

Internal Audit of the Syria Country Office

December 2019

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and Investigations



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Summary

The Office of Internal Audit and Investigations (OIAI) has conducted an audit of the Syria Country Office. The objective of the audit was to provide reasonable assurance that there were adequate and effective governance, risk management and internal control processes over key activities of the office. The audit team visited the office from 11 June to 2 July 2019, and the audit covered the period from January 2018 to June 2019.

The UNICEF country programme

Syria has been affected by humanitarian crises for more than eight years. According to the 2018 Humanitarian Response Plan (HRP),¹ over half of the country's population have fled their homes, 5.5 million people have sought refuge in the region and beyond, and 6.1 million people are internally displaced. There are still 13.1 million people out of a total population of 18.3 million, including 5.3 million children, in need of humanitarian assistance. Approximately 5.6 million people face acute (i.e. life-threatening) humanitarian needs.

In January 2013 Syria was declared a Level 3 emergency.² In June 2019, therefore, the Executive Director extended the Level 3 response for Syria until 31 December 2019. UNICEF's work in Syria has largely been emergency-related. The UNICEF programme aims to ensure timely humanitarian assistance reaches the most deprived and vulnerable children and women, and strengthen communities' capacity to respond to crises and humanitarian needs. The 2016-2017 country programme has been extended twice and remains valid through 2019. It complements the international community's Humanitarian Response Plan (HRP). The country programme has six main components: *Health and nutrition*; *Water, sanitation and hygiene (WASH)*; *Education*; *Adolescent development and participation*; *Child protection*; and *Social inclusion*. There is also a cross-sectoral component that covers areas common to the whole programme, such as financial and human resources management, planning, monitoring and evaluation.

The budget approved by UNICEF's Executive Board for the period 2016-2017 was US\$ 72.8 million, including US\$ 70 million that needs to be raised by the country office. The office also sought to raise US\$ 316.7 million and US\$ 349.6 million in emergency funding for 2016 and 2017 through the HAC³ appeals process. For 2018, the amount sought was US\$ 335.3 million. The HAC appeal for 2019 was US\$ 319.8 million.

¹ An HRP is required for any emergency involving more than one UN agency. It is put together under the auspices of the UN Office for the Coordination of Humanitarian Affairs (OCHA). The 2018 HRP, which can be found at <https://reliefweb.int/report/syrian-arab-republic/2018-syrian-arab-republic-humanitarian-response-plan-january-december>.

² UNICEF defines an emergency as a situation that threatens the lives and well-being of a population. There are three levels of emergency response: Level 1 – 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.

³ HAC stands for Humanitarian Action for Children. A HAC is an appeal that UNICEF launches for assistance for a crisis or emergency response, and will state how much UNICEF thinks it needs to raise for a given situation. The appeals page is at <https://www.unicef.org/appeals/>; the page for Syria can be found at <https://www.unicef.org/appeals/syria.html>.

UNICEF's country office is in Damascus; there are also five zone offices, in Aleppo, Damascus, Homs, Tartous and Qamishli. In addition, there are hubs in Amman (Jordan) and Gaziantep (Turkey) supporting the Syria response through cross-border programming; these two hubs are administered by UNICEF's Middle East and North Africa Regional Office (MENARO). However, the Damascus country office is responsible for coordinated planning and reporting to donors, including the activities run from the hubs. As of June 2019, the country office had 195 posts.

Results of the audit, and action agreed

The audit noted several controls that worked well. For example, the office had a comprehensive approach to contingency and emergency preparedness planning, and lessons learned from one response (e.g. East Ghouta) were applied in subsequent activities. Controls over contracts for services were generally in place and functioning well. From 1 January 2018 to 31 May 2019, the office issued 316 contracts for services amounting to US\$ 32 million. The office was viewed as a good partner by the Government, donors and implementing partners.

However, the audit identified a number of areas where risks to UNICEF's activities could be better managed. The office took a long time – at least three months and up to nine months – to finalize the programme documents (PDs) on which the partnerships were based. These delays had interrupted service delivery. Partnership is difficult in Syria as the number of potential NGO partners is limited, and there are official constraints as to who the office can work with.

The quality of spot checks and programmatic visits, which were carried out by either UNICEF staff or third-party contractors, was inadequate. Recommendations arising from these activities did not always adequately address the findings.

Programme supplies represented the most critical programme input for UNICEF in Syria, with approximately US\$ 65.2 million worth of them procured from 1 January 2018 to 31 May 2019. However, some programme supplies were delivered late. The office also had US\$ 4 million of supplies that were related to expired grants.

Results statements in sampled donor reports and the office's annual report were based solely on implementing partners' reports and were not independently validated.

Following discussion with the office, the audit team has recommended a number of measures to address the risks identified. Four addressed to the country office are regarded as high priority – that is, requiring immediate management attention. These are as follows:

- Finalize a strategy to strengthen partnerships with NGOs, and reduce the time it takes to develop PDs with NGO partners. Avoid gaps between implementation of PDs and, where appropriate, expand their results frameworks to assist assessment of work.
- Strengthen quality assurance over reporting of results; review implementing partners' information management systems; and train partners on information management to ensure accurate and reliable reporting on results.
- Support the field-monitoring capacity of zone offices, develop a plan to improve the quality of spot checks and programmatic visits, and regularly monitor the quality of assurance activities.

- Strengthen quality assurance monitoring controls to increase the timeliness of delivery of programme supplies.

Conclusion

Based on the audit work performed, OIAI concluded at the end of the audit that, subject to implementation of the agreed actions described, the country office's governance, risk management and internal controls were generally established and functioning during the period under audit. The Syria Country Office, MENARO, the Public Partnership Division, the Evaluation Office and OIAI intend to work together to monitor implementation of the measures that have been agreed.

Contents

Summary	2
Audit objectives	6
Audit observations	6
Coordination of cross-border humanitarian assistance	6
Priority-setting and performance management	9
Staff safety and security	11
Knowledge of the situation of children and women	13
Results structure	15
The new country programme	16
Fundraising	17
Capacity building	18
Partnership management	19
Prevention of sexual exploitation and abuse	22
Accountability to affected population	23
Results achievement and reporting	24
Evaluation	26
Field offices	28
Human resources	29
Programme assurance	30
Supply and logistics	32
Direct cash transfers to implementing partners	34
Annex A: Methodology, and definition of priorities and conclusions	35

Audit objectives and scope

The objective of a country office audit is to provide reasonable assurance that there is adequate and effective governance, risk management and control processes. These should ensure: achievement of the office's objectives related to reliability and integrity of financial and operational reporting; effectiveness; efficiency of operations and economic acquisition of resources; safeguarding of assets; and compliance with relevant policies and contractual arrangements.

This audit reviewed UNICEF-wide governance over, and accountability for, the Whole of Syria response – including both the Syria Country Office, and the Middle East and North Africa Regional Office (MENARO), which is responsible for the outposts in Gaziantep and Amman. The audit also reviewed coordination of programme planning, implementation, monitoring and reporting between the Syria country office and the Gaziantep and Amman hubs. However, the audit did not review the implementation and monitoring of cross-border operations carried out by the Gaziantep and Amman hubs. This was because MENARO, which manages them, was audited by the UN Board of Auditors in December 2018; the audit therefore relied on their work. In 2020, in light of its annual risk assessment, OIAI will consider auditing remote programming carried out inside Syria by the Gaziantep and Amman hubs.

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

Audit observations

Coordination of cross-border humanitarian assistance

UNICEF has been providing its emergency response inside Syria from three separate locations – the UNICEF Syria Country Office inside Syria, and two hubs run by UNICEF's Middle East and North Africa Regional Office (MENARO), in Amman, Jordan for southern Syria, and Gaziantep (Turkey) for northern Syria.⁴ These hubs have allowed UNICEF to provide cross-border assistance to areas that could not be accessed from within Syria. In July 2018, the Government of Syria gained full control of its border across its southern territory, and the Amman hub ceased its cross-border operation. However, the Gaziantep hub remains active in cross-border operations.

UNICEF's Regional Director is the global emergency coordinator responsible for UNICEF's Whole of Syria (WoS) response in UNICEF. At the UN interagency level, there is a Strategic Steering Group that is responsible for coordinating the WoS humanitarian response; it is accountable to the Emergency Relief Coordinator, who reports to the Secretary General. There is also a WoS Inter-Sector/Cluster Coordination (ISCC) Group; this coordinates the different clusters in which the agencies and other actors work together on different aspects of the humanitarian response (for example, Health or Nutrition). This group is chaired by the Syria office of the UN's Office for the Coordination of Humanitarian Affairs (OCHA).

The audit focused on UNICEF's coordination of its own WoS response between the Syria country office

⁴ The cross-border operations are in accordance with UN Security Council Resolutions 2165 and 2191.

and the Amman and Gaziantep hubs. It did not review the UN-wide WoS management structures and inter-agency coordination, as these are the responsibilities of the UN and not UNICEF's Syria Country Office or MENARO.

The audit noted the following.

Responsibilities: The Syria Country Office and the two MENARO hubs should have clearly defined responsibilities. The audit found that accountability for results was well defined during the period covered by the audit. The MENARO outcome and outputs related to WoS Amman and Gaziantep hubs were included in the regional annual workplan, while the outcomes and outputs for the country office were included in its own annual workplans. The office and MENARO were responsible for reporting achievement against their respective outcomes and outputs in the UNICEF Results Assessment Module (RAM).⁵

In March 2017, MENARO issued a standard operating procedure (SOP) to define processes and responsibilities for the management of cross-border humanitarian assistance by the Amman and Gaziantep hubs. Where relevant, the processes and responsibilities related to the Syria office were also defined. Due to the sensitivities of cross-border programming in Syria, those designated as accountable in the SOP were asked to observe strict confidentiality regarding partnerships information related to the UNICEF cross-border operations.

The SOP covered all important aspects of programme management from planning to reporting, including resource mobilization, contribution management, and partnership management. However, it had not been updated since March 2017 to reflect the changes in processes and responsibilities. For instance, the coordination of joint operational planning between the three locations (Damascus, Amman and Gaziantep) had been transferred to the Syria Country Office during the period covered by the audit. Further, changes in context will require an update of the SOP (for example, the Government of Syria gained control of southern Syria in July 2018). However, the audit's interviews with staff from the country office and the MENARO hubs showed that they had good understanding of their responsibilities (though changes had not been systematically recorded except through exchange of emails).

