR, the audit could not assess whether this reduction was within what the office expected or not.

Overall, the audit did not find documented evidence of a coordinated and structured process to decide which key activities of the regular programme were to be maintained, and which needed to be postponed, cancelled or renegotiated with national partners and donors. This will be addressed in a capping report on the overall UNICEF response to the Ebola emergency.

## Response plans

UNICEF response plans should include interventions aligned with the Core Commitments for Children (CCCs), targets, output-level indicators, supply and human resources needs and funding requirements. As per the SSOPs, the response plan is to be completed ideally within three weeks following declaration of a Level 3 emergency.

The Government of Guinea established a national coordination cell for Ebola; this prepared the national Government response plan that was expected to be used as a framework by all the partners involved. According to this national response plan, UNICEF was to lead the communication and social mobilization component of the response. Two operational coordinating mechanisms were established by the Government: a coordination group with 53 partners; and a strategic group composed of seven key partners. UNICEF was represented in both groups.

*Implementation of the CCCs:* The Guinea Country Office moved quickly to prepare a response plan on 7 September 2014, three days after the declaration of the Level 3 emergency by the Executive Director. This response plan was updated later, based in part on the UNICEF *Programme Guidance Note for Immediate Ebola Response* that was issued by the GEC and the Programme Division Director on 14 November 2014. This programme guidance focused UNICEF resources and action on stopping the spread of Ebola, rather than on meeting all the CCCs simultaneously. It was thus not typical of UNICEF's previous emergency responses, and it was not clear how the multi-sector nature of the CCCs could be matched with the goal of stopping the disease outbreak in the UN STEPP[12] strategy. As an example, it was initially not clear what would be the role of education in the response especially when the schools were closed. However, later on, remote learning programmes were undertaken through the community radios, and the Education Section advocated expedited re-opening of schools.

The organizational guidance did not provide for situations such as the Ebola outbreak that impose prioritization and/or sequencing of the CCCs.

*Ebola response strategy:* The UNICEF strategy included three key components: Community Care Centres, communication for development (C4D), and child protection, aligned with the UN STEPP strategy developed under UNMEER. The partners met by the audit agreed that the community-based strategy in general was effective; however, the chair of the national coordination cell stated that the concept of Community Care Centres was imported from abroad (Liberia) and did not take into consideration the existing community structures. As a result, this model did not work in the Guinean context, and the Government decided that the resources planned for the construction of the remaining community care centre were

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[12] STEPP stands for: STOP the outbreak, TREAT the infected, ENSURE essential services, PRESERVE stability, and PREVENT outbreaks.

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reallocated (to construction of epidemiological treatment[13] centres).

In the Ebola response, UNICEF had held a formal inter-agency leadership role for C4D for the first time. C4D is considered, in the UNICEF CCCs, as a cross-cutting issue to be addressed by all sectors, but it was treated as a core sector of its own during this response. Furthermore, under the IASC[14] structures, there is no cluster for social mobilization/community engagement. These were among the most distinctive elements of UNICEF response to Ebola, and one of the key strategies in stopping the outbreak, as it addressed cultural practices that contributed to transmission – despite community resistance to the behavioural change messages, which was particularly acute in Guinea.

The implementation of C4D in the Ebola context required a broad and sophisticated approach employing a range of strategies going well beyond typical UNICEF C4D interventions. As stated earlier, these strategies involved the use of staff with an anthropology background, training of community workers in disease control, encirclement, a door-to-door approach, and use of community radio to gain communities' trust. For both coordination and implementation of C4D, the Ebola crisis revealed gaps in the organization's capacity in this discipline. There were no Immediate Response Team (IRT) members available with this combination of skills, and it was a challenge for the office to recruit staff in this area.

## Humanitarian advocacy

According to the L3 SSOP, the CO Representative and the GEC secretariat should agree on country and regional office and HQ leads for developing advocacy strategy. They should also agree on timelines, and ensure that the advocacy strategy includes advocacy priorities and a plan of action and that advocacy priorities are reflected in UNICEF communications as appropriate.

The emergency advocacy in Guinea was led by the Representative and involved high-level authorities (including the Presidency) and donors. Among the activities advocated by the office were the establishment of community care centres and village watch committees. However, the advocacy strategy and plan of action were not documented. According to the office, the emergency required immediate action that did not allow for prior drafting of the strategy and action plan.

Whilst clearly acknowledging the need for speed in such a context, OIAI noted that the approach adopted could have been documented in parallel with rolling it out. This could assist coordination by ensuring that teams within the country office, and where appropriate externally, have a single coherent view of what is required, and could also help with subsequent lesson-learning and reviews of the effectiveness of the advocacy response.

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[13] Epidemiological treatment focuses on a patient's known contacts, targeting those to whom a disease is most likely to spread.
[14] The Inter-Agency Standing Committee (IASC) was established in June 1992 in response to General Assembly Resolution 46/182, to serve as the primary mechanism for inter-agency coordination relating to humanitarian assistance in response to complex and major emergencies, under the leadership of the Emergency Relief Coordinator.

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## Humanitarian Performance Monitoring

The purpose of Humanitarian Performance Monitoring (HPM) is to support the effective implementation of the CCCs.[15] This entails equipping UNICEF to monitor progress regarding its country cluster/sector Lead Agency responsibilities.

The key components of HPM are:

- An agreed limited set of priority indicators that are monitored frequently through partner implementation reporting (e.g. monthly reporting on two to three indicators per sector).
- Systematic high-coverage, high-frequency field monitoring to provide feedback on quality, including: use of inputs; bottlenecks in implementation; equity of use/access; unintended negative impacts; and engagement with local capacities.
- A systematic monitoring of cluster coordination milestones.
- Tracking of support indicators for key UNICEF operations.

The HPM implemented by the Guinea Country Office included its priority indicators, and indicators for clusters it led. The office provided input to the regional office, which consolidated a set of indicators that were common to the three countries affected by Ebola. The office had established partnerships with four national NGOs (CENAFOD, CERAD, OCPH and Pride), which deployed staff in the field to collect data daily. UNICEF staff and focal points of clusters' members in the field also contributed to data collection.

The audit noted, however, that the HPM included neither high-frequency standards for field visits, nor operations indicators as stipulated in the organizational guidance. The latter could have included (for example) time taken for recruitment, or implementation of the supply plan. The office stated that it used a set of common indicators that were established for the three affected countries and was not aware that the field-visit and operations indicators should have been included.


## Evaluation

One of UNICEF's benchmarks for humanitarian situations is to undertake an evaluation of its intervention either within three to four months of a major rapid-onset emergency, or – in a chronic emergency – timed to feed into strategic planning. (A lighter review can also be appropriate, depending on resources and context.)

However, the audit found that the office's 2015 humanitarian monitoring and evaluation plan did not include any such evaluation. The office said that this had been done through the independent monitoring study that it commissioned in February 2015. However, this study covered the Ebola response of all partners and was not specific to UNICEF.

A knowledge management, learning and evaluation plan for the Ebola Level 3 response had been agreed between EMOPS, PD, Evaluation Office (EO) and WCARO. According to this plan, a Real Time Evaluation (RTE) was planned to provide – at mid-point in the response – a real-time assessment of how UNICEF's contribution to the Ebola response was evolving, and make recommendations to enhance it. The RTE was expected to be led by EMOPS/Humanitarian Policy Section in coordination with the regional office during the second or third week of

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[15] For further information on HPM, see
https://intranet.unicef.org/emops/emopssite.nsf/root/PageCCCPM1.

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January 2015. However, the real-time assessment had not been done and therefore the office lacked an informed process to help it plan its next steps (see also observation *Evaluations and studies*, p33 below).


## Situation reports (SitReps)

SitReps are a key component of the Humanitarian Performance Monitoring (HPM) framework, which is used to monitor humanitarian interventions. The HPM indicators were common to the three Ebola-affected countries, though with room for some modifications as the crisis evolved.

SitReps are intended to communicate the humanitarian situation of women and children. They report and analyse UNICEF progress in meeting needs of affected populations, and coverage of sectors where UNICEF is country cluster/sector lead. SitReps are also used to advocate wider international support and raise awareness on humanitarian issues. Information reported in the SitReps should be aligned with the Humanitarian Action for Children (HAC) appeal. The SitReps are produced by the country office and approved by the GEC.

The Guinea country office issued weekly SitReps. The audit reviewed a sample of these and found that their format was not in line with the standard template.[16] In particular, it noted the following:

- The highlights did not include the biggest UNICEF results (instead some activities achieved were reported), the biggest funding gaps, the biggest bottlenecks for the humanitarian response, funding levels, and one key result from each sector.
- The chapter on *Situation overview & humanitarian needs* was not included.
- The chapter on *Humanitarian strategy* was not included.
- Status of funding was not included.
- The summary of programme results did not include the overall needs and changes since the last report.

Cases were noted where targets reported in SitReps were smaller than those in the HAC. There were also indicators reported that were not included in the HAC.

The office told the audit team that the regional office had instructed it to use a simplified format for the SitReps, but there was no evidence of this. The audit review showed also that the SitReps were not approved by the GEC, although they were reviewed by the regional office before issue.

**Agreed action 1 (medium priority):** The office agrees to:

I. Document lessons learned from the Ebola emergency response (to cover such areas as planning, implementation, programme wind-down etc.) and share the lessons internally within the office and externally with the regional office and with responsible HQ divisions.

II. Institute a process to comprehensively assess and document its management of risks, including those risks arising from emergencies such as Ebola. The office will seek the

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[16] A new template was issued by EMOPS in May 2016, but the reporting requirements relevant to this observation are similar.

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> support of the regional office, as appropriate, to ensure the risk assessment meets UNICEF guidelines.

