

Internal Audit of the Côte d'Ivoire Country Office

June 2019

Office of Internal Audit
and Investigations



Report 2019/06

Summary

The Office of Internal Audit and Investigations (OIAI) has conducted an audit of the Côte d'Ivoire Country Office. The objective of the audit was to provide assurance over the office's governance, risk management and internal control processes, with a focus on key risks and activities. The audit team visited the office from 12 to 28 March 2019, and the audit covered the period from January 2018 to March 2019.

The current (2017-2020) country programme runs for four years rather than five, in order to align with the Government's 2016 to 2020 National Development Plan. The UNICEF country programme has five main components: *Child Survival and Development*; *Early Childhood Development and Basic Education*; *Child Protection*; *HIV/AIDS and Adolescents*; and *Social Inclusion*. Following some minor adjustments during the 2018 mid-term review, all programme components are aligned with the priorities of UNICEF's Global Strategic Plan for 2018-2021. The five main components are supported by a cross-sectoral component.

The total approved budget for the 2018-2020 country programme is US\$ 139.9 million, of which US\$ 41.9 million is Regular Resources (RR) and US\$ 98 million is Other Resources (OR). RR are core resources that are not earmarked. OR are contributions that may have been made for a specific purpose 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. The total budget allotments received for 2018 and 2019 were US\$ 41 million and US\$ 57.8 million respectively.

The Côte d'Ivoire country office is in Abidjan, with a zone office in Man and a sub-office Korhogo. As of March 2019, the country office had 117 posts, of which 103 are regular posts and 14 are temporary (TAs). In total there are 21 international professionals (IPs), 45 national officers (NOs), and 51 general service staff (GS). Seven of the established posts were vacant.

Action agreed following the audit

The audit noted several positive practices. The office sought opportunities whilst managing their risk, and had implemented several successful innovations. Its youth engagement strategy has been recognized by UNICEF at global level. The office was viewed as a good partner by the Government, donors and implementing partners.

The office's prioritization of Multiple Indicator Cluster Survey (MICS) was commendable, for several reasons. The MICS provided data on the situation of women and children; it enabled the establishment of up-to-date baselines for the 2017-2020 country programme; and it will enable an evidence-based assessment of its results. Moreover, if the MICS's implementation is timely, it will provide evidence that can be used in preparation for the next National Development Plan.

However, the audit identified a number of areas where further action was needed to better manage risks to UNICEF's activities. In discussion with the audit team, the country office and regional office have agreed to take measures to address these risks and issues. One of these actions is being implemented as a high priority – that is, to address issues requiring immediate management attention:

- The office will strengthen the management of the evaluation function, ensuring that evaluations are implemented in a timely manner and inform decision-making.

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 Côte d'Ivoire Country Office, the West and Central Africa Regional Office (WCARO) and OIAI intend to work together to monitor implementation of the measures that have been agreed.

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Objectives

The objective of the audit was to provide reasonable assurance that there were adequate and effective governance, risk management and control processes to ensure: achievement of the office's objectives; 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. In addition to this assurance service, the audit report identifies, as appropriate, noteworthy practices that merit sharing with other UNICEF offices.

This report presents the more important risks and issues found by the audit, the measures agreed with the 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

Knowledge of the situation of children and women

UNICEF programmes need to be designed on the basis of the best possible information on the situation of children and women. Evidence generation is a key programme strategy of the Côte d'Ivoire office. The office aimed to generate evidence on the most vulnerable, to support the Government in building social protection systems and programmes as a mean of reducing poverty.

This prioritization of evidence generation had led the office to conduct a Multiple Indicator Cluster Survey (MICS)⁵ in 2016 and plan to undertake MICS6 in 2019. MICS5 was not conducted in time to inform the 2017-2020 Country Programme Document (CPD),² which was developed using mostly data from the 2012 DHS. However, the 2018 Mid-Term Review (MTR), which considered more recent data and information collected through MICS5 and the routine monitoring systems, found that the 2017-2020 programme result structure remained appropriate. Thus the CPD outcomes structure was left unchanged, though a specific output on youth engagement was added. At the time of the audit, MICS6 was just beginning the survey design stage in Côte d'Ivoire. At the Government's request, MICS6 will be conducted in conjunction with a Demographic and Health Survey (DHS).³ However, it had not yet been decided which MICS modules to include in the DHS.