Joint operational planning: During the period covered by the audit, the country office was responsible for the coordination of the joint operational planning of the WoS response. The three locations (Damascus, Gaziantep and Amman) agreed on common programme strategies that were then operationalized through a joint operational plan (JOP) for the WoS response. According to the 2019 JOP, the country office was responsible for most of the humanitarian response (US\$ 210.5 million or 71.4 per cent of the HAC appeal budget), followed by Gaziantep (US\$ 67.7 million, or 23 percent) and Amman (US\$ 16.6 million, or 5.6 percent).

The 2018 joint planning between the three locations was comprehensive. The 2018 mid-year review led to changes in joint strategies, indicators and targets. The 2018 year-end JOP meeting was held in January 2019 instead of October 2018, due to delays in the preparation of the Humanitarian Needs Overview, which was prepared from inside Syria as agreed with the Syrian Government. However, the JOP clearly set out the targets and budget requirements for each indicator included in the humanitarian performance

⁵ The RAM is the Results Assessment Module, an online portal into which offices upload their results, and which allows rapid access to that information across the organization.

monitoring system. In January 2019, over 50 participants from the Damascus office, Amman and Gaziantep hubs and MENARO gathered for two days to review key achievements and challenges of 2018. Participants agreed on strategies, approaches and targets to deliver programmes in priority geographical areas for 2019. The report included an update on the situation in each programme, proposed strategies and the updated list of programme indicators.

The audit noted that the risks could have been better reviewed during the JOP process. There was no stand-alone review of risks, causes, impacts and joint mitigating measures during mid-year and annual reviews. A risk matrix for the WoS was prepared in 2018 and 2019, and this included joint mitigating measures for risks related to cross-border humanitarian assistance and remote programming. However, the status of its implementation was not reviewed during JOP meetings. Such a review could be used to update donors on key risks and mitigating measures.

Implementation, monitoring and reporting: The country office worked closely with the WoS advisor in the Amman and MENARO hubs. There were regular meetings of the Emergency Management Team led by MENARO, and daily meetings with the Regional Director. The country office coordinated reporting against the indicators and targets in the Humanitarian Response Plan (HRP). The audit interviewed the UNICEF WoS Coordinator in Amman, the head of Gaziantep hub and the Representative and Deputy Representative of the country office. They confirmed that there were very good working relationships during the period covered by the audit.

There was some partnership information and documentation that the Amman and Gaziantep hubs had not shared with the Syria Country Office because of the sensitivities of cross-border programming in Syria, and the audit was told that this had sometimes led to operational discussions being longer than they needed to be. It had also increased the risk of delayed programme implementation by the country office. This was partly due to the lack of clarity in the standard operating procedure about the type and quality of partnership information that the Amman and Gaziantep hubs could and could not share with the office.

Recent review: The Syria crisis involves several countries. Humanitarian assistance had been delivered from within Syria and three neighbouring countries that had separate country programmes, so that organizational structures overlapped and reporting lines differed. A 2019 UNICEF corporate review by UNICEF's Office of Emergency Programmes (EMOPS) found it would be useful for UNICEF to examine how its management structures and arrangements functioned during the crisis. The review noted there might be relevant good practices and lessons learned that could be applied in future, similar situations. The audit is of the view that these issues should be reviewed during the Level 3 global evaluation of the Syria response by the Evaluation Office. The audit recommendation pertaining to this is captured in the observation on evaluation later in this report.

Agreed action 1 (medium priority): UNICEF's Middle East and North Africa Regional Office (MENARO) agrees to take the following steps, together with the Syria country office and the Amman and Gaziantep hubs:

- i. Review the division of coordination responsibilities and accountabilities for cross-border operations between the Syria Country Office and the two MENARO hubs, to ensure that it reflects current practices and changes in the operating environment, and context-specific risks. The office should then update the standard operating procedure.

- ii. Given the constant changes in the operating environment, review and clarify the type and quality of partnership information that the Amman and Gaziantep hubs can and cannot share with the Syria Country Office, taking into consideration the sensitivities of cross-border operations. The office should then update the standard operating procedure.
- iii. Review the status of implementation of Whole of Syria risks and related mitigating measures during mid-year and year-end joint operational planning meetings, and update the Whole of Syria risks in the MENARO risk register accordingly.

Responsible staff members: i and ii, Senior Emergency Specialist; iii, Senior Emergency Specialist, Operations Manager and Programme Specialist, HACT

Date by which action will be taken: i and ii, 31 October 2019; iii, MENARO reports the action as having been completed

Priority-setting and performance management

The office works in an exceptional operating environment, with a protracted emergency, limited number and capacity of partners, insecurity that limits access to the most disadvantaged children, and limited funds. It is therefore especially important that it monitors and reports progress against priorities to the country management team (CMT)⁶ and to all staff, and that it holds managers accountable for priority results and maintenance of UNICEF core values. The audit noted the following.

Priority-setting: The office had conducted comprehensive annual programme and management reviews to assess progress against 2017 priorities. For each key result area, it identified the most critical staff contributions, major constraints, opportunities and action points. This exercise was very much participatory, and the results were used to identify the 2018 office's priorities. However, this was not the case for setting the 2019 priorities. Instead, the office conducted a desk review. The 2019 priorities were generally a rollover from the previous year.

The audit found that each priority was clearly assigned to an overall results manager, and linkages were defined with the relevant country programme outputs. Further, the strategies, risks, mitigation measures, indicators and targets generally matched the 2019 priorities. The audit did note that some could have been more comprehensive and specific. For instance, the audit reviewed the new priority result "significantly strengthen and improve quality assurance and compliance activities". It found the strategies for this were generally linked to the priority. However, the potential lack of capacity of partners to comply with UNICEF HACT⁷ procedures, and the oversight and quality of HACT assurance activities, were not identified as key risks in the annual management plan, and mitigating measures to address them were therefore not established. However, the office said that it was identified in the 2019 risk matrix.

Monitoring: The office did not carry out a mid-year and annual management review to assess progress against the established priorities during 2018, as originally planned. This may have reduced awareness of

⁶ An office's CMT 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.

⁷ HACT is the Harmonized Approach to Cash Transfers, a risk-based framework with which UNICEF and some other UN agencies obtain assurance on the use of programme funds. It is discussed in the observation on assurance activities later in this report.

progress and constraints. It also did not submit regular progress reports to the CMT and to all staff to increase transparency and accountability.

The audit reviewed the 2018 and 2019 priorities related to staff well-being. The strategy was to carry out teambuilding exercises to enhance team spirit, morale, and flow of communication between staff, particularly within units; and to enhance work-life balance through increasing the use of flexible working arrangements. Two of the four indicators of the 2018 priority results had no targets, making it difficult to measure progress. However, all the 2019 indicators did have targets.

Staff relationships: The relationship between management and staff during 2018 had been difficult and tense. However, the office had drawn up an improvement plan to address this, and the Staff Association confirmed that the situation had improved in 2019 through implementation of several initiatives in this plan. At the time of the audit, the office was developing an updated improvement plan to focus on key issues requiring ongoing attention, such as teamwork, a 'speak-up culture' and career development.

The audit found that the office would benefit from establishing specific priorities, strategies, mitigating measures, indicators and targets to increase staff awareness and understanding of UNICEF core values, and how staff can live up to them to improve working relationships and staff well-being.

Oversight by the CMT: The CMT met monthly in 2018 and in 2019 as of the end of March. Minutes of meetings included action points that were followed up at the next meeting. The audit reviewed a sample of CMT minutes and noted that the meetings could have reviewed the office's key risks, and been updated on their mitigation more thoroughly and frequently. The absence of progress reports on this, and on achievements against priority result targets and indicators, would have constrained in-depth, informed discussion among CMT members. Further, the CMT did not monitor the performance of office committees such as the Partnership Review Committee and the Contract Review Committee.

Staff accountability: Staff should be held accountable for achieving the priority results in the office's annual management plan, which is communicated to all staff. The audit reviewed a sample of 2019 staff performance evaluations (PERs) and noted that the priority results, indicators and targets assigned to staff in the AMP were often not clearly included in their PERs. This reduced the office's ability to hold staff accountable for the achievement of the targets.

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

- i. Set priorities in a participatory manner, and regularly review progress against them.
- ii. Revise the priorities, strategies and/or risk mitigation measures during the year as appropriate.
- iii. Submit regular progress reports on the achievement of priorities to the CMT for oversight.
- iv. Establish a clear strategy, mitigating measures, indicators and targets to increase staff understanding of UNICEF core values and their ability to live up to them.
- v. Ensure the CMT reviews and monitors the performance of the office's statutory and management committees.
- vi. Ensure that priority results, indicators and targets assigned to staff in the annual management plan are clearly included in the planning section of the PERs of the staff in question.

Responsible staff members: i; Deputy Representative Programme and Deputy Representative Operations; ii and iii, Deputy Representative Operations; iv and v, Representative; and vi, HR Manager

Date by which action will be taken: i, March 2020; and ii to vi, December 2019

Staff safety and security

To protect staff, UNICEF follows global UN security policies, including incident reporting and the observation of security levels in relevant duty stations. All offices must comply with security standards. To be able to continue programme support to the maximum extent possible, a UNICEF Head of Office should encourage a frequent review of declared security levels. Moreover, the Representative should consider alternative ways to provide programme support to inaccessible or insecure areas, including through partnerships with local authorities, civil society organizations, and other services.

The security situation has improved in many parts of Syria, and in Damascus it had been relatively stable in the period covered by the audit.⁸ However, most of the country is still classified as High-Level risk and an increase in the level of asymmetric attacks is possible. The office therefore needs to remain vigilant in all matters pertaining to security.