OIAI will make a recommendation to the relevant HQ office(s) to analyse the causes of the gaps noted in responding to the Ebola emergency and formulate recommendations that can be used to improve the simplified standard operating procedure (SSOP) and enhance the response capacity of country offices that may be confronted with L3 emergencies in the future.

Responsible staff members: Deputy Representative
Date by which action will be taken: June 2017

# 2    Governance

In this area, the audit reviewed the supervisory and regulatory processes that support the country programme. The scope of the audit in this area included the following:

- **Supervisory** structures, including advisory teams and statutory committees.
- **Identification** of the country office's priorities and expected results and clear communication thereof to staff and the host country.
- **Staffing structure** and its alignment to the needs of the programme.
- **Performance measurement**, including establishment of standards and indicators to which management and staff are held accountable.
- **Delegation** of authorities and responsibilities to staff, including the provision of necessary guidance, holding staff accountable, and assessing their performance.
- **Risk management**: the office's approach to external and internal risks to achievement of its objectives.
- **Ethics**, including encouragement of ethical behaviour, staff awareness of UNICEF's ethical policies and of the organization's zero tolerance of fraud, and procedures for reporting and investigating violations of those policies.

The audit found that controls were functioning well over a number of areas. Internal coordination mechanisms existed and were in regular operation. The tone at the top within the office featured accessibility and availability, and was appreciated internally as well as externally.

In preparing for the internal audit, the office had taken the opportunity to organize a number of peer reviews that resulted in some strengthening of its procedures and controls, particularly in the areas of HACT[17] management, review of Partnership Cooperation Agreements (PCAs), and annual management planning.

However, the audit noted the following.

## Office priorities and performance management

UNICEF country offices prepare an annual management plan (AMP) in which they establish key priorities, and assign staff responsibilities for these. Progress on the priorities should normally be monitored by the office's country management team (CMT), which consists of senior staff from Programme and Operations sections and staff representatives. The CMT advises the Representative on the management of the country programme and on strategic programme and operations matters.

The office prepared individual AMPs for 2014 and 2015 that included office priorities and management indicators to monitor performance. The 2014 AMP did not include programmatic priorities, and the management priorities were vague and/or it was difficult to see their relevance (Examples: *Improve the welfare of underprivileged children through the implementation of programs of large size, high impact and innovativ*e; *Influence political decisions of the government and other partners for clear strategies and actions for the most disadvantaged children*).

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[17] HACT is the Harmonized Approach to Cash Transfers for cash transfers to implementing partners. See below, p26.

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The 2015 AMP constituted a significant improvement on 2014, and included specific office priorities with indicators, targets and responsible staff members. A set of 24 management performance indicators were also defined with specific targets, and for each one, the office specified the reporting frequency, and the staff responsible for collecting the information and for presenting it to the CMT. The office reviewed and monitored progress towards achievement of its priorities during the CMT of May 2015 and the midyear management review held in September 2015.

However, the audit team noted that there was a delay in finalizing the 2015 AMP, which was signed by the Representative on 29 April 2015 (AMPs should be signed off by 15 February). The office said this was due to competing priorities related to the emergency.

Further, although the emergency priorities (Ebola, measles and meningitis) were clearly stated, there were almost no defined regular programme priorities (there was a reference to *Renewed Promise for Ending Preventable Maternal and Child Deaths*, but it was not specific). The majority of the office priorities were related to management and administration, even though the regular programme activities represented 46 percent of the total budget of 2015 workplans (US$ 36 million out of a total budget of US$ 78 million).

Performance against the management indicators was monitored during CMT meetings, but a number of key indicators in the AMP were not covered. Examples of those not discussed included: programme funding against the country programme ceiling; status of funding proposals in the pipeline; assessment of partners; the amount of procurement not in the supply plan; and average number of days to fill vacant funded posts. There were also other indicators that did not appear to be monitored by the CMT.

**Agreed action 2 (medium priority):** The office agrees to:

   i.   Ensure that office priorities agreed upon in the annual management plan include programmatic priorities that are derived from the signed workplans.
   ii.  Monitor the office priorities and all management indicators on a regular basis and according to the AMP.

Responsible staff members: Chief Planning, Monitoring & Evaluation
Date by which action will be taken: December 2016


## Management of zone offices

At the time of the audit the Guinea Country Office was operating three zone offices across the country, covering the west (Conakry, Kindia, Mamou, Labe and Boke regions), east (Kankan and Faranah regions) and south (Nzérékoré region). Each zone office was headed by a chief, at NO3 level, who reported to the Representative. The total staff complement of the three zone offices was 35 staff members on fixed-term contracts and costing, according to the office's estimate, about US$ 2 million per annum (including operating costs).

The office could not provide the audit team with any justification for the creation and subsequent extension of these offices. Management did not have a business case supporting the reasons for the offices, and there was no evidence that a cost-benefit analysis had been

undertaken. The only evidence supplied by the office was the 2007-2011 CPMP[18] that referred to a PBR held in May 2005 that approved the extension of the zone office in Nzérékoré up to the end of December 2006, and a PBR report signed by the Regional Director in 2010 proposing the creation of the East Zone Office.

The audit team also noted that the roles and accountabilities of zone offices were documented for the first time in the 2015 AMP, but in very broad terms that could not be used to guide their operations and priorities. For example, the role of zone offices in the emergency, the preparation of the workplans and monitoring of the programme were not clearly specified. As a consequence, the perception of the role of zone offices varied within and between programme sections. Some Conakry-based units/sections involved the zone offices more in their planning and implementation, others less. Another consequence was that the responsibility of the zone office was not clear when it came to delivering in crosscutting themes/sectors that did not have designated staff at the zone office level, such as social policy, M&E, emergency and communication.

The zone offices prepared zonal management plans for the first time in 2015. The audit team reviewed the 2015 zonal management plan of the West zone office, and interviewed its chief. The plan was approved by the chief of zone office and by the Representative in July 2015, i.e. three months after the finalization of the main office annual management plan. (The zone office ascribed the delay to the emergency response.) The zone office said that it had shared the zonal management plan with the CMT and with Social Policy, Planning, Monitoring and Evaluation, but had not received any feedback before approval.

There were no programme priorities. The zone office said they were not applicable as there were no regional workplans in 2015, but there were operational or disbursement plans that could have been used to define programme priorities. The performance management indicators included in the zonal management plan were similar to those in the AMP, but lacked benchmarks against which progress could be measured.

The West zone office reviewed the progress of its priorities during its annual management review, but there was no established and structured process to document and report to the main office on defined set of performance indicators for monitoring purposes. The minutes of the monthly zonal office meetings were shared with the members of the CMT; however, there was no defined process on how these reports were reviewed and who was responsible for following up on them and/or providing feedback.

**Agreed action 3 (high priority):** The office agrees to:

  i.   Assess the continued need for the zone offices in their current configuration and ensure that they are properly approved through the Programme Budget Review.
  ii.  Clarify the roles and responsibilities of the zone offices in programme planning, implementation and monitoring and evaluation, including for cross-cutting themes/sectors.
  iii. Strengthen the quality assurance over the review of zonal management plans before their approval.

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[18] When preparing a new country programme, country offices prepare a country programme management plan (CPMP) to describe, and help budget for, the human and financial resources that they expect will be needed.

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    iv.    Based on the improved zonal management plans, develop monitoring and reporting systems to be used by the zone offices to report to the main office on their performance.

Responsible staff members: Representative, Deputy Representative and Finance Specialist
Date by which action will be taken: December 2016


## Human resources management

As of March 2016, the Guinea Country Office had 121 established staff posts, compared to the 99 posts included in the CPMP when the country programme was designed in 2012. In addition to the established posts, the office had 51 staff on temporary appointment (TA) positions. The audit noted the following.

*Staffing requirements:* The increase in staff was primarily because of the Ebola emergency. However, Ebola-related funding is phasing out. (The 2016 HAC identified a funding requirement of US$ 5 million for Guinea compared to US$ 142 million in the previous HAC.) The office had been adjusting its staffing complement based on the available funding rather than on the requirement to support programme implementation and wind down the emergency. The minutes of the CMT of 11 August and 8 September 2015 included action points pertaining to the preparation of a staffing proposal based on available funding.

The office stated that it was due to make a proposal to the PBR in April/May for a revised staffing structure.

*Vacant posts:* The office told the audit it had been hard to fill some posts, even outside the Ebola emergency. It attributed this to the difficulty of identifying qualified candidates ready to be deployed on short notice, a limited pool of francophone candidates, and unattractive short-term contracts. At the completion of the audit, there were 15 vacant posts. However, in some cases the office was not offering the most attractive type of contract that it was authorized to. For example, temporary appointments (TAs) were being issued against fixed-term (FT) positions. This offered the office flexibility in abolishing the posts later, but made it harder to fill vacant posts.

While the challenges in filling vacant posts are acknowledged, the office would have helped itself by having a process to identify a pool of potential candidates that could be used in the future.

**Agreed action 4 (medium priority):** The office agrees to:

    i.    With support from the regional office and/or HQ as necessary, take the opportunity of the upcoming Programme Budget Review to implement a human resources strategy for the remainder of the country programme, making sure that that strategy reflects programme and operational capacity requirements and lessons learned from the emergency response.
    ii.    Ensure that vacant posts are advertised as per the approved Position Authorization Table, that exceptions are documented and are authorized by the Representative, and that posts that are not required are abolished in a timely manner.
    iii.    Establish and maintain a consolidated pool of potential candidates for future use and/or for developing staff capacities.

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Responsible staff members: Chief of Operations and Human Resources Specialist
Date by which action will be taken: March 2017


## Knowledge management

The office had a check-out process for staff leaving the office that covered HR and other processes. However, although this included handover notes which staff left in their respective sections, there was no process for drawing cross-cutting issues or themes from these, and no guidance as to what they should include.