Other initiatives had been limited until recently. The office's use of corporate research and evaluation databases for knowledge sharing in research and evaluation had been minimal, and no products were uploaded between 2017 and 2018. However, in 2018 this had changed, and the office had now completed significant research activities in addition to MICS. Most importantly, in 2018 it had worked with the Ministry of Planning and Development to carry out the first country-led, multi-dimensional

¹ 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.

² The CPD is the description of the country programme that is formally approved by UNICEF's Executive Board, and therefore becomes the official blueprint for the office's activities for the period covered.

³ The DHS programme is an international effort to collect accurate health and population data. It is funded by USAID but also receives contributions from other organizations, including UNICEF.

child poverty analysis (N-MODA⁴). Moreover, the office used the UNICEF Evaluation Office's PRIME system,⁵ and conducted several other surveys and assessments and budget analyses. The audit did note that only two of these research products had been uploaded to UNICEF's Evidence Information Systems Integration (EISI) database.⁶ Uploading research products to UNICEF's corporate systems is important as it is part of knowledge sharing and enables the organization to maintain its position as a knowledge leader for children rights issues.

Some data gaps persisted. Of the 44 SDG indicators, 39 are relevant for Côte d'Ivoire. The DRP 2017 Côte d'Ivoire country profile indicated that data was available for only 17 of these indicators; 10 indicators had insufficient data to establish trends, and a further 12 indicators had none. According to the office, MICS 6 will address some of the data gaps, but others will remain, as the MICS will be performed in conjunction with the DHS, and a prioritization of MICS modules will be needed to fill specific data gaps.

This occurred because, other than water, sanitation and hygiene (WASH) surveys, no Knowledge, Attitudes and Practices (KAP) surveys had been conducted since 2015 and there was thus no up-to-date data on attitudes and behaviour in several programme areas. This was despite the country programme document stating that a KAP on the demand for basic services would be conducted in regions where downstream interventions were undertaken (see observation *Communication for Development*, below). Therefore, despite substantial recent progress, data generation remains an area where further action is required. In addition, the regional office noted that, on a global level, UNICEF is custodian for 17 SDG indicators⁷ (the sole custodian for seven, and co-custodian for 10). In-country, working with the Government to address the SDG data gap is a collective effort and responsibility of the UNCT.⁸

The office was aware of the SDG data gaps. UNICEF, in collaboration with other UN agencies and under the leadership of the UN Resident Coordinator, is working with the Government to enable better SDG reporting. This includes the provision of technical and financial support to the Ministry of Planning and Development to ensure better alignment of the National Development Plan (NDP) goals and the SDGs. The UNICEF country office had reportedly also taken the lead in helping the Government to develop a planning, monitoring and evaluation framework for the NDP and other capacity-building and data generation activities.

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

- i. Systematically upload key research products to corporate systems as part of the corporate effort to enhance knowledge sharing.
- ii. In collaboration with other UN agencies, work further with the government to address data gaps for the child-focused SDG indicators for which UNICEF is a custodian.

⁴ A policy tool used to identify children suffering multiple and overlapping deprivations. See <https://www.unicef-irc.org/research/multidimensional-overlapping-deprivation-analysis-moda-201-2015/>.

⁵ PRIME is the Planning for Research, Impact Monitoring and Evaluation system, used for collecting information about planned and on-going evidence activities.

⁶ EISI is an evaluation and research tool that combines all of UNICEF's planning, evaluation and research systems in one platform.

⁷ In these roles, UNICEF supports countries in generating, analyzing and using data for these indicators for all their citizens. This includes leading methodological work, developing international standards, and establishing mechanisms for the compilation and verification of national data, and maintaining global databases.

⁸ 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.