The Security team in Syria was composed of a security advisor at national level, with security specialists and local security associates (LSAs) based in Damascus, Homs, Aleppo and Qamishli. The office participated in the weekly Security Cell meetings held in Damascus, which consisted of all UN single-agency security officers for duty stations. These meetings are meant to ensure that all security officers at the duty stations are working together to improve security, and to advise the Security Management Team (SMT) and the UN Designated Official.⁹ These meetings were also held at UN hub level, with attendance from agency security officers/LSAs and/or agencies' security focal points.

The audit noted several controls that worked well with regards to staff safety and security. Most importantly, decisions to take very high-risk missions were being made in full alignment with the 2018 programme criticality (PC) assessment,¹⁰ which had been extended and remained valid until end 2019. Both very high-risk missions undertaken in 2019 pertained to PC1 interventions and the office fully adhered to the Mission Security Clearance Request (MSCR) system.¹¹ Moreover, the office had taken steps to share the risk in inaccessible and insecure areas by working with third-party providers on monitoring of interventions and support to implementation in hard-to-reach areas. (For further detail on this, see observation *Programme assurance*.)

However, the audit also noted the following.

⁸ This is according to the UN Department of Safety and Security (UNDSS) reports for the Damascus area, Coast Area, and North Area (Aleppo), all dated 18 August 2018 with validity until 31 July 2019. The rest of the Syria remains volatile, according to UNDSS.

⁹ The role of Designated Official for security is assigned to the UN Resident Coordinator.

¹⁰ A programme criticality assessment is a process of examining different activities and weighing their importance to the target population against the risks involved in their implementation. Based on the results of a PC assessment, a risk rating is assigned to an activity and action taken accordingly; if it is very high risk (PC1), for example, the agency is required to seek permission from its Executive Director. Further information on programme criticality assessments can be found at <https://programmecriticality.org>.

¹¹ This is a UN-wide system but individual cases are handled by the agency in question. It is intended for clearance of very high-risk missions. In the case of UNICEF the request from the country office is sent to the Executive Director and, if approved, is submitted to the Under Secretary General in charge of UNDSS.

Perimeter security: Security Risk Management (SRM) is the tool used by the UN Security Management System to identify and manage safety and security risks to UN personnel, assets and operations in a country. Once the SRM, which is normally carried out by the United Nations Department for Safety and Security (UNDSS), is approved by the Designated Official, its measures become the Minimum Operating Security Standards for the area. In 2018 UNDSS completed SRM assessments for the Capital, Centre (Homs and Hama), Coast (Tartous and Latakia), North (Aleppo), North East, North West (Idlib), East (Deir Ez-Zor and part of south/east of Ar Raqqa city) and South areas (Daraa and As Suwayda). Additionally, facilities safety and security surveys were carried out either by UNDSS or by the UNICEF security team, to assess whether any security enhancements were needed for UN-occupied premises.

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Office procedures: The UNICEF security team organized specialized training for staff, such as armoured vehicle driving and emergency trauma-bag use. It also conducted drills for fire safety and building evacuation. Moreover, it sent daily and weekly updates to the Representative, Deputy Representative, Chiefs of Field Offices, Chiefs of Sections, Regional Security Advisors and emergency officers.

The audit noted that security briefings were given to new arrivals and visitors immediately upon arrival at the duty station to get them familiarized with the security situation. When the audit visited Aleppo, a detailed security briefing was provided which included visiting all exit points. However, security briefings in Damascus did not physically show the assembly points; they were instead pointed out on a map. Also, the documentation shared with new arrivals seemed to be inconsistent. Most importantly, the Proof-of-Life form¹² was not always shared with new staff upon arrival and was not applied to visitors.

The audit also found that the emergency card, which is provided to both visitors and new arrivals and which contains focal points in case of emergency, did not contain up-to-date contact information.

Agreed action 3 (medium priority): The office agrees to:

- i. Remain vigilant, and continue to enhance staff awareness and knowledge of security procedures, which includes physically visiting the emergency assembly points.
- ii. Keep the emergency card provided to staff up-to-date.

¹² In areas where hostage-taking is thought possible, staff are given forms on which they supply answers to questions about themselves that only they are likely to know. These can then be demanded from the hostage-taker as proof that the hostage is still alive.

- iii. Ensure that the Proof-of-Life form is filled out by staff and visitors.

Responsible staff members: Security Specialist

Date by which action will be taken: December 2019

Knowledge of the situation of women and children

UNICEF programmes need to be designed on the basis of the best possible information on the situation of children and women. However, the availability and reliability of data is a significant challenge in Syria. External factors that make it hard for the office to undertake research include the Government approval processes, access to different parts of the country, and availability of funding.

All major research was from prior to the conflict's eruption in 2011. The last census was from 2004 and the most recent Multiple Indicator Cluster Survey (MICS)¹³ from 2006. There had been a Situation Analysis (SitAn)¹⁴ on Palestinian refugees in Syria in 2016, but no full SitAn on the Syrian population had been done since 2008. However, to support development of a new country programme, the office had carried out a situation assessment in late 2018 and early 2019 (this was solely an internal exercise to inform programme planning and implementation). The audit commends the office for its effort to develop the new country programme document using the best available data.

According to UNICEF's Division of Data, Research and Policy's (DRP) report on progress against the Sustainable Development Goal (SDG) indicators, there is no data for Syria for 17 of the 44 child-related SDGs. There is also insufficient trend data for a further nine. Only for 13 indicators is there data enabling an assessment of progress against SDGs. (The remaining five SDG indicators are not applicable to Syria.) The largest data gaps concern the SDG components on learning, fair chance and protection.

UNICEF is custodian for only 17 of the SDG indicators (single custodian for seven and co-custodian for 10). Helping the Government address the SDG data gap is a collective effort and is also a responsibility of the rest of the UN in the country. To help the Government address some of the data gaps, in 2017 UNICEF, UNFPA, UNDP, UNHCR, WHO and WFP jointly provided financial and technical support to Syria's Central Bureau of Statistics (CBS) to conduct a socio-demographic survey. This was to provide insights on household status, including on education and health, labour force and migration, reproductive health, food security, household income and expenditure, and prevalence of disabilities. The survey was done and a summary report publicly released, but the UN, including UNICEF, was not granted access to the raw survey data.

More data is available with regards to the humanitarian response. Key information sources – many of

¹³ 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. To assist this comparability, MICSs are carried out in global rounds corresponding roughly to the same period from country to country; thus MICS5, for example, was carried out in 2012-2015. MICS6 is now underway.

¹⁴ The SitAn is an analysis of the situation of children and women in a country. UNICEF offices will normally do one at some point during a country programme cycle (which is normally five years) so as to inform the design of the country programme that follows.

which are managed by Whole of Syria (WoS)¹⁵ – include a multi-sector needs assessment (MSNA); the Syria Hub Protection Needs Assessment (SHPNA) for Government-controlled areas; a monitoring initiative for internally displaced people; nutrition surveys; and more. There was also the Monitoring and Reporting Mechanism (MRM) on grave violations of children's rights in situations of armed conflict. However, significant data gaps persist, and the accuracy and reliability of the data is still a challenge. Thus, according to the 2018 Humanitarian Needs Overview (HNO),¹⁶ many of the figures presented in it are estimates based on sometimes incomplete and partial methodologies. Moreover, because of the rapidly changing situation in the country, the data quickly become obsolete.

Due to the significant data gaps, assessment of the Syrian population's needs continues to be based on estimates, small-scale assessments and secondary data. The office had taken steps to address this, for example by giving support to two major data-collection exercises expected to enhance planning for health and nutrition. The first one was the study on the causes of under-five mortality, which aims to provide the evidence base for the development of a new child health policy in 2019. The second one was a comprehensive SMART¹⁷ nutrition survey. Data generation and research is also evident in the 2018-2019 workplan, which includes nine research activities.

However, their implementation will be a challenge. For example, one, a Knowledge, Attitudes and Practices (KAP) survey,¹⁸ was approved by Ministry of Foreign Affairs (MOFA) but rejected by the Council of Ministers. Meanwhile only one out of six health and nutrition surveys, studies and assessments planned for 2018 took place, and neither of the two planned child-protection analyses was done. Funding such activities could be difficult; of the US\$ 710,000 required for national situation analysis in the area of social policy, only about US\$ 164,000 was raised. Generally, however, the low implementation rates of research activities were due to the difficulties in obtaining Government approval for research and the lengthy processes before research reports could be released.

Agreed action 4 (medium priority): The office agrees to, together with the UN Resident Coordinator/Humanitarian Coordinator, use opportunities presented by the data needs for development of the Cooperation Framework¹⁹ and the new country programme, and the Sustainable Development Goals, to advocate to the Government the filling of key information gaps on the situation of women and children, and support key data collection, analysis and dissemination.

¹⁵ UN Security Council Resolutions 2165 and 2191 brought the United Nations emergency response operations within Syria, and cross-border assistance from the Turkey and Jordan, into a single inter-agency Whole of Syria (WoS) framework. This was to increase the reach of humanitarian programming throughout Syria using the most direct routes. The structure put in place for the WoS coordination was led by the Whole of Syria Strategic Steering Group (SSG). Below the SSG was the WoS Inter-Sector/Cluster8 Coordination (ISCC) Group, chaired by the Syria office of OCHA.

¹⁶ This is led by OCHA, but UN agencies and NGOs contribute.

¹⁷ SMART is Standardized Monitoring and Assessment of Relief and Transitions. It is a standard methodology used by UN and other agencies for assessing the nutritional status of populations in nutritional crisis.

¹⁸ A KAP survey lays the groundwork for communication for development (C4D) activities by helping staff to understand how messages will be perceived by the target community.

¹⁹ This is the framework now used in Syria in place of the UNDAF, or United Nations Development Assistance Framework. Like the UNDAF, it 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 (the previous framework in Syria was the UNDAF).

Responsible staff members: Representative

Date by which action will be taken: ongoing

Results structure

The audit reviewed the country programme results structure to assess whether there was a logical relationship between outcomes, outputs²⁰ and the indicators used to measure their progress, and whether the workplans were aligned with the desired results. It noted the following.

2016-2019 results structure: The results structure in the 2016-2017 country programme document (extended until 2019) showed a strong link between achievement of output-level results and the realization of the expected outcome results. Moreover, indicators captured in the humanitarian performance monitoring system (linked to the 2018 Humanitarian Response Plan) were captured in the RAM.