Realizing that there was a gap in knowledge management, the office had hired a Reports and Knowledge Management Specialist to "…manage the conceptualization and implementation of the Country Office knowledge management strategy and action plan." Among the responsibilities of the staff member hired was to collate knowledge from the Ebola response, documenting successes and challenges. However, there was still no functioning process at the time of the audit for obtaining and collating the lessons learned. The office had 66 staff leave from 2014 to February 2016. However, of the 33 that left after the Reports and Knowledge Management Specialist joined the office in October 2015, there were written interview notes for only 11, and the knowledge gathered from these had not been collated into a useable report. This was because 60-70 percent of the time of the Reports and Knowledge Management Specialist was taken up by donor reporting responsibilities. These were indeed part of the post's job description, but not to that extent; it had specified 20 percent.

The audit noted that, despite this constraint, the office had started to document some key programmatic initiatives of the Ebola response plan, such as the Community Care Centres approach and the community platforms. However, there was no process to monitor progress made by the Reports and Knowledge Management Specialist in implementing the office knowledge management strategy and action plan. Overall, the audit noted that a functional knowledge management strategy for the Guinea country office was far from being established – representing a lost opportunity for gathering lessons learned for use both locally and by UNICEF as a whole.

**Agreed action 5 (medium priority):** The office agrees to prioritize knowledge management in the office, by assigning adequate staff resources and monitoring progress on implementation of the knowledge management strategy and action plan (see related Agreed action 1 above).

Responsible staff members: Deputy Representative
Date by which action will be taken: December 2016


## UN coherence

The audit reviewed aspects of the UN's coordination in Guinea and the extent to which the individual UN agencies collaborated and coordinated. The following was noted.

*DaO:* The most important mechanism for collaboration was Delivering as One (DaO). This is a framework for collaboration designed by the UN Development Group (UNDG), and includes a number of specific pillars at the country level, with one leader, one programme, one budget and, where appropriate, one office. The aim is to reduce duplication, competition and transaction costs. DaO has since 2007 been adopted by the UN in a number of places, often at the request of the host Government.

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The UN in Guinea had adopted DaO in 2014. The 2013-2017 UNICEF Guinea country programme is in line with the UNDAF,[19] which is aligned to the Government of Guinea's national priorities. There were both opportunities and challenges for UN coherence in the country. These were set out in a study completed in August 2015 and included a willing UNCT[20] and Government commitment. In September 2015, 18 UN agencies signed a concept note committing themselves to the implementation of the DaO in Guinea. The concept note included timeframes for DaO implementation up to the end of 2017.

However, as of March 2016, there had been little progress in implementing DaO in the country. Few of the activities had been implemented by their target dates. This was partly due to a weak coordination mechanism at UNCT level. While some working groups had been established, there was no overall governance framework – such as a DaO steering committee with appropriate terms of reference – to oversee DaO implementation in the country, although the audit acknowledges that the DaO process was interrupted by the Ebola response.

*Ebola response:* Under the coordination of UNMEER, UN agencies worked together to support the Government in the response to the Ebola crisis. Clear roles and responsibilities were defined for UN agencies, such as social mobilization for UNICEF, surveillance for WHO and UNFPA, and logistics and food distribution for WFP. While the Ebola response interrupted DaO implementation, the management of Ebola is currently under the coordination of the UN Resident Coordinator and there is therefore an opportunity to build on this cooperation in the implementation of DaO.

***Non-commitment of financial resources to joint activities:*** This is exemplified in the joint programme in Kankan (the only one in that province). The joint programme has an indicative budget of US$ 42.1m over the 2013-2017 UNDAF period (including US$ 10.7m in 2015). Eleven UN agencies have agreed to the joint programme and the Government has staff based in the UNICEF zone office to support its implementation. About 80 percent of the funds committed are from UNICEF. However, the remaining 20 percent of the funding came from the other participating agencies, and there were many activities that were not implemented primarily because the other agencies had not disbursed all of this remaining 20 percent.

**Agreed action 6 (medium priority):** The office agrees to advocate the following actions within the UNCT:

i.    Collate key lessons learned from the UN/Government collaboration in the response to the Ebola virus emergency, the joint programme in Kankan, and the recommendations in the 2015 study on implementation of DaO, and use these lessons to review the roadmap and timeframes for DaO implementation in the country.

ii.   Establish a governance body, with appropriate terms of reference, to oversee the implementation of DaO in Guinea.

Responsible staff members: Representative
Date by which action will be taken: November 2016

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[19] The United Nations Development Assistance Framework (UNDAF) is a broad agreement between the UN as a whole and a national Government, setting out the latter's chosen development path, and how the UN will assist.

[20] UNCT stands for UN Country Team, and is an internal UN term to refer to the joint meeting of all the UN agencies or bodies active in a given country. The UNCT is convened by the UN Resident Coordinator. Its terms of reference, and division of responsibilities with individual agencies, vary from country to country.

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# 3      Programme management

In this area, the audit reviewed the management of the country programme – that is, the activities and interventions on behalf of children and women. The programme is owned primarily by the host Government. The scope of the audit in this area included the following:

- **Resource mobilization and management**. This refers to all efforts to obtain resources for the implementation of the country programme, including fundraising and management of contributions.
- **Planning**. The use of adequate data in programme design, and clear definition of results to be achieved, which should be specific, measurable, achievable, realistic and time bound (SMART); planning resource needs; and forming and managing partnerships with Government, NGOs and other partners.
- **Support to implementation**. This covers provision of technical, material or financial inputs, whether to governments, implementing partners, communities or families. It includes activities such as supply and cash transfers to partners.
- **Monitoring of implementation**. This should include the extent to which inputs are provided, work schedules are kept to, and planned outputs achieved, so that any deficiencies can be detected and dealt with promptly.
- **Reporting.** Offices should report achievements and the use of resources against objectives or expected results. This covers annual and donor reporting, plus any specific reporting obligations an office might have.
- **Evaluation**. The office should assess the ultimate outcome and impact of programme interventions and identify lessons learned.

The audit found that controls were functioning well over a number of areas. The office had improved the integration of its programmes by combining Health, WASH (Water and Sanitation) and Nutrition programmes into one section (Child Survival and Development). It also closely monitored the status of direct cash transfers (DCTs) and, as a result, had no DCTs outstanding for more than six months. The office also followed up on the results of the assessments it conducted on the use of the DCTs.

The office had integrated its emergency response in the signed 2015 workplans and involved the Government counterparts in the programme planning and reviews.

However, the audit noted the following.

## Situation analysis
Offices prepare a situation analysis (SitAn) at least once in the course of a country programme cycle. The SitAn should inform the design of the next country programme and ensure that it is evidence-based. It should include a disaggregated assessment of the status of, and trends in, the situation of children and women. It should also include an analysis of the immediate, underlying and structural causes of need and disparities across various groups.

National ownership is necessary to build consensus on the analysis of the results. Involvement of the government, civil society and other national stakeholders throughout the SitAn process is a prerequisite for its acceptance in policy and strategy formulation, budget allocation, programme implementation, monitoring and evaluation.

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The office had held a mid-term review/in-depth review of the 2013-2017 country programme in November 2015. As part of the preparation for this, the office had hired a national consultant (on a TA contract) in 2015 to update the 2011 SitAn in order to inform the remaining period of the current country programme (2016-2017), and later the design of a new country programme. According to the terms of reference (ToRs) for this TA contract, one of the objectives of the SitAn was to adjust the country programme in light of the country's political, socio-economic and human changes, new data available, and the need to strengthen some important approaches such as equity, gender and multidimensional poverty.

In a progress report, the consultant had reported a number of constraints that would affect the quality of the product, such as the short duration of the consultancy (August-October 2015), limited access to the reference documents needed, and the limited participation of both UNICEF staff and implementing partners due to the Ebola response. In the event, the office decided not to finalize the SitAn draft that the consultant had produced because there was key information required that would not be available until 2016. This included the results of the 2014 census and the planned 2016 MICS.[21] Furthermore, rather than the thematic analysis adopted by the office, the regional office recommended a lifecycle analysis – that is, an analysis of children at different stages of their lives. (The office stated that it had sent the SitAn ToRs to the regional office for review but had not received any feedback at the time.)

Government partners interviewed by the audit team confirmed that they were involved in the planning and preparation of this SitAn, but said they had not been informed of its status. Some were aware that the report would not be finalized but did not know why, while others were still expecting to receive the final version of the report.

**Agreed action 7 (medium priority):** The office agrees to, with support from the regional office and in consultation with the relevant implementing partners, pursue the update of the situation analysis of children and women according to UNICEF's organizational guidance, and ensure that it is completed in time to inform the next country programme.

Responsible staff members: Chief Planning, Monitoring & Evaluation
Date by which action will be taken: October 2016


## Advocacy

UNICEF's Mission Statement, adopted by the Executive Board in 1996, states that: "UNICEF is mandated by the United Nations General Assembly to advocate for the protection of children's rights, to help meet their basic needs and to expand their opportunities to reach their full potential." According to UNICEF's Programme Policy and Procedure Manual (PPPM), a strong, purposeful and sustained advocacy plan, when properly prepared, will help raise awareness of children's issues among policy-makers and the public, and promote action in support of children's rights.

The 2013-2017 board-approved country programme document (CPD) stated that the partnership with religious leaders and the media would be strengthened for the purposes of advocacy, promotion of essential family practices, and participation of young people in the development process. It was also expected that evidence-based advocacy would help the

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[21] The Multiple Indicator Cluster Survey (MICS) is a survey technique developed by UNICEF to provide rigorous data across a range of fields from households, from women, from men and concerning under-fives. MICS is designed to provide internationally comparable data on the situation of children and women.