Responsible staff members: Deputy Representative and Chief of Planning, Monitoring & Evaluation
Date by which action will be taken: 31 October 2019

Results structure and measurement

The result structure in the CPD was generally sound, in that there was a strong link between achievement of output level results and the realization of the expected outcome results.⁹ However, the measurement of results could have been further strengthened. The audit noted that six out of eight programme outcomes and 18 out of 31 outputs were not fully measurable by the selected indicators; for example, in HIV the only outcome indicator measures “knowledge”. Thus, the result statement that focuses on the use of equitable and quality HIV services was not adequately measured. Also, although the result structure in the CPD was mostly aligned with the RAM,¹⁰ two out of eight outcome indicators in the former were not fully reflected in the latter. The office was aware of this and was working on ensuring alignment (the global deadline for this was 31 March 2019).

The result structure could also have been further improved with regards to gender. Most outcome statements included references to women, equitable access to quality services, and adolescence. However, the extent to which women and adolescents were reached, and equitable access to services, were generally not measured. Only three of the eight programme outcomes had gender-disaggregated baselines/targets or indicators focusing on girls.

According to the office and the regional office, the shortfall with regards to gender disaggregation in RAM was due to a system weakness. If disaggregation is to be captured in RAM it requires separate indicators in RAM for boys and girls. Reporting on disaggregated data is therefore done not in the RAM but in the country office annual report as part of the strategic monitoring questions (SMQs). A current RAM redesign project will reportedly address this issue in 2019/2020, so the audit has not agreed an action with the office on gender disaggregation of baselines and targets.

Lastly, according to RAM data from December 2018, all eight programme outcomes were on track. However, a review of RAM data found that result ratings were not always supported by the data entered into the system. Thus, no change had been recorded in the status update *vis-à-vis* the baseline for 18 out of 25 outcome indicators. This was usually because the Means of Verification (MoV) for the outcome indicators were MICS/DHS (see previous observation), and thus no data was available from later than 2016. The office was aware of this and will add some proxy indicators¹¹ in RAM that will enable results measurement on an annual basis.

Agreed action 2 (medium priority): The office agrees to refine the result structure to ensure that:

- i. Results statements are fully measured by indicators and CPD indicators are captured in RAM.

⁹ UNICEF offices plan for results on two levels. An outcome is a planned result of the country programme, against which resources will be allocated. It consists of a change in the situation of children and women. An output is a description of a change in a defined period that will significantly contribute to the achievement of an outcome. Thus, an output might include (say) the construction of a school or clinic, but that would not in itself constitute an outcome; however, an improvement in education or health arising from it would.

¹⁰ The RAM is the Results Assessment Module, an online portal to which UNICEF offices upload their results so that they can be viewed across the UNICEF system, allowing easy access to information and comparability and aggregation of results.

¹¹ Proxy indicators are used where there is no robust data for a given indicator, but equivalent data can be generated that gives some indication of what it might have been.

- ii. Some proxy indicators are added at outcome level, enabling more frequent measurement of results achievement.

Responsible staff members: Deputy Representative and Chief of Planning, Monitoring & Evaluation
Date by which action will be taken: 30 September 2019

Prevention of sexual exploitation and abuse (PSEA)

At global level, UNICEF has put in place important preventative and response mechanisms for PSEA and prevention of sexual harassment and abuse of authority (PSHAA). The office in Côte d'Ivoire has not had any reported cases of sexual abuse and exploitation directly involving its staff or partners, but the environment is not without significant risk. PSEA was discussed at two Country Management Team (CMT) meetings in 2018 and action points were implemented.

The office had appointed four PSEA focal points, two of which were based in field offices. The formal designation as PSEA focal person in the two field offices will be made in a 2019 office memo on committees and focal points. However, only three of the four focal points had been trained on the responsibilities involved, and in one case the role was not included in the individual's performance assessment.

In December 2017, the office issued a PSEA action plan which focused mainly on building capacity of UNICEF staff and implementing partners. In 2018 the office conducted two training sessions for partners; these covered PSEA and HACT.¹² The objective was that partners:

- Understand what constitutes SEA.
- Are able to report cases of SEA and set up a minimum system of internal control.
- Understand special provisions to prevent SEA.