The 2018-2019 workplans were generally found to be of good quality. There were clear linkages to the country programme result structure and to the Humanitarian Action for Children (HAC) indicators, which were aligned with the Humanitarian Response Plan (HRP). Moreover, funded/unfunded was properly indicated at the aggregate level (for each outcome) and not at the output level, so as to increase clarity with external stakeholders, including the Government, regarding the office's ability to implement the planned activities. In addition, indicators were clearly linked to results statements.

The workplans also outlined how each zone office would contribute to workplan results. Only the education workplan required further improvement, in that both outcome indicators and two out of six output indicators lacked 2018 and 2019 targets (at national and subnational level). The good-quality workplan reflected clear guidance and quality assurance undertaken by the Planning Monitoring and Evaluation (PM&E) section.

However, the measurement of results achievement could have been further strengthened. Three out of six programme outcomes were not fully measured by the selected indicators. For example, the WASH outcome statement has a component on improved hygiene practices that is not measured. Further, 12 out of 19 outputs were also not fully measured by the indicators used.²¹ Examples included education output 3.3 on 'Equitable access to quality education opportunities provided', for which the selected indicators only measured access and not the quality of education opportunities. It was also found that further work could be done to ensure sufficient age and gender disaggregation of indicators.

²⁰ 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 the construction of a school or clinic, but that would not in itself constitute an outcome; however, an improvement in education or health arising from it would.

²¹ The 19 programme outputs are accompanied by four outputs pertaining to sector coordination and six outputs on technical support. While the coordination outputs are fully measured, technical support is not clearly formulated in the result statement and therefore not measured by indicator selection.

Agreed action 5 (medium priority): The office agrees to ensure that:

- i. The annual targets for 2019 are established for the education workplan.
- ii. The results statements in the next country programme are fully measured. Moreover, the requirement of age and gender disaggregation should be considered when designing the result structure for the next country programme.

Responsible staff members: i, Chief of Education and ii, Deputy Representative Programme

Date by which action will be taken: i, December 2019 and ii, August 2020

The new country programme

The UN in Syria operates under two planning frameworks, the Humanitarian Response Plan (HRP) and the UN Strategic Framework (UNSF). Signed by the Government of Syria and the United Nations in early 2016, and extended until 31 December 2019, the UNSF frames the cooperation between the Government and the United Nations for 2016-2019, and is the legal basis for the presence of UN organizations in Syria. It aims to support building the resilience, and improving the lives, of the people of Syria – particularly the most vulnerable, in alignment with the national priorities and the Agenda 2030 and the Sustainable Development Goals (SDG). To ensure alignment with the UNSF, UNICEF's 2016-2017 country programme has twice been extended through annual extensions and is currently valid until 31 December 2019.

However, the needs in Syria have changed significantly since the UNSF and the country programme were designed. Moreover, UN organizations have received consistent messaging from the Government of Syria that they prefer not to extend the current UNSF. In any case, the planning frameworks had already been extended for two years, and a new strategic framework and, for UNICEF, a new country programme document were needed. The Government had formally asked to begin technical meetings on a new framework, as well as on new country programmes with the individual UN agencies. The UN Resident Coordinator's office had responded that the UN was ready to begin technical discussions on a new framework, while asking for a six-month extension of the current UNSF. A *note verbale* for this extension had been sent, but the UN still awaited its formal approval as of the time of the audit.

Meanwhile, in preparation for the new UNICEF country programme, in late 2018 the office had conducted the internal situation assessment referred to earlier, and a seven-day programme planning meeting. The goal of these meetings was to review the findings and outcomes of the internal situation assessment and start discussions on a medium and longer-term vision for UNICEF's role, programmes and strategic priorities and partnerships in Syria, which would reflect the 2030 Agenda for Sustainable Development.²² In addition, early drafts of programme strategy notes had been produced. The office expected to present the new country programme document at the 2020 UNICEF Executive Board meeting.

Given the good progress made by the office in developing the new country programme, the audit is not making a recommendation in this area. There is a need for the new programme results structure to be fully measured, and for disaggregated data to be used in the programme design, but that has been noted elsewhere in this report (see observation *Results structure*).

²² See https://www.un.org/ga/search/view_doc.asp?symbol=A/RES/70/1&Lang=E.

Fundraising

The Board-approved budget for the 2016-2017 country programme (extended till 2019) was US\$ 72.8 million (US\$ 2.8 million in Regular Resources and US\$ 70 million in Other Resources²³). As of June 2019, all six programme outcomes and 23 out of 29 outputs have been fully funded. The six outputs that remain largely unfunded relate to the office's upstream work. (For further details on this see the following observation, *Capacity building*.)

However, the main income for the Syria office is OR (Emergency), or ORE, which accounts for approximately 95 percent of funding. The office performs well *vis-à-vis* other country offices in terms of performance against HAC appeals; its 2018 appeal was 78 percent funded, compared to 65 percent in 2017 and 89 percent in 2016. Moreover, despite the HAC response of 78 percent, funding gaps exist in several areas of the emergency response. For example, Health and Nutrition was 36 percent unfunded (at end year 2018).

Conditions attached to donor funding had undermined the office's ability to move from purely humanitarian action to development and resilience building, as this would entail working with the Government of Syria. For example, in education, most donors were willing to contribute, for example by rehabilitating schools – through NGOs or private sector; but not to improve quality by supporting teacher training, as this was seen as working with the Government. This reduced effectiveness of the programme, which aims to improve the quality of education. Another example was Eastern Ghouta; it had high donor support when it was under siege, up till the early months of 2018, but when children were evacuated into shelters in Government-held areas, the office faced challenges in identifying donors that were willing to support the needs of those children. The office had sought to mitigate these conditions by allocating funding that did not have such stipulations, as well as core resource funding, to those areas donors would not fund.

The office's 2015-2017 resource mobilization²⁴ strategy and associated fundraising action plan, which according to the office remained valid at the time of the audit, aimed to address the issue of donor conditionality by strengthening and diversifying the donor base for Syria's humanitarian action, recovery and resilience, for both the country programme and the HRP. It also envisaged mitigating risks of donor income fluctuation by increasing outreach to donors and visibility, and by strengthening contribution management. With regard to the latter, the office did indeed have a comprehensive approach to donor outreach, and all donors interviewed by the audit expressed appreciation of their knowledge exchange and the partnership with UNICEF.

Diversification of the donor base had so far been less successful; efforts had been made, such as donor proposals to Gulf countries, but tangible results had yet to be achieved. Further, while the strategy

²³ RR are core resources that are not earmarked. 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 otherwise used without the donor's agreement. An office is expected to raise the bulk of the resources it needs for the country programme itself (as OR), up to the approved budget. During an emergency, an office will also raise money to deal with that, within the ceiling set by the HAC for the crisis in question. This is classed as OR (Emergency) and is separate from the OR funding raised for the regular country programme.

²⁴ 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.

emphasized the importance of recovery and resilience programming, it did not state clearly how funds would be raised for this. Nor did it include a clear results framework. According to the office, it intended to conduct a light update of the plan in the second half of 2019, and a new resource mobilization plan will be done as part of the new programme development process.

It will be critical to find ways forward with regards to fundraising for system strengthening and resilience programming, as these areas are envisioned as core strategies in the next country programme. The office noted that more support was required from the Public Partnership Division (NYHQ) with regard to advocating to donors the provision of unconditional funds and the enabling of system-strengthening work.

Agreed action 6 (medium priority): The office should ensure that the resource mobilization strategy to be developed along with the new country programme:

- i. States how donor diversification will be achieved.
- ii. Sets out the office's approach to fundraising for resilience programming and system strengthening.
- iii. Includes a clear results framework.

Responsible staff member: Resource Mobilization Manager

Date by which action will be taken: September 2020

Agreed action 7 (medium priority): The Public Partnerships Division agrees to provide further assistance by advocating to donors the provision of unconditional funds and funding of system strengthening work.

Responsible staff members: Public Partnership Specialist

Date by which action will be taken: June 2021

Capacity building

A key lesson of the 2007-2015 country programme was the importance of capacity development of partners and institutions, even in the midst of crisis. The dislocation and "brain drain" of professional service providers and managers in all the key social sectors, as well as the damaged infrastructure, had substantially weakened public services. Building the capacity of public service delivery systems was therefore a core strategy in the 2016-2017 country programme.

According to the 2016-2017 country programme document (extended till 2019), investment in rebuilding and strengthening education, health and protection/social welfare systems is essential over the medium term. This is not only for meeting the immediate needs of children and adolescents, but also for any broader stabilization and recovery efforts. The key focus of each programme section with regards to capacity building was as follows:

- **WASH** (Water, Sanitation and Hygiene): Capacity development of national and local institutions for improved planning and systems management, operations and maintenance, as well as for improved emergency preparedness.
- **Education:** Particular attention to be paid to strengthening the teaching force. Professional development will be provided to teachers and school staff on child-centred, protective and interactive

methodologies, classroom management and psychosocial support. Systems will be strengthened at all levels, including a strengthened Education Management Information System (EMIS).

- **Child protection:** Systematic training of front-line service providers and provision of technical support, to develop standards and to establish basic child protection case management and referral mechanisms.

The audit found that the office had funding requirements of US\$ 25.8 million for eight project outputs related to capacity building. However, only US\$ 5.3 million or 21 percent had been funded as of June 2019.

The capacity-building objectives had been clearly set out in output result statements. For each programme component there were one or two outputs on the enabling environment (evidence generation, policies and system strengthening). A review of the 2018-2019 workplan found that it included many activities pertaining to capacity building and system strengthening.

However, a review of training undertaken as part of the office's capacity building found that while pre- and post-tests were used frequently, the test results were not systematically analyzed, and results of capacity-building efforts on delivery systems were not assessed. There was thus no clear evidence that capacity building had impacted on coverage and programme quality. As the office transitions further from an emergency response to development of resilience-strengthening programmes, the office should devise a strategic approach to capacity building that is linked to this effort. The task ahead will require prioritization, and ingenuity when designing interventions.