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Government to adopt a pro-poor and equitable programme and budget at the national level, putting children at the centre of national development processes.

In its 2015 annual report, the office reported a number of outcomes from advocacy activities, including the adoption by the Government of 12 commitments in favour of vulnerable communities, initiation of a national social inclusion policy and a commitment to ban female genital mutilation at hospitals and health centres. Advocacy is therefore a key strategy of UNICEF in Guinea.

However, at the time of the audit the Guinea Country Office did not have a finalized advocacy plan. The office was aware of the need for one, and provided the audit with a draft advocacy and resource mobilization strategy that it had updated in 2015 but that was still regarded as a work in progress. The office said that it had not been finalized at the beginning of the country programme because of lack of capacity, and that after that point the office was fully absorbed with the emergency. The audit noted that a number of advocacy priorities mentioned in this document were in fact regular programme activities and did not include defined expected results, an accountability framework, or monitoring mechanisms.

**Agreed action 8 (medium priority):** The office agrees to seek the support it needs from the regional office or the Division of Communication, to finalize an appropriate advocacy plan, assign implementation responsibilities to relevant staff, and establish a process for monitoring the implementation of the plan.

Responsible staff members: Deputy Representative
Date by which action will be taken: January 2017


## Workplans

Workplans outline the activities to be undertaken to achieve the results as identified in the CPAP.[22] UNICEF programme officers prepare workplans jointly with their Government and, where applicable, NGO partners, during planning meetings that typically follow a technical review of the previous implementation period. Workplans should be formally endorsed by the Government.

The workplans provide detailed activity planning and set out what will be accomplished during specific time periods. Workplans serve as basis for all the programme disbursements, and the tasks set out in them, once agreed upon, will be used by the partners as the basis for requesting the agreed inputs from UNICEF.

The Guinea country office had prepared a Multi-Year Workplan (MYWP) for 2014-2015 and an updated Annual Workplan (AWP) for 2015. Workplans were prepared based on inputs from the zone offices and sectoral sections following programme annual reviews at regional and central levels. They were consolidated and signed by the Representative and the relevant sectoral Ministers at the national level. The workplans were signed in 2014 on 5 February, and 14 March in 2015.

***Work-planning work process:*** The preparation of workplans in Guinea was a complex process,

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[22] The country programme action plan (CPAP) is a formal agreement between a UNICEF office and the host Government on the programme of cooperation, setting out the expected results, programme structure, distribution of resources and respective commitments during the period of the current country programme.

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particularly during the Level 3 emergency. It involved both regular programme and emergency activities, and planning and implementation at central, regional and prefectural (sub-division of the region) levels.

This required a more robust planning process than the country office had in place, with clear milestones, timelines and accountability. Instead the office had prepared detailed ToRs for the annual programme review, which included the preparation of the following workplans, the main steps of the review and the expected outputs from each step - but without spelling out how the different steps would be implemented. In 2015, therefore, the CMT recommended that the regional workplans should be based on the national AWPs and formed through discussions between section chiefs and chiefs of zone offices. However, this clarification was not made to the zone offices until April, and the draft regional workplans were received by the Guinea Country Office in Conakry in June 2015 – three months after the AWPs had been approved. Further, the annual review for 2015 was completed in November, but the template for workplan planning was shared only on 13 January 2016.

*Quality assurance over workplans:* A standard template was used for the presentation of all the 2015 sectoral AWPs. This included detailed information on the activities by output, indicators, geographical areas of intervention, timeframe, implementing partners and estimated budget. However, the audit noted that, except for the WASH programme, all the 2015 AWPs referred to the expected outputs by the end of the country-programme cycle in 2017, and did not define specific results to be achieved at the end of the AWP period (2015). Also, the indicators lacked baselines, targets and means of verification. This made it very difficult to track progress effectively.

The planned budget for regular programme activities (excluding emergency Other Resources) was US$ 35.8 million, compared to US$ 20.7 million planned in the CPAP – that is, an increase of 75 percent. Moreover the unfunded portion of most of the approved AWPs was significant. Overall, there was a funding gap (e.g. funds still to be raised) of 66 percent for regular programme activities and 61 percent for the emergency response. Despite this, the workplans did not include any measures to be taken if the as yet unraised proportions were not obtained. Such measures could have included (for example) priority activities to be funded by available resources, or activities to be undertaken only when there was reasonable assurance that they would be completely funded.

The office stated that it had a quality assurance process for preparation of workplans, consisting of a review by the Monitoring and Evaluation (M&E) Unit, cross-sectoral programmes (Emergency and C4D) and the Deputy Representative before approval. The audit was told that, as part of this process, workplans were reviewed against a number of criteria. However, this review process was not set out in writing, and the evidence seen by the audit team showed that the only feedback to programme sections was provided by the M&E Chief and related mainly to the indicators used.

*Operational workplans:* The office had detailed regional operational workplans that it said were prepared based on the signed consolidated workplans, in consultation with the local partners and approved by the Deputy Representative. However, these operational workplans were not signed. Further, they used templates that varied from one section to another. Thus the WASH Section gave the West zone office a detailed AWP for the regions that that office covered, the Child Survival and Development Section gave it a list of activities that required requests from implementing partners in the West zone, and the Child Protection Section supplied quarterly disbursement plans.

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Besides including more detailed activities than the consolidated workplans, the operational workplans also contained specific budgets. These operational workplans are used as basis for the implementation of the programme at regional level, and requests submitted by the partners for inputs from UNICEF should be aligned with these plans. However, partners that the audit met at decentralized level (Education and WASH) all confirmed that they were not aware of these workplans and that they submitted requests for inputs following information they received from UNICEF staff on an *ad hoc* basis.

Two implementing partners met by the audit at central level (the Ministries of Education and Health) said that the activities defined in the overall workplans were formulated in broad terms, but they had not discussed and agreed with UNICEF on an operational plan with all the tasks to be implemented during the year. The requests for funding and/or other inputs were generally discussed on a case-by-case basis.

**Agreed action 9 (high priority):**  The office agrees to:

   i.   Implement a work-planning process that ensures adequate consultation between the Guinea Country Office in Conakry and the zone offices, and with the implementing partners at national and decentralized levels.
   ii.  Establish a rigorous quality assurance process over the preparation of the workplans to ensure that they reflect the approved planned budget, and include pertinent expected results, indicators with baselines, targets and means of verification; and incorporate measures to be used where activities planned and budgeted for cannot in fact be funded.
   iii. Help zone offices and implementing partners, at both central and decentralized levels, to strengthen their operational planning based upon signed national-level workplans, through the establishment of a process with assigned responsibilities for discussion and agreement on activities/tasks for which implementing partners are responsible.

Responsible staff members: Deputy Representative and Chief Planning, Monitoring & Evaluation
Date by which action will be taken: December 2016

## Registration of the programme in VISION

The programme structure (outcomes and outputs)[23] recorded in VISION[24] was aligned with the CPD and CPAP; however, the planned budget for the programme components was not. The distribution of the country programme budget between regular resources (RR) and other resources (OR)[25] recorded in the system was different from the budget in the Board-approved

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[23] UNICEF programmes plan for results on two levels. An outcome is a planned result of the country programme, against which resources will be allocated. It consists of a change in the situation of children and women. An output is a description of a change in a defined period that will significantly contribute to the achievement of an outcome. Thus an output might include (say) the construction of a school, but that would not in itself constitute an outcome; however, an improvement in education or health arising from it would.
[24] VISION (from Virtual Integrated System of Information) is UNICEF's online operational system. Fundraising, budgeting, programming, spending and reporting are all recorded in VISION.
[25] RR are core resources that are not earmarked for a specific purpose, and can be used by UNICEF wherever they are needed. 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

CPD. The planned RR amount in the CPD was US$ 36.1 million compared to US$ 44.7 million in the system, and US$ 65.6 million for OR in the CPD versus US$ 57 million in the system. The office explained the difference in RR by additional funding it received from HQ during the Ebola emergency response, but could not explain why the OR ceiling had been decreased in the system by US$ 8.6 million. Furthermore, the Social Inclusion and cross-sectoral programmes had total planned budgets in the system that were less than in the CPD by 35 and 26 percent respectively. This increases the risk of non-achievement of expected results.

In addition, the office had mobilized approximately US$ 110 million to implement its emergency response plan over the period 2014-2015. This amount was greater than the Board-approved budget for the five-year 2013-2017 country programme (which was US$ 104 million). However, this emergency funding was not registered in the budget planning module of VISION. Instead, the office used Excel spreadsheets to monitor emergency-funding allocations. These tools allowed it to monitor allocation of grants received, their expiry dates and deadlines for submission of donor reports. However, the office did not monitor funds received and allocations against the ceiling established in the approved Humanitarian Action for Children (HAC). There was therefore a risk that the funds might not be used as per the ceilings recorded in the appeals.

The audit noted that in general, the office did not have a process to ensure that data recorded in VISION was correct and up-to-date and that deviations were justified and documented.

**Agreed action 10 (medium priority):** The office agrees to establish procedures and accountabilities to ensure that the planned budget recorded in VISION for the overall country programme and at the programme component level is aligned with the Board-approved budget, and that the rationales for any significant adjustments of budget ceilings, and the impact of those adjustments on planned results, are documented.

Responsible staff members: Chief Planning, Monitoring & Evaluation
Date by which action will be taken: November 2016

## Resource mobilization[26] plan

Two Humanitarian Action for Children (HAC) appeals for the Ebola response were issued, in January and July 2015. They provided an overview of the situation and a broad outline of priority response actions, as well as the funding requirements. For Guinea, the total funding need had been set initially at US$ 93.5 million. As of June 2015, US$ 100.5 million was already mobilized, leading the country office to revise the funding needs to US$ 142 million. As of December 2015, US$ 110 million had been received.