According to the lists provided by the office, a total of 77 individuals from 43 different partner organizations attended the training sessions. However, the training in the field locations was less detailed and took less time than that given in Abidjan. Only 54 percent of implementing partners had received PSEA training at the time of the audit. During a meeting with eight key implementing partners it was found that three had attended the PSEA training. People attending the training did find it to be useful, but it was also said that there continued to be a need for capacity building on PSEA. The office stated that they planned to train all partners by June 2019.

Attention has also been given to staff training on PSEA and PSHAA. The completion rate of PSEA and PSHAA is 100 percent and 98 percent respectively. According to the office, all newly recruited staff meet the Representative/Deputy Representative and during this meeting emphasis is put on UN standards of conduct and UNICEF's expectations with regards to ethical conduct and PSEA/PSHAA. This is reinforced in the induction by the Chief of Child Protection.

The PSEA action plans include development of sensitization materials and conducting U-Report¹³ polls and live chats. However, further work was required on raising awareness of communities on SEA and strengthening SEA reporting mechanisms. The office was aware of this and was looking into ways of enhancing the system.

¹² HACT is the Harmonized Approach to Cash Transfers (see observation on p14 below).

¹³ U-Report is a messaging system that enables young people to speak out on matters that matter to them. See <https://www.unicef.org/innovation/U-Report>.

The audit also noted that, while UNICEF had its own focus on PSEA, there was a relative lack of interagency cooperation in this area. When the peace-keeping mission in Côte d'Ivoire (the United Nations Operation in Côte d'Ivoire, UNOCI) left in 2017, the interagency PSEA focal point role was reportedly handed over to UNFPA. Since then there had only been a couple of meetings held on PSEA, which focused on specific SEA cases. At the time of the audit, the interagency PSEA network in Côte d'Ivoire was not functional. The office was aware of the need for greater coordination on PSEA and expressed willingness to support strengthening PSEA at an interagency level in Côte d'Ivoire.

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

- i. Complete the capacity building of PSEA focal points.
- ii. Set out, in the PSEA action plan, how it will raise community awareness on SEA – including the reporting mechanism – in UNICEF targeted areas.
- iii. Advance the training of implementing partners on UNICEF's PSEA policies and requirements.
- iv. Engage with the UNCT¹⁴ on the re-activation of the PSEA network.

Responsible staff members: Deputy Representative and Chief Child Protection

Date by which action will be taken: 31 December 2019

Communication for Development

Communication for development (C4D) is prioritized in the 2018-2020 country programme; the CPD states that it is considered integral to the programme delivery, as promoting changes in social norms and practices is crucial if the office is to be successful. In line with this, all eight programme outcomes have an output that aims to alter knowledge, attitudes and behaviour. The office had a dedicated C4D unit consisting of three staff, which is headed by a National Officer (NOC). At the time of the audit, the NOC position had been vacant for nine months due to challenges finding suitable candidates. However, a third round of recruitment was underway during the onsite audit visit.

The audit noted the attention that the office had paid to C4D. It did find areas in which it could be further improved. These are discussed below.

Planning for C4D: Communication for development requires some of the same skills as other communication functions, and syntheses should be sought where possible. The office was aware of this, and in 2018 the reporting line of the C4D unit had been changed and moved under communication. However, C4D was not captured in the 2019-2020 communication, advocacy and youth empowerment workplan, but had its own. This reflected the fact that the C4D Government counterpart differed from the communication one.

The C4D workplan lacked detail and consisted of only four activities. According to the CPD, the office was to develop a comprehensive behaviour-change communication strategy. At the time of the audit no such strategy had been developed. This had affected implementation of the programme. For example, the child survival and development (CSD) programme strategy note developed as part of the 2018 mid-term review states that: "the demand for health, nutrition and WASH interventions is limited. This is mostly due to the fact that there is still no evidence-based communication strategy in place to overcome social norms and barriers hindering the adoption of best practices in health,

¹⁴ The UN Country Team (UNCT) is 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.

nutrition and hygiene.”