Moreover, due to conditionality of funding, the office had been able to make only limited progress with regards to system strengthening. Thus, even though the 2016-2017 country programme had been extended to 2019, at the time of the audit there were considerable funding gaps against the ceilings in the country programme document. (A recommendation with respect to this is included with the observation *Fundraising*.)

Agreed action 8 (medium priority): The office agrees to:

- Ensure that data on capacity building is properly analyzed and findings used to strengthen programming.
- In collaboration with other UN agencies, initiate human resources mapping of public systems to identify capacity needs and priorities.
- As part of the development of the next country programme, devise a comprehensive strategy for building the capacity of public-service delivery systems.

Responsible staff members: Chief of Planning, Monitoring and Evaluation

Date by which action will be taken: March 2020

Partnership management

Partnership with civil society has been the key strategy of the country programme, now extended into 2019 through two annual extensions. The office implemented its programme through 68 implementing partners and counterparts in 2018. In 2018, US\$ 22.5 million out of US\$ 42.3 million transferred to NGO partners and Government counterparts were provided to high-risk partners. This was an increase of 20 percent (US\$ 3.8 million) compared to 2017, where a total of US\$ 18.7 million were transferred to high-

risk partners. This was largely due to the office increasingly allocating funds to Government counterparts.²⁵

The audit noted the following.

Partnership strategy: Despite the strategy on strengthening partnership with NGOs, the office was also increasing cooperation with the Government to implement the country programme as the focus began to transition from a solely humanitarian response towards resilience building, more nuanced vulnerabilities and changes in areas of control as the Government of Syria consolidated its authority over larger areas of Syrian territory. According to the office, 15 percent of allocations were to Government counterparts in 2017 and 19.7 percent in 2018.²⁶ The number of actual NGO partners (and value of the partnerships with them) had fallen during implementation of the country programme from 69 in 2017 to 57 in 2018.

This reflects the complexity of working with NGOs in Syria. The role of international NGOs (INGOs) has been affected by Government restrictions. This eased somewhat in 2018, when the number of INGOs registered by the Government nearly doubled, to about 25 (with other registrations pending). Meanwhile, however, the space for local NGOs to implement interventions had been shrinking. In January 2018 the Government introduced a requirement that the Ministry of Social Affairs and Labour (MOSAL) approve all programme documents (PDs) with national NGOs. This led to significant delays and many partners not being approved, resulting in increased gaps in service provision.

To partially mitigate the impact of the approval process, the office engaged in more partnerships with faith-based organizations, which were not affected by the MOSAL review. However, in 2019 the Government introduced a requirement that Ministry of Local Administration and Environment (MOLAE) review and approve all PDs with faith-based organizations, and similar challenges are thus foreseen for this category of partners.

Overall, very few local NGOs are permitted to operate in Syria and there is frequently only one option in a given location. This means multiple UN and other agencies are often interested in working with the same NGOs, which may not therefore have the capacity to meet UNICEF's needs. Moreover, most NGOs were newly established, and their only experience so far was in humanitarian action rather than broader development work. To mitigate this, there is a need to engage in comprehensive capacity building of partners and to devise a strategic approach to partnerships with NGOs. The office did conduct capacity building with partners, including intervention-specific training. However, it lacked a comprehensive capacity-building approach and a strategic vision for how it would strengthen these partnerships in line with the country programme strategy. In 2017, the office had started working on identifying four or five strategic partners, but the exercise was discontinued at an early stage.

Partnership documents: Two main documents underpin an office's partnership with an NGO. The programme cooperation agreement, or PCA, is the formal partnership document. The programme

²⁵ UNICEF offices will give partners a default high-risk rating if it has not yet been possible to assess them properly according to the corporate cash-transfer procedures, so this rating may or may not indicate a specific concern with that partner. See also the observation on assurance activities later in this report.

²⁶ Only limited direct cash transfers (DCTs) are provided to Government counterparts, due to the conditions attached to donor grants. Instead, 80 percent of the payments recorded as made to Government are related to Direct Payment, which goes directly to contractors and payees.

document (PD) is produced by the partner and the relevant programme section in the UNICEF office, explaining what the proposed collaboration is for, and includes the budget and result framework. These documents are submitted together to the office's Partnership Review Committee (PRC), but although the PCA is the formal agreement, it is the PD which sets out what the partnership will do.

The office's PRC was functioning well and there was a clear quality assurance process for PDs prior to their submission to the committee. However, during meetings with eight partners, the audit heard that it took a long time to develop PDs with UNICEF – at least three months and up to nine months. The delay was generally linked to lack of clarity about availability of funding.

A review of a sample of eight PCAs found that the results structure was generally sound; it presented outcomes and outputs in a coherent and logical sequence, the indicators were relevant to the results statements, and there were baselines and targets. It did sometimes lack detail, and in three cases the results framework was at too aggregate a level to fully measure the scope of the work in question. In all three of these cases there was only one output, and three or fewer indicators, to measure the partnerships – each of which was valued at between US\$ 300,000 and US\$ 800,000.

Working with the Government: In accordance with UNICEF procedure, the office's programme sections partnered with line ministries and developed joint workplans outlining key interventions and results to be achieved. However, the increasing conditions imposed by donors affected the ability to engage with the Government. Thus, for work linked to system strengthening, the office relied on non-earmarked funding and funds from NatComs²⁷ (see also previous observation, *Capacity building*).

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

- i. Finalize a strategy for strengthening partnership with civil society.
- ii. Take steps to reduce the time it takes to develop programme documents (PDs), and avoid gaps between PDs where continued service delivery is required.
- iii. Where appropriate, expand the results framework in programme documents to better measure the scope of work.

Responsible staff members: Chief of Planning, Monitoring and Evaluation; HACT Specialist

Date by which action will be taken: December 2019

Agreed action 10 (medium priority): The office agrees to, in collaboration with UNICEF's Middle East and North Africa Regional Office, and the Division of Analysis, Planning and Monitoring, explore possible risk-informed options for partnerships with NGOs in Syria that enables continued service provision. This includes reviewing whether, for life-saving services, partners might be permitted to continue service provision during the Government approval process until the PD is either approved or rejected, through extension of payments *pro rata* at the rates fixed in the previous PD.

Responsible staff member: Deputy Representative Programme

Date by which action will be taken: September 2020

²⁷ NatComs are the National Committees for UNICEF, autonomous bodies that advocate on behalf of UNICEF in donor countries and raise funds to support its work.

Prevention of sexual exploitation and abuse

At global level, UNICEF has put in place preventative and response mechanisms for prevention of sexual exploitation and abuse (PSEA) and prevention of sexual harassment and abuse of authority (PSHAA). The aim is to achieve the following results, in line with the IASC's²⁸ global plan for advancing PSEA at country level, by June 2020:

- Safe, accessible, gender- and child-sensitive reporting mechanisms.
- Quality and accessible sexual exploitation and abuse (SEA) survivor-centred assistance.
- Enhanced accountability, including through prompt and respectful investigations.

The office in Syria had not had any reported cases of sexual abuse and exploitation directly involving its staff or partners, but the environment is not without significant risk. A PSEA network was established in 2018 in Syria and is co-chaired by UNICEF and UNCHR. The office had appointed seven PSEA focal points (two at national level and once in each field office), and all staff had been made aware of the names of their PSEA focal point. There was a PSEA workplan for 2018-2019.

The office was recruiting an experienced PSEA specialist for a one-year contract at the time of the on-site audit. S/he will develop and implement UNICEF Syria's Office PSEA Action Plan. This includes designing and implementing PSEA prevention activities, responding to alleged PSEA cases that are reported (including reporting, investigating, and ensuring appropriate victim support), and working with the PSEA taskforce and other inter-agency bodies. The PSEA specialist will also be responsible for building the capacity of UNICEF staff and partners on PSEA and producing relevant technical guidance, tools, and resources.

The audit noted the following.

Capacity building: The completion rates of UNICEF's mandatory training on PSEA and PSHAA were 98.5 percent and 99.5 percent respectively. The office was introducing face-to-face training of staff on PSEA, and in December 2018 28 staff members from the national and field offices were trained as PSEA trainers. The office aimed to have a critical number of staff trained in-country who could then commence the PSEA face-to-face training to all staff, implementing partners and contractors. At the time of the audit, 19 out of 238 staff and consultants had received the face-to-face training. The training of implementing partners and contractors was planned for the second half of 2019. At the time of the audit, only new partners had been briefed on PSEA as part of the initiation of the partnership.

As many UN agencies work with the same NGOs, there were discussions on whether to split the training of partners amongst agencies, but ultimately it was decided that UNICEF would go ahead and train all its partners. Contractors will be included. For emergency locations such as Qamishli, in places where there are massive field level operations underway, and where implementing partners cannot take out the time for day-long PSEA training, the UNICEF Qamishli teams are developing a field-level coaching strategy.

Community awareness and reporting mechanisms: UN agencies are still deciding how to move forward

²⁸ The IASC is the Inter-Agency Standing Committee; these are found in countries where there is a humanitarian response, and coordinate the humanitarian response of UN and other bodies. See <https://interagencystandingcommittee.org/iasc/>.

on a community-based complaint mechanism on PSEA, given the Government's sensitivity on this. The PSEA network has identified it as a priority, but no progress has been made with regards to obtaining government permission. Addressing this issue rests with the UN Humanitarian Country Team and UNCT.²⁹

Agreed action 11 (medium priority): The office agrees to:

- i. Complete the training of staff, implementing partners and contractors on PSEA.
- ii. In consultation with HQ and in collaboration with other UN agencies, devise a framework for raising community awareness of PSEA, and establish a reporting mechanism that reflects the Syrian context.

Responsible staff member: PSEA Programme Manager

Date by which action will be taken: i, April 2020; and ii, August 2020

Accountability to affected population

UNICEF observes the IASC's (Inter-Agency Standing Committee) definition of accountability to affected population (AAP) as, "An active commitment to use power responsibly by taking account of, giving account to, and being held to account by the people humanitarian organizations seek to assist", and as putting "communities and people at the centre of humanitarian action and promoting respect for their fundamental human rights underpinned by the right to life with dignity, and the right to protection and security as set forth in international law".