However, country offices are also expected to have a fundraising strategy for their regular country programme. The strategy should set specific targets for the programme period and outline how, where, when and with whom fundraising activities will be undertaken.

According to the approved 2013-2017 CPD, the planned country programme budget was

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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 Other Resources), up to the approved ceiling.

[26] While the terms "resource mobilization" and "fundraising" are often used interchangeably, the former is slightly broader; although fundraising is its largest single component, it also includes mobilizing resources in the form of people (volunteers, consultants and seconded personnel), partnerships, or equipment and other in-kind donations.

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US$ 101.7 million, of which US$ 65.6 million was to be OR, i.e. 65 percent. The office had been successful in raising OR during the current country programme; it was able to raise over US$ 44.5 million by end of 2015 – that is, 68 percent of planned OR. According to the audit team's estimate, a further US$ 4 million of this amount had been raised for Ebola response activities.

The audit team noted, however, that there were some outputs with notable funding gaps, and others with significant over-allocations compared to plan. As an example, the regular (e.g. non-emergency) OR availability over the period 2013-2017 was zero percent for the output *Support to Policy* and for *Nutrition*, one percent for the output *Support to policy and funding of HIV/AIDS*, one percent for *Policy dialogue and coordination of WASH*, one percent for *Advocacy and political dialogue for child protection* and 10 percent for the output *Management of education system*. On the other hand, the outputs *Access to basic education*, *Capacity building in child protection*, and *Response to violations (child protection)* were overfunded with an OR availability rate of 370, 248 and 428 percent respectively, corresponding to funding excesses of US$ 7.4 million, US$ 1.1 million and US$ 2.5 million.

The office had prepared a resource mobilization and advocacy strategy, but this was still a draft and focused on fundraising for the OR (Emergency) gap. As of the date of the audit, the office had not yet finalized an overall office fundraising strategy to secure donor funds for its regular programme. The office said that the skills needed to develop such a strategy had not been available early in the country programme cycle, and that after that they had been fully absorbed by Ebola. Meanwhile the office managed the fundraising on a case-by-case basis.

**Agreed action 11 (high priority):**  The office agrees to:

   i.  Prioritize the finalization of a fundraising strategy that addresses the under-funded programme areas, while maintaining good funding prospects for areas that have so far been successful in attracting donor funding.
   ii. Assign responsibility for tracking, and reporting on, the status of the implementation of the fundraising strategy.

Responsible staff members: Deputy Representative and Knowledge Management Specialist
Date by which action will be taken: January 2017


## Harmonized Approach to Cash Transfers
Country offices are required to implement the Harmonized Approach to Cash Transfers (HACT) for cash transfers to implementing partners. With HACT, the office relies on implementing partners to manage and report on use of funds provided for agreed activities. This reduces the amount of supporting documentation UNICEF demands from the partner, thus cutting bureaucracy and transaction costs.

HACT makes this possible by requiring offices to systematically assess the level of risk before making cash transfers to a given partner, and to adjust their method of funding and assurance practices accordingly. HACT therefore includes micro-assessments of the individual implementing partners, together with assurance activities regarding the proper use of cash transfers. Assurance activities should include spot checks (or periodic on-site financial reviews), programme monitoring, scheduled audits and (where required) special audits. HACT also involves a macro-assessment of the country's financial management system, which should be undertaken at least once per programme cycle.

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HACT is also required for UNDP and UNFPA and the agencies are meant to work together to implement it. A revised HACT framework, endorsed by UNDP, UNFPA and UNICEF, was adopted in February 2014. In addition, with effect from 1 July 2015, UNICEF issued new UNICEF-specific HACT guidelines.

The country office had disbursed US$ 14.4 million to 146 partners in 2014, and US$ 38.6 million to 129 partners in 2015. Cash transfer to implementing partners was the largest input of the programme in 2015, representing approximately 42 percent of total expenditure. According to the office, HACT had been implemented since 2009.

The audit team's assessment of HACT implementation by the office showed the following.

***Macro-assessment:*** A macro-assessment was completed in 2013. It concluded that the government systems were not strong enough to be relied upon to provide the assurance required under HACT.

***HACT Assurance Plan and oversight of HACT implementation:*** The office had a quality assurance unit. In 2015 a significant portion of its work was in support of HACT assurance activities. The office had also recruited a staff member dedicated to planning and monitoring of programmatic visits.[27] The office chaired the inter-agency HACT group and had its own HACT committee. The office had also prepared a HACT assurance booklet that included an accountability framework and steps for the preparation and finalization of micro-assessments. The booklet also contained an assurance-activity plan with standards for the frequency of assurance activities based on the risk level of the implementing partner and the amounts transferred.

The HACT assurance plan for 2015 included plans for micro-assessments, spot checks, programmatic visits and audits. Management indicators related to HACT implementation were included as key performance management indicators in the office's annual management plan (proportion of partners with PCAs over US$ 100,000 assessed, proportion of recommendations implemented, and proportion of Quality Assurance Plan implemented).

However, the audit noted that the assurance activities standards were not applied consistently. In some cases, partners had the same level of risk and planned amount to be transferred but were subjected to assurance activities with different frequencies. Examples included two Government partners that were both rated high risk, with planned amounts of DCTs of US$ 287,000 and US$ 280,000 respectively. However, three spot-checks and four programmatic visits were planned for the first and only two spot-checks and two programmatic visits for the second. The audit also noted that the extent and frequency of assurance activities in 2015 were based on the estimated amounts of the DCTs to the partner at the time it was entered into the system. They should have been based on the amount of DCT expected to be released to the partner in 2015.

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[27] According to the latest UNICEF-specific HACT procedure issued in 2014 (page 2), programmatic visits are defined 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. Depending on the nature of the partnership, programmatic visits may be undertaken at a field location (field monitoring), the partner's office and/or in the form of a meeting involving key stakeholders. Programmatic visits focus on programmatic issues, including attention to matters of financial management."

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There was also no structured process for regular monitoring of the status of implementation of the assurance activities plan.

***Scheduled audits:*** HACT requires scheduled audits for each partner that receives more than US$ 500,000 within the programme cycle. Of the office's 179 partners, 34 had received more than US$ 500,000 between the start of the programme in 2013 and the end of 2015. However, only 13 of these partners had been audited.

The office informed the audit team that Government partners could be audited only by Government-controlled agencies, such as the *Inspection générale de l'Etat*, *Inspection des Finances* and *Inspections des Ministères sectoriels*; and that negotiations with such government agencies to perform these audits had not succeeded so far. (The macro-assessment completed in 2013 reported that Guinea's Chamber of Accounts, which is its Supreme Audit Institution, had not conducted any audits for the last five years.) As a consequence, none of the 19 Government partners that had received more than US$ 500,000 since the start of the country programme had been audited. These partners, most of them rated as high risk under HACT, received DCTs amounting to US$ 23 million during the period 2013-2015. However, when the audit team met the coordinator of the Government control agencies and the Government coordinating body for the country programme, both said they would help find a solution for conducting audits if requested by UNICEF.

Moreover, the office decided to lower the threshold for scheduled audits from US$ 500,000 to US$ 150,000. It said this was to mitigate the high risks associated with cash transactions in the country. This increased the number of partners required to be audited by end 2015 from 34 to 72, of which 43 were Government partners. At the time of the audit, the office had completed 23 of these audits, i.e. 32 percent. Among the partners audited, two did not reach even the revised threshold, having received US$ 95,500 and US$ 137,000 respectively, whilst another partner had not received any DCTs during the period 2013-2015.

The office said that, given its limited capacity, increasing the number of audits would reduce spot checks required by HACT guidance, as spot-checks of a partner are not required in the year of its being audited. However, the audit noted that the office had not used its full capacity to undertake spot checks, as it used only staff with financial backgrounds for them; in fact, with proper training and supervision, other staff members could also contribute to or support the spot-checks.

***Partners' understanding of HACT:*** The office trained its staff and partners in the management of cash transfers from UNICEF. However, none of the partners that the audit met (two NGOS and three sectoral Government partners) demonstrated a good understanding of HACT. Even though they received copies of their micro-assessment and spot-check reports, they were not aware of their risk rating and did not understand the rationale for the different assessments to which they were being subjected.

***Follow-up on assurance activities:*** The office had a process in place to track the implementation of recommendations from micro-assessments, spot checks and scheduled audits. For spot checks, the quality assurance team prepared a summary of the findings of the Government partners' spot-checks reports with specific recommendations, and transmitted them to higher level authorities (Presidency, Budget Ministry and sectoral ministries). The findings of the NGO spot checks were discussed directly with the partners concerned.

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Partners that had been micro-assessed and audited were required to prepare action plans to address the assessments' recommendations. The Quality Assurance team maintained an Excel sheet to track progress with these actions. However, no recommendations had been closed on the tracking spreadsheet so far, even if there was evidence that the required action had been taken. The office had yet to clarify the steps required for the closure of the observations from scheduled audits, including feedback to the partners.