Despite the absence of a comprehensive C4D strategy, there are some strategies to guide the office's work. Key amongst these are sectoral strategies developed by the Government (with support from UNICEF). The audit found that the Government's and the office's work around C4D was largely linked to campaigns e.g. immunization campaigns.

Data generation: To be successful, C4D interventions need to be designed on the basis of good data and other information – including evidence of the results of previous interventions. However, there had been insufficient data generation for this purpose. In CSD, for example, the office still relied on a 2014 analysis which, according to the mid-term review, remained valid. Other than the 2015 KAP survey¹⁵ in WASH, the office has undertaken no KAPs. In 2017-2018 project-specific KAP surveys were planned, for example on Mother and Child Clubs, but subsequently cancelled as they were found to be too costly.

However, the office was aware that more needed to be done, and was taking action. The C4D workplan included an activity on evidence generation. To guide the work in the area of education, a 2019 baseline study was to be conducted on girls' education. Whilst late (2019 being the third year of CPD implementation), the planned research showed that the office was aware further evidence generation was required. Meanwhile, in 2018, in Abobo and San Pedro, a baseline survey took place on social norms and practices in the area of child protection. This did have many of the elements of a KAP. It was the first population-based survey of its kind in Côte d'Ivoire and it will provide the protection team with prevalence, norms and practice data on key child protection issues such as child labour, violence, child marriage, and female genital mutilation (FGM).

The office uses technology (such as U-Report¹⁶) to conduct polls and live chats on various themes. This has enabled the office to obtain data on some barriers and bottlenecks; whilst not strictly scientific, this is useful. The office is also exploring how better to use U-Report for monitoring purposes. Moreover, MICS5 included several questions on knowledge, attitudes and behaviour (as will MICS6). These pertain to handwashing, treatment of water, young child feces management, Infant and Young Child Feeding (IYCF) practices, knowledge about HIV, child discipline, violence against women, how to treat diarrhea, and maternal and new-born health danger signs. That said, there is a need to conduct additional research.

Evaluation of C4D initiatives: There were insufficient provisions for monitoring and evaluation of C4D interventions. For example, in the case of the First 1,000 Days campaign,¹⁷ it was not possible to obtain evidence of results because of the absence of baseline data against which to measure them. This was because the office's Planning, Monitoring and Evaluation (PM&E) section had not been sufficiently involved in the design of C4D initiatives. With the addition of a P4 section chief position for PM&E in 2018, the section will be better placed to provide the necessary technical support when programme sections develop M&E frameworks for C4D interventions.

¹⁵ KAP stands for knowledge, attitudes and practices. A KAP survey seeks to establish how a target group thinks and behaves with regard to a given area (hygiene, for example), so that C4D messages can be better framed and directed.

¹⁶ A social platform, created by UNICEF, that enables young people to use SMS, Facebook and Twitter to express their opinion and help bring about change in their communities. See <https://www.unicef.org/innovation/U-Report>.

¹⁷ A global campaign supported by UNICEF country offices that aims to ensure sufficient nutrition, stimulation and protection in the crucial 1,000 days from conception.

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

- i. Draft the comprehensive C4D strategy envisioned in the CPD.
- ii. Strengthen its approach to measuring results achievement of its work on C4D. This includes involving PM&E at the design stage of interventions.

Responsible staff members: Chief of Communications and Chief of C4D

Date by which action will be taken: 31 December 2019

Partnership with NGOs

The CPD strategies include expansion of partnerships with NGOs and the private sector. The office implemented its programme through 79 NGO partners and Government counterparts in 2017 and 71 in 2018. At the time of the audit, two new partnership documents had been approved in 2019.

The audit noted the following.

Partnership strategy: Despite the CPD strategy on strengthening partnership with NGOs, the office was increasingly relying on the Government to implement the country programme. Thus, 61 percent of direct cash transfers (DCTs) were to Government counterparts in 2017 and 77.6 percent in 2018. The number of actual NGO partners and value of the partnerships had fallen during implementation of the 2017-2020 country programme. At the time of the audit, the office had begun mapping the NGOs that could potentially contribute to the programme implementation. However, no framework had been developed for how the office would strengthen these partnerships in line with the CPD strategy.