The audit was advised that it would be necessary to design a unique approach to AAP in Syria, as the Government is very restrictive with regards to community engagement and community-based reporting mechanisms. Despite this, the office had taken several steps with regards to AAP. These had been done on an *ad hoc* basis and were not UN-wide. They included highlighting AAP in the emergency preparedness plan and supporting the recruitment of an inter-agency consultant to develop a collective community engagement approach for AAP in Syria. The office had also engaged the affected population in East Ghouta. Based on their feedback, revisions were made to latrine design and the content of the hygiene kit.

The office had also started working on a beneficiary feedback mechanism. This was a response to a request from a donor who found that results reporting mainly focused on access to services, and more data was needed on quality of interventions and beneficiary satisfaction. The office was also piloting a revised field-trip report to obtain feedback from beneficiaries during field visits. It also conducted post-distribution monitoring and focus-group discussion on an *ad-hoc* basis. At times beneficiary feedback was obtained through third-party monitoring. However, the AAP initiatives were not undertaken in a systematic fashion and across sections. The office was in the process of developing an action plan for AAP in Syria.

Agreed action 12 (medium priority): The office agrees to, drawing on HQ guidance and models, review its approach to accountability to affected populations to gradually expand beyond post-distribution

²⁹ 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.

monitoring and *ad-hoc* focus-group discussions, and pilot increasing participation by communities in the design of interventions, as appropriate in the Syria context.

Responsible staff members: Deputy Representative Programme

Date by which action will be taken: June 2020

Results achievement and reporting

Offices report results against planned targets in a number of ways. One is uploading results information to the Results Assessment Module, mentioned earlier. Others include donor reporting, annual reports, situation reports and, in an emergency situation, reporting against HAC targets. The quality of reporting is partly a function of the targets and indicators used, which must be appropriate. It also reflects the availability and reliability of data. The audit reviewed the Syria Country Office's reporting of results and noted the following.

Results Assessment Module: According to year-end reporting in RAM for 2018, one out of six programme outcomes had been achieved (WASH) and one was on track (education). The remaining four outcomes were constrained. In June 2019 the office reviewed its RAM data and changed the rating of the 2018 WASH outcome from met to constrained. This change is appropriate, as the original year-end rating of WASH had not been supported by the year-end 2018 status update; both WASH outcome indicators had been recorded as partially achieved. Moreover, the result statement was not fully measured by the indicator selection, as hygiene practices were not captured.

The audit found insufficient evidence to rate the education outcome as on track, as three out of four education programme component outputs were constrained. Moreover, there were only two outcome indicators, which did not fully capture the result statement (quality is not measured); and one (pertaining to enrolment in formal education) did not have a 2018 target and thus no result reporting took place against this indicator.

After an office RAM review in mid-2019, the office changed the rating of 18 outputs for 2018. Thus, in January 2019, 11 out of 29 outputs were rated as achieved (met), 12 were constrained and six were on track; the rating in June was that 17 outputs were on track and 12 constrained. The revision addressed inconsistencies in year-end 2018 RAM reporting; the ratings were not always fully evidence-based.

There was general alignment between the ratings of output indicators and their status update. However, a review of the revised (June 2019) RAM data found that no status update was provided for 15 indicators. In seven cases this was due to indicators that had been active since 2016 not having a 2018 target. The office said that this was due to an oversight in the June alignment exercise and provided supporting documentation to that effect. At the time of the audit the office was working on uploading the missing data to RAM. The audit is therefore issuing no recommendation in this regard.

Humanitarian action for Children (HAC) and situation reports (SitReps): The audit's review of the HAC and SitReps found that the humanitarian performance indicators changed over time. In some cases (particularly WASH), this reflects the fact that interventions mature as some annual targets are met. This makes it difficult to establish trends in results achievement, but a review of indicators that did remain consistent in the period 2017-2019 found that significant results had been achieved despite funding gaps. However, funding gaps did result in several targets not being fully achieved.

As noted earlier, access constraints have affected UNICEF's ability to independently verify and evaluate results achievement. Thus, results reporting largely relies on figures provided by implementing partners. However, the office implemented HACT and used third-party monitors to obtain assurance on results achievement (see observation *Programme assurance*).

Aleppo: The audit visited a number of project sites in Aleppo and noted value-added programme interventions – for example Hafez Ibrahim school, rehabilitated with UNICEF support; a community centre in a newly accessible area where child protection and ADAP assistance were provided; WASH interventions, including one contributing to saving natural underground water resources; and an entrepreneurship initiative that included provision of seed funding. Amongst youth projects supported was a book store that offered psychological counselling through book reading.

However, the following were noted.

- Operation and maintenance remained a challenge with regards to the WASH infrastructure established at Hafez Ibrahim school (for instance, unavailability of soap undermined children's ability to apply safe hygiene practices).
- The use of an institutional contractor in the area of WASH had led to delays in programme implementation, as it lacked the capacity and set-up needed. The work aimed at stopping further degradation of water and sanitation infrastructure and was in response to a donor request.
- Distribution of mine-risk education materials to the community centre had been significantly delayed; the one-year programme document with the partner was one month short of expiry and the partner had yet to receive the agreed materials.
- UNICEF could add value by supporting continuous knowledge exchange amongst youth entrepreneurs and increasing visibility of entrepreneur projects. Moreover, a certificate of achievement or performance reference would help youth entrepreneurs interacting with (for example) local authorities and accessing the labour market.

Donor reporting: A review of sample of donor reports found that the office largely reported on access to services and not on their quality or beneficiaries' satisfaction with them. This reflected the indicators in the humanitarian performance management system, which largely focused on access. At the time of the audit the office was working on a beneficiary feedback mechanism, in response to a donor who wanted more data on the relevance and quality of the interventions (see also observation *Accountability to affected populations*, above).

Supporting documentation: The audit reviewed the Country Office Annual Report and a sample of donor reports. It found that the office was generally careful in how it phrased results. However, a review of supporting documentation for 19 of the result statements (Annual Report, RAM, SitReps and donor reports) found that two of the result statements were not fully supported. For another seven, the office had mostly relied on implementing partners' reporting in the 4Ws,³⁰ and uploaded to the Humanitarian

³⁰ The 4Ws provide key information regarding which organizations (Who) are carrying out which activities (What) in which locations (Where) in Which period (When). This information is essential to cluster coordinators and organizations to coordinate their activities effectively, reach their targets on a timely manner and ensure that humanitarian needs are met without gaps or duplication.

Decision Support System (HDSS)³¹ without validating the result claims. As the office relies on information management systems to provide accurate reporting in 4Ws, the office should ensure that partners have robust information management systems of their own (particularly high-risk partners), and should provide capacity building if required.

More positively, in cases where the result statement highlighted ‘enhanced knowledge and skills’, the office generally had pre-and post-test results and focus-group discussions to support this.

Agreed action 13 (high priority): The office agrees to:

- i. Address the audit findings coming out of the onsite project visits in Aleppo.
- ii. Strengthen quality assurance of RAM reporting.
- iii. Review implementing partners’ information management systems and, as part of this, conduct data-quality reviews of a sample of result statements.
- iv. Conduct training of implementing partners on information management as required.

Responsible staff members: i, Deputy Representative Programme; ii, iii and iv, Chief of Planning, Monitoring and Evaluation

Date by which action will be taken: i, December 2019; ii, February 2020; and iii and iv, December 2019

Evaluation

Adequate evaluation coverage provides an independent comprehensive picture of UNICEF performance. It identifies what has worked well and what needs to be improved to ensure relevant, efficient and effective response, and supports learning and accountability.

Coverage: The office’s most recent finalized evaluation was from before the conflict erupted in 2011 (it was a 2010 evaluation of the Child Friendly Schools Initiative in UNRWA schools). The 2016-2017 country programme document only included one evaluation, and this was managed by the regional office as it covered the Whole of Syria (it was an evaluation of the No Lost Generation Initiative and was finalized in May 2019). The office did manage, despite constraints, to conduct one programme evaluation in 2018-2019 (of the Back to Learning Campaign), but at the time of the audit the report had not been issued.

The office was included as a case study in a couple of global evaluations, one on the coverage and quality of UNICEF’s humanitarian response in complex humanitarian emergencies, the other on its contribution to education in humanitarian settings. However, the office did not meet UNICEF’s requirements for evaluation coverage (the audit recognizes that the context and environment made the conduct of evaluations difficult).

As Syria was part of a Level 3 emergency response, both the office and UNICEF’s Evaluation Office had responsibilities with regards to evaluating UNICEF’s performance. When a Level 3 is triggered, which happened in January 2013 for Syria, an inter-agency evaluation should be undertaken. However, for operational reasons it had not been possible to undertake an interagency evaluation in Syria, and therefore agencies did separate work with regards to evaluation. Only in 2014 was an interagency ‘Syria

³¹ HDSS is a UNICEF Syria-developed knowledge management tool that supports the collection and analysis of humanitarian performance monitoring data.

crisis common context analysis'³² conducted, and in 2016 an 'evaluation synthesis and gap analysis' report was issued. These did not meet the criteria to be considered as evaluations.³³ As of 2019 no inter-agency evaluation has been conducted.

In 2015 UNICEF's evaluation office undertook an evaluation of UNICEF's response to the Syria crisis. The evaluation focused on both Syria and countries receiving refugees from Syria (Lebanon, Turkey, Jordan, Iraq and Egypt). The broad scope resulted in the evaluation team not being able to go into greater detail with regards to the situation and performance in each country. The insufficient coverage of Syria was further compounded by the evaluation team not visiting the country itself.

Until recently, UNICEF's evaluation policy did not stipulate how frequently Level 3 emergency responses should be evaluated. However, following revisions made to the policy in 2018,³⁴ this has been fixed at every three years for protracted emergencies. It is therefore time for another overall evaluation of UNICEF's response in Syria. An evaluation had been planned for 2018 but was postponed, as a corporate review of Syria was undertaken and the Evaluation Office did not want to duplicate efforts. As of the time of the audit, the corporate review had been released and the Evaluation Office is expected to use the findings to scope the upcoming Level 3 evaluation of Syria. The scoping is expected to be done in the fourth quarter of 2019.