**Agreed action 12 (high priority):** The office agrees to strengthen its application of HACT in line with UNICEF's HACT procedure, including actions to:

  i.    Apply consistently the standard frequencies it has established for assurance activities, and document the justification for any deviations.
  ii.   Use the planned cash transfer for the year as a basis for determining the need for micro-assessments and other assurance activities, in line with established HACT criteria.
  iii.  Regularly monitor the status of implementation of the assurance activities plan.
  iv.   Hold discussions with the Government (Central Unit of Coordination, Government inspections, Supreme Audit Institution), preferably in coordination with the UN country team, on ways forward regarding the audit of Government partners that receive more than US$ 500,000 within the country programme cycle.
  v.    Conduct scheduled audits only for implementing partners that reach the threshold the office has set.
  vi.   Expand the pool of staff qualified to conduct spot checks by including staff without a finance background but who are properly trained and supervised.
  vii.  Analyze the reasons the HACT training of the partners did not achieve the expected results and take action to address the causes identified.
  viii. Establish a process for the review of the partners' response management and closure of the recommendations of the assessments.

Responsible staff members: Representative and Finance Specialist
Date by which action will be taken: December 2016


## Field monitoring

UNICEF country offices should have mechanisms, guidance and standards for on-site monitoring of programme implementation, and for systematic follow-up on the recommendations arising from trip reports. This should ensure efficient and effective use of resources (cash and supply), detect implementation issues and allow timely application of corrective measures.

The field-monitoring visits were planned at programme section and zone office levels. Plans generally covered one month, though one section prepared quarterly travel plans with monthly updates. The travel plans were shared with Operations for logistics planning purposes.

The audit noted the following.

***Standard procedures:*** The office had no standard operating procedures (SOPs) for field monitoring of programme implementation, with defined standard forms for trip planning and reporting. The office said that it used the overall corporate guidance. There was also no standard mechanism for monitoring implementation of recommendations/action points from

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trip reports; some sections had a procedure to track the status of field trip recommendations while others stated these were discussed in the section meetings.

***Quality of trip reports:*** The audit reviewed six recent reports from field-monitoring trips, related to the Health and Education programmes – among the most significant programme components. It noted the following.

- Various reporting trip reports formats were used, with different levels of detail, but none provided for the review of the inputs provided (cash and supply). Four of the six reports did not comment on the use of these inputs.
- The monitoring objectives were not systematically formulated in terms of expected results, and the progress noted was not assessed against expected achievements.
- In some instances (three reports out of six), recommendations were not specific, being formulated in broad terms or omitting responsible staff and timeline.
- Supervisors signed the trip report but in four out of the six cases, they did not comment on the content/follow-up of the report.
- Three of the six trips reviewed were not in the relevant section's travel plan.

**Agreed action 13 (medium priority):** The office agrees to:

i.   Implement a standard operating procedure for field monitoring of programme implementation, with defined standard forms for trip planning and reporting,
ii.  Implement process for monitoring the status of implementation of recommendations from field visits.
iii. Include, in all field-monitoring reports, the expected results of the field visits and an indication as to whether the expected results were achieved or not, and a review of the use of inputs provided (cash and supply).
iv.  Ensure supervisors discharge their responsibility for quality assurance oversight when reviewing trip reports, seeing that recommendations are specific and are assigned responsible staff and timeline.
v.   Ensure that the results of field visits are fed on a timely basis into management decision-making.

Responsible staff members: Representative, Chief Planning, Monitoring & Evaluation
Date by which action will be taken: March 2017


## Programme review

Offices are expected to hold at least one annual programme review jointly with key counterparts. This review assesses progress towards planned programme results, identifies constraints, challenges and opportunities, and decides on corrective measures for the following workplans. It also takes stock of new information on the situation of children and women, and assesses any resulting implications for the country programme.

At the end of 2015, each zone office and each programme section had conducted an in-depth annual programme review with their respective partners. The inputs from these reviews were consolidated and then presented and discussed in an overall programme review under the leadership of the Central Coordination Unit (CCU).

However, the audit looked at a sample of programme reviews and noted that the sectoral programme review either included recommendations that were not specific (e.g. the Health

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programme) or did not include any recommendation (for the Education programme). Furthermore, recommendations of the consolidated programme review were broad and difficult to incorporate into subsequent workplans. In discussions with the audit team, the CCU agreed that this was a missed opportunity for them to use specific recommendations as criteria for subsequent workplans.

**Agreed action 14 (medium priority):** The office agrees to ensure that annual programme reviews with Government counterparts and other implementing partners result in specific recommendations that are taken into consideration in subsequent workplans.

Responsible staff members: Chief Planning, Monitoring & Evaluation
Date by which action will be taken: December 2016

## Evaluations and studies

An office should evaluate all major programme components at least once during a programme cycle, and should also carry out any surveys and studies that are needed to monitor the progress of the current programme and inform the one that follows. As part of this process, UNICEF offices prepare integrated monitoring and evaluation plans (IMEPs). The office prepared annual IMEPs for 2014 and 2015, as well as an overall IMEP for the 2013-2017 country programme. In addition, in 2015 the office prepared an IMEP dedicated to the Ebola emergency.

The five-year IMEP included evaluations for the whole duration of the country programme, but they were updated in the annual IMEPs. These evaluations covered specific activities and/or projects. They did not include programme component evaluations, although no reason was given for this. An evaluation at the programme component level is important in the context of Guinea. As an example, the evaluation of the Health programme would help understand why past investments in health systems did not result in greater capacity of the country to address the Ebola emergency, and what could be done differently to reduce vulnerability to another major disease outbreak in the future – especially important given that the audit was informed that previous experience suggests that there is a 50 percent chance of another outbreak of Ebola in the same countries within the next two years.

Eight evaluations were planned for 2014-2015, of which only two were in fact evaluations; the rest were studies and reviews, according to feedback received from HQ. There had not been enough consultation between M&E and programme sections to correctly classify the type of IMEP activities. The office had shared its 2015 IMEP with the regional office and asked for support in its implementation, but not for feedback on the quality of the IMEP itself.

The 2015 IMEP included 11 studies, four surveys and four evaluations. Out of 11 studies, five were completed, three were postponed and three were not yet finalized by the end of the year. The latter included the SitAn (see observation *Situation analysis*, p22 above). Of the four planned surveys, only one was completed, one was cancelled, one was postponed and one was not finalized by the end of the year. According to the office, studies and evaluations were hampered by the Level 3 emergency, because of temporary suspension of consultancy contracts and the unattractiveness of Guinea as a duty station during the Ebola epidemic.

A CMT meeting held on 13 May 2015 recommended cancellation or postponement of the activities that could not be completed in the year. However, the minutes did not record any discussion on the causes of non-implementation, and there was no follow-up on this

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recommendation during the next CMT meeting. The 2015 mid-year management review also noted that the rate of implementation of the IMEP was low, but still without any recorded discussion on the root causes.

The office practice was that the M&E unit drafted the annual IMEP by collecting planned IMEP activities from the five-year IMEP and the agreed workplans, and by including the ongoing and postponed activities. The draft annual IMEP was then shared with the programme sections for review. The IMEP was then finalized and annexed to the AMP. This is an inversion of roles, as under the standard UNICEF approach IMEP activities should be proposed by programme sections, with M&E providing guidance and quality assurance. Moreover, under the current practice of the office, the IMEP review process was not integrated into the planning and quality assurance of workplans.

The 2015 AMP provided for the establishment of a task force to monitor and support the implementation of the IMEP, but this task force had not been created. Instead, according to the office, there was direct consultation between M&E and programme sections on progress on a quarterly basis. This did not, however, provide an adequate basis for review and management of the IMEP. Overall, the audit noted a lack of a robust and structured system for preparation and regular review of the IMEP, to ensure that it was focused on the most important activities, that those planned would be completed, and that the results would feed into future programme planning and management.

The Government's Central Unit of Coordination and two government sectoral partners (Ministries of Education and Health) were not involved in the preparation of the IMEP or even aware of it. The audit team also noted that the office's 2015 Annual Report said it had recruited dedicated Information Management officers who helped national authorities to develop and set up national databases on schools, orphans, and mapping of WASH coverage. This support was not included in the IMEP.

**Agreed action 15 (high priority):**  The office agrees to:

   i.   Ensure that activities for the Integrated Monitoring and Evaluation Plan (IMEP) are proposed by programme sections, that guidance and quality assurance are provided by the Monitoring and Evaluation unit, and that proposed annual IMEP activities are included in work planning, including involvement of implementing partners.
   ii.  Ensure that there is adequate vetting process to ensure that what is planned can be realistically achieved with the available resources.
   iii. Establish a system for monitoring the implementation of the planned IMEP activities to ensure a satisfactory implementation rate.
   iv.  Include the evaluation of key programme components in the IMEP.
   v.   Ensure that the results of evaluations, studies and reviews inform future programme planning and management.

Responsible staff members: Representative and Chief Planning, Monitoring & Evaluation
Date by which action will be taken: January 2017

# 4     Operations support

In this area the audit reviewed the country office's support processes and whether they are in accordance with UNICEF Rules and Regulations and with policies and procedures. The scope of the audit in this area included the following:

- **Financial management**. This covers budgeting, accounting, bank reconciliations and financial reporting.
- **Procurement and contracting.** This includes the full procurement and supply cycle, including bidding and selection processes, contracting, transport and delivery, warehousing, consultants, contractors and payment.
- **Asset management**. This area covers maintenance, recording and use of property, plant and equipment (PPE). This includes large items such as premises and cars, but also smaller but desirable items such as laptops; and covers identification, security, control, maintenance and disposal.
- **Human-resources management.** This includes recruitment, training and staff entitlements and performance evaluation (but not the actual staffing structure, which is considered under the Governance area).
- **Inventory management.** This includes consumables, including programme supplies, and the way they are warehoused and distributed.
- **Information and communication technology (ICT)**. This includes provision of facilities and support, appropriate access and use, security of data and physical equipment, continued availability of systems, and cost-effective delivery of services.

The audit review noted the following.

## Financial controls
The audit reviewed the office's financial controls and noted the following.

*Bank optimization:* End-of-month balances in local bank accounts should not exceed the equivalent of two weeks' disbursements. This is to ensure that UNICEF centrally is able to best use the organization's resources.