Partnership documents: Two main documents underpin an office's partnership with an NGO. One is the programme cooperation agreement, or PCA, which is the formal partnership document. The other is the programme document (PD), which is produced by the partner and the relevant programme section in the UNICEF office; this explains what the proposed collaboration is for, and includes the budget and result framework. These documents will be submitted together to the office's PCA Review Committee. However, although the PCA is the formal agreement, it is the PD which sets out what the partnership will do.

The audit interviewed eight key NGO partners. All noted that the development of PDs was a very lengthy process. In two cases, this had led to a break in service provision of several months, as there was a gap between the expiry of one PD and the approval of the next. In one case, the development of a PD had taken so long that there was a year's gap in activities, and in another there was a six-month gap. In another two cases, there were no gaps as the PDs under development pertained to new interventions. However, the lengthy PCA development process in all six cases had been frustrating to the partners. As the office did not track the time it took to develop PDs, it was not possible to establish the full extent of delays in the PD development process.

According to the office, the lengthy process was mostly due to poor quality of the proposals received from the NGO partners. There were several other factors, however; these included extensive negotiation with the NGO to ensure alignment with the CPD results and rationalized use of programme resources. Also, some PCAs were complex as they required involvement of multiple programme sections of the programme. Some NGOs found it hard to adapt their draft proposal to the PCA template. Finally, delays could occur in the validation process of the PCA.

The audit also reviewed a sample of five PDs for quality. It found that the results framework for two

of the partnerships were good, with outcomes and outputs presented in a coherent and logical sequence; the indicators were relevant to the results statements, and there were baselines and targets. In three cases, however, the indicators were insufficient to assess the quality of work to be performed by the partners.

However, in 2019 the office had taken steps to strengthen the quality assurance of PDs. The new process includes a review of the PD result structure by the PM&E section prior to submission of the PCA to the PCA Review Committee. At the time of the audit, this had been done for both the PCAs so far submitted in 2019. The PM&E section's quality assurance appeared sufficiently strong to support the strengthening of result frameworks in PDs. The audit did not therefore need to agree an action with the office in this regard.

The audit also found that the partners in three of the five cases did not contribute financially to the partnership's direct programme implementation. In two of the three cases, the partners were international NGOs. Non-financial contributions to PDs are acceptable but should be identifiable, and a review of sampled PDs found that they were not. In one example, the cost of the partnership with a national NGO was high – i.e. 35 percent of UNICEF's contribution went to cover indirect programme costs such as support for the partners' staff costs, office space and travel.

According to the regional office, its regional quality indicators for partnership management, and its Regional Priorities for 2019, seek to support improvement of the quality of partnerships with NGOs. Open selection¹⁸ for at least some partnerships is required for country offices for 2019 (the target set by the regional office is 20 percent of NGO partnerships).

Further, all UNICEF country offices worldwide are to adopt the UN Partner Portal (UNPP), which will be used to document both direct and open selection, and will also serve as the system for launching calls for expression of interest where open selection is used. Country-office experience with the UNPP so far does suggest that it assists and accelerates the process of open selection. This should therefore help both to speed up the PD development process, and to encourage partnerships with those NGOs, including new partners, that offer better comparative advantage. In addition, the February 2019 partnerships procedure encourages country offices to establish a reasonable cost ratio as well as a minimum contribution for international NGOs.

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

- i. Conduct an analysis of the PD development process and take measures to address any bottlenecks.
- ii. Closely monitor the PCA development process.
- iii. Devise a strategy for how it will seek to strengthen partnership with civil society, and outline the results expected from it.

Responsible staff members: Deputy Representative

Date by which action will be taken: 31 December 2019

¹⁸ A country office can choose implementing partners through open selection, in which more than one partner can compete for the activity, and direct selection, in which the office approaches its choice of partner without a competitive process. The latter can be justified under some circumstances, but offices are encouraged to practice open selection where possible in order to obtain the best value for money.

Private-sector engagement

In 2015, the office completed a comprehensive Private Sector Engagement (PSE) Strategy for Côte d'Ivoire. The purpose of the strategy was to provide the foundation for developing an integrated approach to partnership with the private sector, and to influence change at the national level regarding business practice, particularly as it relates the rights and wellbeing of children.