Follow-up: Evaluations are of limited value unless timely steps are taken to implement their recommendations and incorporate lessons into decision-making systems. UNICEF offices are meant to prepare a formal management response to evaluation recommendations and maximize the use of evaluation results. A review of the response to the sole evaluation uploaded to the evaluation management response tracking system (it was the 2010 evaluation) found that insufficient action had been taken. However, the audit accepted the office's view that the evaluation recommendations had no longer been appropriate in view of the changed context.

Agreed action 14 (medium priority): The office agrees to advocate to the Government that it permit UNICEF to conduct an evaluation in 2020, as an input in the development of the new country programme and an on-site evaluation of the L3 humanitarian response.

Responsible staff member: Representative

Date by which action will be taken: ongoing

Agreed action 15 (medium priority): The Evaluation Office agrees to:

- i. Ensure that a comprehensive evaluation of the Level 3 humanitarian response is undertaken and includes an in-country mission within Syria.
- ii. In the scope of the Level 3 global evaluation for the Syria response, Include a review of the effectiveness of UNICEF management structures and arrangements for the Whole of Syria

³² Initiated by the IASC Steering Group for Inter-Agency Humanitarian Evaluations and online at https://interagencystandingcommittee.org/system/files/syria_crisis_common_context_analysis_june_2014.pdf.

³³ UNICEF observes the UN Evaluation Group's criteria, with adaptations. See https://www.unicef.org/evaluation/files/UNICEF_UNEG_TOR_Checklist_updated_June_2017.pdf.

³⁴ United Nations Children's Fund, *Revised Evaluation Policy of UNICEF*, E/ICEF/2018/14, UNICEF, 12 April 2018, <https://undocs.org/E/ICEF/2018/14>, p10.

response.

Responsible staff member: Evaluation Specialist

Date by which action will be taken: May 2020

Field offices

The office has offices in Homs, Aleppo, Tartous and Qamishli, and Damascus (the latter is co-located with the country office). Their roles and responsibilities were set out clearly in a 'map of accountabilities for key functional areas'. Field offices are accountable for programme delivery, partnership management and area-based sector coordination, as well as situation and programme monitoring in their respective geographical areas. Chiefs of Field Offices are fully accountable for the management of the field office, including the management and supervision of programme and operations staff. However, the staff also maintain a technical relationship with their respective technical sections at the country-office level.

The office had a comprehensive coordination mechanism. The Chief of Field Operations and the Chiefs of Field Offices held twice-weekly conferences in 2018-2019. These meetings were to discuss key management issues and bottlenecks affecting operations of the field offices that needed follow-up at country-office level. Programme and operational issues were also discussed. The Chief of Field Operations also organized a three-day annual review to identify opportunities, challenges and propose solutions. The reviews were also an opportunity to discuss the changing security/political environment in the country and come up with strategies for operating in a complex environment. The field offices provided weekly situation reports to Damascus, and the Chief of Field Operations regularly briefed the Representative on issues in the field. The office has also introduced a comprehensive knowledge management information system, the Humanitarian Decision Support System (HDSS), that enables transmission of data amongst field offices and other actors involved in the humanitarian response. The audit found that this was a useful platform.

Since 2016 the office had taken steps to empower field offices. Thus each field office is a budget owner and their allocations have increased over time. But they remain low. For instance, four of the five field offices had a budget less than US\$ 4 million and the remaining one, a budget of US\$ 9.1 million, as compared to total annual workplan budget of Syria country office of US\$ 235 million for 2019. Further, while funds were allocated to the field-office cost centres, the authority to manage these only partially rested with the field office; for some sections, funds were released only upon provision of clear instructions by section chiefs as to how they should be used. Once the field office received a verbal go-ahead, the funds commitment was raised by the field office in question and approved by its Chief of Field Office.

The office acknowledged the need for greater decentralization. However, full decentralization is not feasible in Syria as the Government itself is highly centralized. Thus, no separate workplans were drawn up for each field office or signed with local authorities. However, the national workplan was developed with inputs from the field, and clearly set out how each field office contributed to results at outcome and output level.

Whilst full decentralization is not feasible, there is still room for strengthening the authority of field offices, and the 2019 Annual Management Plan (AMP) states clearly that it is an office priority to devolve greater levels of authority and flexibility in programme implementation and financial management.

However, the office had as yet no roadmap for this devolution.

The audit also noted that, as part of the development process for the new country programme, it would be timely if the office started assessing its presence in the field, in view of the changing context and likely programmatic shift.

Agreed action 16 (medium priority): The office should determine how best to maximize the value from decentralization and devise a roadmap for decentralization that includes providing field offices with greater authority over the management of funds allocated to their cost centres.

Responsible staff members: Chief of Field Operations

Date by which action will be taken: June 2020

Human resources

As noted earlier, the office is currently developing a new country programme and is determining its strategic positioning in Syria in the mid- to long-term. The office envisions a stronger focus on the quality of services, the enabling environment (e.g. legal/normative framework), social and behaviour change (linked to resilience programming) and system strengthening. This shift away from a supply-driven humanitarian response will require a different skill-set. The office was aware of this and was planning to examine the impacts on the staffing structure and skill requirements. Meanwhile the audit focused its review on timeliness of recruitment and adequacy of skills, given the exceptional operating environment of a Level 3 emergency country.

As of 1 June 2019, the office had 19 vacant posts out of a total of 195 positions. Seven posts had been vacant for more than six months. The office faced serious difficulties attracting suitable candidates, due to several factors; Syria is a non-family duty station (because of insecurity), there is the obligation to live in a hotel for an extended period, and there are long delays in getting residency permits. Management told the audit that they had made extensive efforts to fill key positions, including headhunting candidates. Despite these efforts, key positions (for example Chief of Child Protection) had remained vacant after multiple attempts.

Some time was taken to fill posts even when recruitment had been completed. From January 2018 to May 2019, the office had completed 32 competitive recruitments. The audit reviewed a sample of 25 of them, to determine whether they met the UNICEF Strategic Plan benchmark (30 days) established for fast-track duty stations. In two instances, the office was unable to find a suitable candidate and the post had to be re-advertised. For the remaining 23 cases, the office took on average 54 days to recruit candidate (from the date of closing of the advertisement to the date of notification sent to GSSC³⁵); 22 out of the 23 cases exceeded the 30-day target.

The office said that, in some cases, the internal process took longer than expected because of additional measures put in place to ensure the right candidate was recruited. For example, the office carried out face-to-face interviews for certain positions (heads of units and sections at the P5 levels). Given the significant impact of not recruiting the right candidate for the particular operating environment, the office understandably put more emphasis on quality and accepted the risks of delayed recruitment.

³⁵ The GSSC is UNICEF's Global Shared Services Centre, located in Budapest.

Finally, the audit noted that a Level 3 emergency duty station is generally subject to a high turnover of international staff. The staff in the Syria Country Office expressed the need to improve the onboarding process to ensure newcomers feel at home and a full member of the entire UNICEF family. The office was aware of this and was taking steps to address it at the time of the audit.

Agreed action 17 (medium priority): The office should:

- i. With assistance from the Regional Office and the Division of Human Resources (DHR), simplify, to the extent possible, the current recruitment process steps, to ensure timely recruitment without sacrificing quality.
- ii. Complete the onboarding process to ensure newcomers are fully and quickly integrated into the UNICEF family.
- iii. As part of the development process for the new country programme, analyze human resource priorities and capacity gaps, and devise a strategy to address them.

Responsible staff members: i, ii and iii, HR Manager

Date by which action will be taken: i and ii; December 2019; and iii, July 2020

Programme assurance

UNICEF country offices are required to monitor progress towards results and ensure that funds disbursed to implementing partners are used for the intended purposes. To provide reasonable assurance, UNICEF and certain other UN agencies have adopted the Harmonized Approach to Cash Transfers (HACT). This is a risk-based framework under which offices assess the risk of a particular partner (a 'micro-assessment') and use the results to determine the most suitable cash-transfer method to be used, and the number and frequency assurance activities. The latter include programmatic visits that assess the progress of activities and achievement of results and report any constraints. They also include spot checks of the partner's financial management and audits. The office had paid US\$ 31.5 million in direct cash transfers (DCTs) to 90 implementing partners from January 2018 to April 2019.

The office had a HACT unit to plan, coordinate and monitor assurance activities. It had carried out micro-assessments of implementing partners and used the results to determine the risk rating of partners and the type of cash transfer to use when transferring funds. It also used eTools³⁶ to keep track of recommendations arising from programme assurance activities (spot checks, programmatic visits) conducted by UNICEF staff and third-party monitors (TPMs).

The audit reviewed the most significant risks in programme assurance and noted the following.

PM&E support to field offices: The main purpose of a field office is to support and monitor programme implementation through programmatic visits to implementing partners. There were 120 programme staff in the five field offices as of June 2019. However, the office had centralized its field-monitoring function in Damascus, with all planning, monitoring and evaluation (PM&E) staff (11 posts) based in the country office. Its main purpose is to support field offices with respect to programme monitoring. For this strategy

³⁶ This is a suite of tools designed by UNICEF to help offices keep track of various functions. The various components are currently being introduced across UNICEF offices.

to be cost-effective, PM&E staff based in Damascus should regularly visit the four field offices outside Damascus to coach, supervise and train field-office staff on best practice in making programmatic visits.

According to the PM&E mission log, the PM&E team had conducted only 11 missions to the four field offices outside Damascus during 2018-2019. Six of the 11 missions aimed to improve the capacity of staff in programme monitoring. The remaining mainly related to the conduct of HACT assurance activities in general. Field offices stressed the need to further enhance staff's monitoring capacity to improve quality. There was also a need for better coordination, as the audit met implementing partners who said that when a PCA involved more than one programme section, their visits were sometimes not planned and carried out together.

Field offices also said that continuous capacity development of TPM contractors was needed, due to high rotation. The audit's review of TPM programmatic visit reports showed gaps in quality (discussed below). At the time of the audit, the PM&E section based in Damascus was preparing a capacity-building plan for TPM contractors, staff and implementing partners, to commence during the third quarter of 2019.

Programmatic visits: From January to June 2019, the office completed 314 programmatic visits. Of these, 87 were carried out by TPMs, due to access constraints caused by high-level insecurity.