The office stated that it held a monthly cash forecast review. The Finance Section was in charge of consolidating the information provided by the programme sections and preparing cash forecasts. However, the audit team's analysis of disbursements against the amounts held in the office's bank accounts for the period between February 2015 and January 2016 showed that in eight out of 12 periods, the end-of-month balances in the banks exceeded the limit established of two weeks' disbursement (by up to 13 times in one period).

*Goods receipt/invoice receipt (GR/IR) account:* When goods/services are received and recorded in VISION, a liability is systematically accrued in this account for the value of the quantity received based on the unit cost in the purchase order. This amount is cleared on posting of the invoice, provided that the quantity and value correspond to what was received. In some instances, the two entries may not be equal and hence a manual clearance is required.

At the time of audit (February 2016), the GR/IR account had open items amounting US$ 113,000, of which US$ 50,716 had been outstanding over 120 days. These unreconciled

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items carried the risk that funds could have been disbursed by the office for goods or services not received (although the audit did not find any evidence that this had actually occurred).

**Agreed action 16 (medium priority):** The office agrees to:

   i.   Strengthen its bank optimization process to ensure that end-of-month bank balances are maintained within the limits set by the organization.
   ii.  Clear long-outstanding open items such as goods receipt/invoice receipt in a timely manner.

Responsible staff members: Accounting and Finance Officer
Date by which action will be taken: Monthly activity to be done continously

## Direct cash transfers (DCTs)

During 2015, DCTs as recorded in VISION amounted to US$ 38.6 million, of which government partners accounted for US$ 18 million. The audit reviewed 15 cash transfer transactions, eight to Government partners and seven to NGOs. The total value of transactions reviewed was US$ 3.8 million.

The audit team found that cash transfers to partners were not processed and released on time. The sample reviewed showed that in six of the 15 disbursements, there were delays that ranged from 11 to 175 days from the time of receipt of the request to the effective release of funds. The audit also noted that in seven out of the 15 cases, there were delays in processing the liquidations counted from the receipt of documentation from partners to the liquidation posting date. The delays ranged from 16 to 113 days.

In eight out of 15 cases, the link between the funds disbursed and the signed workplans could not be established, as the FACE form[28] submitted did not refer to the activities recorded in the approved workplans, but instead only to budget items. For the five reimbursement transactions reviewed, amounting to US$ 1.12 million, the partner did not obtain the approval of the office on the total budget and breakdown before starting the activities for which funds were being released.

Some DCTs had been paid although the FACE forms had incomplete or missing information. The information omitted included description of activities against workplans, clear indication of their duration, certification and partner's name. This underlined the need for more effective training of both office staff and partners on HACT (see observation *Harmonized Approach to Cash Transfers*, p29 above). The audit also noted that, in 10 of the 15 items reviewed, it was not possible to verify that the signatories of the FACE forms were authorized representatives of the partner. The office did not maintain a list of implementing partners authorized to sign FACE forms together with their specimen signatures.

**Agreed action 17 (medium priority):** The office agrees to:

   i.   Establish standards to ensure that cash transfers to implementing partners are processed and liquidated promptly, and that activities funded through

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[28] The Funding Authorization Certificate of Expenditure (FACE) form is used by the partner to request and liquidate cash transfers. It is also used by UNICEF to process the requests for and liquidation of cash transfers. The FACE forms should reflect the workplans, which set out the activities for which funds are being requested, or on which they have been spent.

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        reimbursement are authorized before implementation.

ii.    Ensure that activities recorded in FACE requests are clearly linked to signed workplans or programme cooperation agreements/small-scale funding agreements.

iii.    Maintain a list of implementing partners authorized to sign FACE forms together with their specimen signatures.

iv.    Further train staff and partners on how to use FACE forms.

Responsible staff members: Deputy Representative and Chief Planning, Monitoring & Evaluation
Date by which action will be taken: December 2016

## Vendor master records

Duplication of vendor master records could provide erroneous information related to disbursements and liquidations of a vendor's account, and increase the risk of incorrect payments. In some cases, duplication of vendor master records could allow implementing partners to receive cash disbursements despite having advances outstanding for more than six months.

According to information retrieved from VISION, the office had created 1,453 vendor records. A review of the vendor master data showed that at least 77 vendor records were duplicated. These duplicated master records were created either during the migration of data to VISION from UNICEF's legacy system, ProMS, in November 2011, or through creation of new master records for the same vendor without verification if it already existed in the database. There was no review process to ensure that duplicate entries were prevented and the office had not conducted a review of the vendor master to ensure the integrity of its vendor records.

**Agreed action 18 (medium priority):** The office has agreed to:

i.    Establish regular monitoring of vendor master records in VISION in order to detect duplications and block them in order to avoid their use.

ii.    Strengthen controls over the recording of vendors in the system to avoid recording the same vendors under multiple master records.

Responsible staff members: Chief of Operations
Date by which action will be taken: December 2016

## Contract Review Committee

Offices are required to have a Contract Review Committee (CRC) to review contracts worth more than a certain limit. The office had set this at US$ 50,000.

In three instances, however, contracts were submitted to the CRC *post-facto*, and there was no evidence that this had been reported to the regional office as is specified by UNICEF procedures in such cases. One case concerned a Long-Term Arrangement (LTA) approved *post-facto* for the amount of US$ 295,500, while in another case, an order amounting to US$ 115,000 was placed before the CRC recommended it. Also, in one case an LTA worth US$ 500,000 that had been recommended by the CRC was subsequently amended so that its value exceeded the original contract amount by US$ 1.3 million; despite this, it was not resubmitted to the CRC. The placement of orders exceeding the original approved contract value of an LTA

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with the supplier could mean value for money was not achieved, as the LTA conditions agreed might no longer be valid.

**Agreed action 19 (medium priority):** The office agrees to ensure that all contracts exceeding the established threshold are reviewed by the Contract Review Committee (CRC) before award, and that *post-facto* CRC submissions are reported to the regional office as per existing procedure; and to ensure that amendments to Long Term Arrangements (LTA) exceeding the original recommended contract amounts are submitted to, and approved by, the CRC prior to placement of further purchase orders.

Staff responsible for taking action: Supply Specialist
Date by which action will be taken: December 2016


## Supply management

Programme supplies expenditure in 2015 amounted to US$ 26.6 million, of which US$ 5.2 million were procured locally. The audit reviewed the supply and logistics processes as well as a sample of 10 contracts, and noted the following.

*Supply planning:* Early forecasting of commodity requirements will ensure timely deliveries and cost-effective, efficient procurement. Supply planning is an essential part of the workplans. The consolidated supply requisition list for all workplans forms the basis for a country office's supply plan.

At the time of the audit (March 2016), the supply plan for 2016 was still under development. However, the audit reviewed the supply planning process in 2015 and noted that from the total amount of programme supplies expenditure, only US$ 4.7 million had been included in the supply plan prepared during the first quarter of the year. The office explained that most of programme supplies and services were procured outside the supply plan because of the dynamic of the Ebola response, with short-term grants and tight deadlines for the deliveries that did not allow advance planning. The audit team's review showed that 20 purchase orders amounting to just over US$ 373,000 were placed on the same date as the expiry date of the grant used. These purchases could not be traced to the supply plan and it could not be established if they were planned for.

*Distribution planning:* The UNICEF supply manual states that planning for supply distribution to the implementing partners (or to the beneficiaries) should be closely coordinated with the relevant programmes to reflect the programmatic implementation strategy. Thus a well-formulated implementation strategy should include a supply distribution plan. The audit team noted that the office had undistributed supplies held in the warehouse amounting to US$ 4.6 million of which US$ 789,000-worth had been stored for more than six months. A sample review of purchase orders showed that in only two out of nine cases were distribution plans attached. The office said this was due to the fact that no comprehensive distribution plans were prepared during the Level 3 emergency response. At the time of the audit the office was preparing a distribution plan, as the Level 3 emergency procedures had been discontinued since January 2016.

*Supply end-user monitoring:* Country offices continue to be accountable for ensuring the quality of the results achieved through the provision of supplies even where their control has been transferred to an implementing partner. Programme and operations staff should systematically track and monitor the delivery and end-use of supplies. However, the audit

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team noted that, in the nine cases reviewed, no systematic end-user monitoring process for programme supplies had been established. This could have provided feedback on the effectiveness of supplies delivered.

The office explained that because of the resources required to deal with the emergency, mobilizing staff for end-user monitoring was a challenge. According to the office, one of its mitigation strategies, which had been implemented since mid-2015, was to occasionally send warehouse staff with the trucks for large-scale distributions – such as the "Go to school" campaign, and delivery of equipment and supplies for 41 laboratories. (See also observation *Field monitoring*, p31 above.)

***Close-out and evaluation:*** In nine out of 10 purchase orders reviewed, the supplies were handed over to the implementing partners but the purchase orders in VISION remained open. This meant that any residual budget left in these purchase orders was blocked and could not be used for other activities. It was also noted that no evaluation report had been prepared regarding the 10 purchase orders reviewed, even though all the goods/services had been delivered and last payments made.

***Warehouse management:*** The purpose of the monitoring of inventory movements is to ensure that supplies are not stored unnecessarily and that delays in distribution of goods are avoided. The total value of goods stored in UNICEF-managed warehouses was US$ 4.6 million, of which US$ 789,000 had been stored for more than six months. Supplies held included US$ 1.2 million-worth for which the grants had expired.

The office explained that the supplies stored for longer periods mainly related to equipment and materials procured for the construction of 15 Ebola Community Care Centres, of which only seven were built—the seventh had been destroyed by the community during its construction, after which it was decided by the Ebola National Coordination body not to continue with the construction of these temporary structures but to build permanent Epidemiologic Treatment Centres instead. Regarding the items with expired grants amounting to US$ 1.2 million, the office said that they had not been distributed because of competing priorities related to the emergency response.

VISION indicated transportation equipment stored in the warehouse as programme supplies; this included two vehicles purchased in March 2015 and 16 motorcycles purchased in October 2015. The vehicles were in use, but the office provided no information regarding the status of the motorcycles.

The audit team visited the warehouse in Conakry and noted that the management of inventory was satisfactory, with bin cards that showed stock movements and supporting documentation available for the release orders issued by the supply section. However, storage conditions for micronutrients and therapeutic food were not optimal; they were supposed to be stored in cool temperatures, but were in a warehouse without air-conditioning and with poor roof insulation.

**Agreed action 20 (medium priority):** The office agrees to:

i.    Include in the supply plans all the procurement activities for the year, as projected by all the programme sections.
ii.   Issue distribution plans with the purchase orders to expedite delivery – which, where possible, should be before grant expiry.

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iii.    Prepare a plan to distribute the non-prepositioned supply items stored in the warehouses for long periods.

iv.    Prepare suppliers' evaluation reports upon the delivery of supplies.

v.    Close purchase orders and contracts in a timely manner after all goods are received and the final invoice paid, in order to allow residual amounts to be re-allocated to the original budget for further utilization.

vi.    Explore additional options for the storage of supplies that are weather/temperature sensitive and such supplies are stored in appropriate storage facilities.

Responsible staff members: Supply Specialist and Supply Officer
Date by which action will be taken: March 2017


## Property, plant and equipment (PPE)

Offices should establish systems and controls to ensure that all their assets are accurately identified and recorded, that the inventory database is independently checked against physical inventory and reconciled, and that there are defined procedures for the identification and disposal of PPE.

According to VISION as of 22 February 2016, the office had recorded a total number of 962 PPE items with an assigned original value of US$ 72.9 million. However, the validity, accuracy and completeness of this record could not be established. There was a mix of local currency and US$ for the values of the PPE items, which resulted in a significant misstatement of the assets' value. As an example, two items were valued in PPE at US$ 26 million and US$ 33 million, but these amounts corresponded in fact to the local currency (Guinean Franc) and the correct value in US$ would have been US$ 3,446.22 and US$ 4,551.72 respectively.

In addition, there were 296 items to which no inventory numbers were assigned; in 20 instances the same inventory number was assigned to two different items; and 350 PPE items were distributed among 11 sites without a clear indication of room or location that could enable identification during a physical count. Moreover 62 items amounting to US$ 85,600 that were supposed to have been disposed of were still included in the PPE inventory in VISION. In general, the value of PPE was significantly misstated.

The office had conducted a physical inventory in December 2015 as part of year-end closure, but the reconciliation process was still ongoing as of the completion of the audit. The office had brought in external support from another country office to help in the clean-up and update of the asset master records.

**Agreed action 21 (high priority):** The office agrees to strengthen its controls over the management of property, plant and equipment in order to ensure that the asset master data in VISION is accurate and complete, that there is timely reconciliation of database and physical counts, and that items to be disposed of are submitted promptly to the Property Survey Board.

Responsible staff members: Administrative Officer
Date by which action will be taken: December 2016


## Management of travel

The office's travel expenditure during 2015 amounted to US$ 2.4 million. The office said that during the Ebola Level 3 emergency period, travel plans were no longer developed on annual

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basis and that at the time of the audit (February/March 2016), a new 2016 travel plan was under preparation. This was to be presented to the CMT for approval and inclusion in the 2016 AMP.

According to VISION, as of February 2016 there were 48 open travel authorizations (TAs) in VISION that had remained uncertified more than 15 days after their completion. The delays in the closure of the TA ranged from 16 to 68 days. It was noted that in six out of 48 instances the same traveller had more than one open TA, and in one case there were four open TAs for the same traveller (although TAs are supposed to be closed before the staff member can travel again).

The office stated that, in most cases, closure of travel was not possible due to amendments in the trip and related financial claims that supervisors had not yet formally approved. However, there was no documented follow-up to address the significant number of trips that had not been certified and closed.

**Agreed action 22 (medium priority):** The office agrees to undertake regular reviews of open travel authorizations and establish effective mechanisms to ensure their timely certification and closure.

Responsible staff members: Administrative Officer
Date by which action will be taken: December 2016


## Vehicles and fuel management

The total number of vehicles managed by the office was 53, of which 42 vehicles were used for staff transportation and 11 were given on loan to partners. The running costs of the 42 vehicles amounted to US$ 1.6 million in 2015, including repairs and maintenance (US$ 91,200), insurance (US$ 290,000) and fuel (US$ 1 million).

In 2015 the office also spent US$ 239,000 to rent further vehicles for the transportation of staff during the L3 emergency. The office raised 114 local corporate contracts and seven low-value purchase orders with three different rental suppliers. According to the rental agreements, the vehicles were used to support staff members in the monitoring, evaluation and supervision of activities during the Ebola emergency. In some instances, vehicles were rented for the transportation of small materials such as medicines between UNICEF offices. The office had informed staff members of the discontinuation of vehicle rental starting from November 2015.

At the time of the audit (February 2016) the office had 27 drivers, of which 11 were recruited on temporary appointment. Out of the 27 drivers, 16 were assigned to the main office in Conakry and 11 to the zone offices in Kankan and Nzérékoré.

For its fuel needs, the office had signed a long term agreement (LTA) with the supplier TOTAL. According to this agreement, office drivers had been provided, since 2015, with magnetic cards that allowed them to refill fuel from TOTAL gas stations without disbursing cash. The audit noted that the cards were not assigned to specific vehicles and that there were 35 cards to be shared among 42 vehicles. The office could not therefore monitor consumption per vehicle, and misuse of the fuel cards could not be easily detected.

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The office stated that a new procedure had been introduced since November 2015 that required the user to submit a request for use of a fuel card during a field trip. The request was approved by the administration unit, and upon return from the trip a reconciliation of the fuel use was carried out by this unit. The reconciliation was based on the information retrieved online from TOTAL; this was reconciled with the receipt provided by the driver.

The audit's review of the records provided, together with analysis of the workflow, identified weaknesses in this system. For example, one magnetic card could be used for several vehicles. Thus the verification of fuel used was based on the consumption by card and not per vehicle. Also, there was inadequate segregation of duties in the process of reconciliation, as the requests were approved, and the final reconciliation carried out, by the administrative unit. Further, in two documents, the same staff member prepared the request and performed the reconciliation.

The office had a fuel contingency stock that was managed by the logistics section, with its use controlled by the administrative unit. Since January 2016, the office's vehicles had started to consume this stock, which had been purchased during the Level 3 emergency. However, there was no reconciliation process to ensure that the amounts used matched the amounts authorized.

**Agreed action 23 (medium priority):**  The office agrees to:

i.   Assess the current need for vehicles and drivers in each office and optimize the size of the fleet and allocation of resources, in order to enhance cost-effectiveness of vehicle management.
ii.  Establish regular monitoring and effective mechanism of control over fuel consumption, so as to ensure an accurate reconciliation between the fuel purchases and consumption and between the office and the supplier.
iii. Ensure that segregation of duties is adequate throughout the process of approval and reconciliation of fuel consumption.
iv.  Establish a procedure, with adequate segregation of duties, for reconciliation of amounts used and amounts authorized from the fuel contingency stock.

Responsible staff members: Chief of Operations
Date by which action will be taken: December 2016


## Business continuity plan

Country offices should maintain an up-to-date business continuity plan (BCP) and ICT disaster recovery plan, and train staff accordingly. They should also conduct testing to ensure that the office can continue critical activities in the event of an emergency or disaster which may make the normal office facilities unavailable.

The last BCP document had been approved on 28 August 2015 and the last drill/simulation testing of the BCP had been on 14 May 2015. However, the office was unable to show the audit team how the results and lessons learned from the testing conducted in May 2015 were used to improve the BCP. Moreover, the BCP included a contingency plan that covered only the main office in Conakry and not the zone offices.

**Agreed action 24 (medium priority):** The office agrees to review and update its Business Continuity Plan so that it includes the following:

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    i.     Improvements resulting from the results of simulation exercises.

   ii.     Mitigation measures for zone offices outside Conakry.

Responsible staff member: Chief of Operations and Information Communications Technology Specialist
Date by which action will be taken: March 2017

## Security management

Country offices, including zone offices, are expected to establish controls to mitigate security risks, and implement measures to ensure safety and security of staff. These controls should comply with the Minimum Operating Security Standards (MOSS) and Minimum Operating Residential Security Standards (MORSS) applicable to the duty stations.

The office provided copies of the self-assessments carried out during 2015 for the premises located in Conakry, Kankan and Nzérékoré, which had not been reviewed by the UN Department of Safety and Security. The office also provided eight Residential Security Survey Reports of international staff members' residences; there were 27 international staff at the time of the audit.

A review of the information shared by the office could not establish the level of compliance with MOSS of the assessed premises, and there was no assurance that all international staff residences were MORSS compliant. There was also no evidence that the security of the warehouses managed by the office had been assessed.

**Agreed action 25 (medium priority):**  The office agrees to ensure that:

    i.     MOSS assessments are performed and documented for all office premises.

   ii.     All residences of international staff are MORSS compliant.

Responsible staff members: Chief of Operations and Human Resources Specialist
Date by which action will be taken: March 2017

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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, and 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 auditees 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 draft report 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 auditee's (for example, a regional office or HQ 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 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.

## Conclusions

The conclusions presented in the summary fall into four categories:

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*[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.