The audit reviewed a sample of 10 programmatic visit reports by UNICEF's own staff. It noted that, in most cases, progress against planned results was not thoroughly analyzed. Four of the 10 reports highlighted areas requiring improvement; the remaining six did not. In two of those that did, the recommendations and/or follow-up actions did not adequately address the root causes of identified issues. Four of the 10 reports monitored the availability of programme supplies and included end-user monitoring (for the remainder, it was not clear whether there was no supply component, or whether there was but it had not been monitored). In three of these four cases, the report commented on the availability of supplies but not their quality or suitability. The audit also reviewed a sample of nine field visit reports prepared by TPMs and noted similar issues.

As of June 2019, the country office and the programme sections, including those in the field offices, did not always review the quality of programmatic visit reports to obtain assurance on programme implementation and achievement of results.

Spot checks: In 2018, the office conducted 37 out of 38 planned spot checks. None of the 2019 planned spot checks had been completed at the onset of the on-site audit visit. The audit reviewed a sample of 12 spot-check reports completed in 2018. Three of them identified insufficient supporting documentation for staff salaries or payments to vendors. One noted a lack of supporting documentation to justify the reported expenditure but did not require the partner to provide documents. With the introduction of the eTools financial module in January 2019, the office's HACT team has started to conduct a quality review of spot-check reports before the final report is completed.

Field offices told the audit there was a need for more support from the HACT unit to enhance the quality of assurance activities.

Fraud mitigation measures: The office had implemented the UNICEF anti-fraud strategy. It had also taken additional steps during spot checks to detect possible misuse of funds. The additional measures included random checks of payments to beneficiaries (vendors/salaries) to confirm the veracity of the expenditure

reported by partners. However, this measure had not been adopted as a standard practice by all spot-check teams, and random checks had not been always adequately documented.

The office reported that it did not detect any misuse of funds arising from their programme assurance activities during the period covered by the audit.

Agreed action 18 (high priority): The office should:

- i. Ensure that the PM&E section in Damascus further supports the field-monitoring capacity of field offices, and where possible plan joint field visits when a partnership arrangement involves several programme sections.
- ii. Develop a plan to improve the quality of programme assurance activities carried out by both UNICEF staff and third-party contractors, and regularly monitor the quality of assurance activities.
- iii. Identify, and ensure the consistent use of, robust fraud-risk mitigation measures by the HACT team, and ensure that random checks of payments to beneficiaries are well documented.

Responsible staff members: i, Chief of Planning, Monitoring and Evaluation and HACT Specialist; ii, HACT Specialist; and iii, HACT Specialist, Administration and Finance Specialist

Date by which action will be taken: i and ii, December 2019; and iii, January 2020

Supply and logistics

Programme supplies represented the most critical programme input for UNICEF in Syria; the office reported that it procured US\$ 65.2 million worth of programme supplies from 1 January 2018 to 31 May 2019. The audit reviewed the office's processes for ensuring the quality of programme supplies procured and timeliness of delivery to beneficiaries.

The office had drawn up supply plans for 2018 and 2019. It had also designated supply focal points to help identify each programme section's needs and ensure prepositioned stocks were available to respond to emergencies. The office had multiple long-term agreements (LTAs) with vendors, to minimize delays due to limited vendor production capacity. In addition, contracts with vendors included direct delivery to reduce the time of shipment due to access constraints faced by UNICEF.

However, the audit's review showed that programme supplies were not always delivered within the established timelines. For instance, the supplies from 169 purchase orders (POs), worth a total of US\$ 53.6 million, were received between 30 and 180 days after the expected delivery dates for the period of 1 January 2018 to 31 May 2019. In 81 of these cases, with a total value of US\$ 3 million, the supplies were shipped from the office's warehouses to end-users between 15 and 83 days later than planned (according to VISION³⁷ data). In several cases, the release orders (to approve distribution of supplies from the warehouse to end-users) were dated after the recommended delivery dates, meaning the delivery dates were not uploaded accurately in VISION. This raised concerns about the reliability of data used by the office to monitor timeliness of deliveries. The audit could not determine the extent to which this was an isolated error or a widespread problem.

Further, one supply tracking sheet (undated) showed that programme supplies in 16 out of 17 POs (worth

³⁷ UNICEF's management system (from Virtual Integrated System of Information).

US\$2.8 million) were delivered late, from 12 to 85 days against the planned delivery dates (for the period of December 2017 to March 2018). The main reasons were local market limitations, access constraints, international sanctions, and government bureaucracy. Supplies purchased offshore have to go through a lengthy customs clearance process – which in some cases is an additional cost to UNICEF – and movement within the country is heavily controlled by the authorities, which affects supply distribution. Moreover, international sanctions on Syria affect programme delivery, as some supplies cannot be imported to the country; the sanctions also limit the office's access to services.

To ensure the quality of programme supplies, the office had established LTAs with a service provider to inspect items at the time of reception. In addition, the office carried out post-distribution monitoring (PDM) of supplies and e-vouchers delivered as part of the social policy Winterization. Post-distribution monitoring is a good practice that could be extended to supplies delivered by the other programmes such as Education. As noted in the observation on programme assurance, the quality of programme supplies and its uses by beneficiaries were not adequately covered during programmatic visits.

Warehouse management: As of 2 June 2019, the total value of the inventory stock was US\$ 9.4 million. The audit visited cold rooms used to store vaccines in the Damascus location and found temperature monitoring devices were installed and well-functioning in all rooms. The audit looked at the supplies stored in the warehouse that were aging and found small amounts of programme supplies over 12 months old. For instance, as of 2 June 2019, the stock over 12 months old amounted to US\$ 2 million. Only 10 percent of the aging supplies (that is, those over 12 months old) were programme supplies that had been procured because they were deemed necessary to achieve the planned results, so should have been used. However, the remainder 90 percent had often been procured as contingency stock in case they were needed in the emergency, so it was understandable that they might not immediately have been needed.

They should also be used before the expiry of the grants with which they were purchased, as the activity should be completed at that point. According to the office Weekly Inventory/Dispatch report dated June 2019, the office had US\$ 4 million of supplies related to expired grants, of which 8 percent was related to programme supplies, mostly related to the Nutrition programme (food fortification, supplementary food and minerals, and vitamins) and Education (such as Arabic and maths books).

Agreed action 19 (high priority): The office should strengthen quality assurance monitoring controls over supply and logistics, and:

- i. Ensure purchase order and release order delivery dates registered in VISION are reliable, to enable accurate monitoring of timeliness of delivery of supplies.
- ii. Extend the good practice of post-distribution monitoring to all programme sections, as appropriate and feasible.
- iii. Analyze the causes of accumulated supplies related to expired grants and take corrective action to ensure effective use of programme supplies.

Responsible staff members: i and iii, Supply and Logistic Manager; and ii, Supply and Logistic Manager and Chiefs of Programme Sections

Date by which action will be taken: i and iii, December 2019; and ii, June 2020

Direct cash transfers to implementing partners

The office had paid US\$ 31.5 million in direct cash transfers (DCTs) to implementing partners from January 2018 to April 2019.

The audit reviewed a sample of 12 DCTs to see whether they were requested and processed in reasonable time, as failure to do so can delay programme implementation. In eight cases, the implementing partners had submitted their request for funds between 14 and 105 days after the planned start date of the activity, as recorded in the approved FACE forms³⁸ (the average was 46 days). Delays could be due to insufficient capacity of partners. The office did not have a system for monitoring the timeliness of the submissions and had not set a target for this. It was therefore not detecting and analyzing the extent of late submission and its potential impact on programme implementation.

Once partners had submitted the requests for funds, the office generally processed them within the UNICEF global standard of 10 days (measured from receipt of request). Two out of 12 cases were processed in 14 and 17 days. However, the audit also checked in how far advance of the grant expiry dates the payments were made. In 70 out of 407 cases, the DCTs payments to partners amounting to US\$ 5.3 million were made within 45 days of grant expiry dates. This meant the implementing partners might have insufficient time to implement the activities, unless grant extensions were approved by donors. The delays were caused mainly by the process for preparing the Partnership Cooperation Agreements (PCAs), each of which needed Government approval.

Certification of expenditures: The Finance Unit monitored DCTs outstanding for over six months every two weeks, and the Resource Mobilization Unit regularly reported the DCT status to programme sections and field offices. The audit sampled six certificates of expenditures submitted by implementing partners to justify the DCT advance. In all cases, the documentation submitted by partners was adequate to justify the expenditures. However, in two cases, the partners submitted the documentation for liquidation six months after the payment date (196 and 280 days). Delays could be due to limited capacity of partners.

Agreed action 20 (medium priority): The office should:

- i. Establish a process to monitor the timeliness of DCT requests from partners to UNICEF, and set a target to monitor performance and identify solutions to reduce delays.
- ii. Increase implementing partners' awareness of the HACT requirements through training and communication during spot checks, to minimize the risk of delays and errors.

Responsible staff members: i, Administration and Finance Specialist; and ii, HACT Specialist and Administration and Finance Specialist

Date by which action will be taken: December 2019

³⁸ 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.

Annex A: Methodology, and definition of priorities and conclusions

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

OIAI is firmly committed to working with clients and helping them to strengthen their internal controls, governance and risk management practices in the way that is most practical for them. With support from the relevant regional office, the country office reviews and comments upon a 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 client's own (for example, a regional office or headquarters division).

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

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

Priorities attached to agreed actions

- High:** Action is considered imperative to ensure that the audited entity is not exposed to high risks. Failure to take action could result in major consequences and issues.
- Medium:** Action is considered necessary to avoid exposure to significant risks. Failure to take action could result in significant consequences.
- Low:** Action is considered desirable and should result in enhanced control or better value for money. Low-priority actions, if any, are agreed with the country-office management but are not included in the final report.

Conclusions

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

[Unqualified (satisfactory) conclusion]

Based on the audit work performed, OIAI concluded at the end of the audit that the control processes over the office were generally established and functioning during the period under audit.

[Qualified conclusion, moderate]

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

[Qualified conclusion, strong]

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

[Adverse conclusion]

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