Following a global PSE exercise in 2014, Côte d'Ivoire had been chosen as a lead country in the West and Central Africa region. The prioritization of PSE is evident in the office's 2017-2020 CPD. For the first time, the CPD had specific objectives regarding the private sector, including expansion of partnerships. Moreover, the office had recruited a Partnerships Specialist in January 2017 on a temporary basis.

The 2015 PSE strategy focused on two sectors of greatest importance to the economy, cocoa and mining. However, the office had prioritized cocoa, as it was the most critical component of the Côte d'Ivoire economy and a more mature sector. Thus, the office's activities for 2017-2018 included an impact assessment and advocacy efforts directed to the cocoa sector, with only preparatory work towards the mining sector. The audit found this prioritization to be appropriate.

To guide its engagement work with the cocoa sector, the office used two working documents developed in collaboration with UNICEF Global Child Rights and Business team. One was a 2017-2019 action plan aimed mainly at monitoring key stakeholders and summarizing strategic engagements. The other document was a study on children's rights in cocoa production¹⁹ used to provide specific strategic guidance to the office engagement work.

While the 2015 PSE strategy included a results structure, the office did not explicitly monitor its implementation, preferring to track PSE activities and results for 2017-2018 through the performance evaluations of the staff member working on PSE. Nevertheless, the audit found that many elements of PSE strategy were being implemented and the main variations from proposed results structure were due to a change in UNICEF's global strategy on engaging with the private sector.

Demonstrating results for children was a challenge. This was because, firstly, the focus of PSE in the first half of the country programme had been to build the foundation for partnerships and on advocacy, and the correlation between this and results for children is hard to quantify. Secondly, there was no framework for M&E built into the strategy design. However, according to the office, efforts with the cocoa sector in 2018 had paid off. These efforts included combining partnerships with leading chocolate companies with high-level advocacy during key international events. The office also said it had been successful in advocating a change in focus for the 2018-2020 National Action Plan on Child Labour – that is, shifting from a small project and response focused to linking more strategically into other sectoral plans and a focus on prevention. Industry sustainability frameworks (e.g. the ICI strategy) had also influenced better inclusion of children's rights in the 2018-2020 National Action Plan on Child Labour.

Whilst no action plan had so far been drawn up for mining, the office had in 2018 taken initial steps to engage further in this area. This included conducting a preliminary analysis of the mining sector. In addition to the work outlined in the strategic documents, the office had engaged in partnerships where the opportunity had arisen. This most notably included an intervention on the use of recycled plastic waste in the manufacture of plastic bricks for construction, which provided income-generating

¹⁹ *Les droits de l'enfant dans les zones cacaoyères de Côte d'Ivoire* (see <https://treccprogram.org/wp-content/uploads/2018/12/Les-droits-de-lenfant-dans-les-zones-cacaoy%C3%A8res-de-C%C3%B4te-dIvoire-nov-2018-1.pdf>).

activities for vulnerable people, and made construction of learning spaces for children faster and cheaper.

In 2018, the office had established a position for a private partnerships specialist. The post was intended to focus on corporate partnerships, corporate resources mobilization and corporate social responsibility activities. With the creation of this post, and with the private-sector engagement direction agreed upon during the 2018 mid-term review, it would be timely for the office to formalize its work on planning, monitoring and evaluation of private-sector engagement. This includes documenting key lessons learned during the first half of the CPD and an updated private-sector engagement strategy, including a results structure for the remaining part of the CPD (2019-2020).

Agreed action 6 (medium priority): The office agrees to document key lessons learned during the first half of the CPD and formalize the 2019-2020 updated private sector engagement strategy, including a results structure to capture progress and, whenever possible, contribution to programme results.

Responsible staff members: Deputy Representative and the Partnership specialist

Date by which action will be taken: 31 December 2019

Evaluation

Evaluation in UNICEF serves interrelated purposes in support of the organization's mandate. It supports learning and decision-making, which in turn support better results for children. Evaluation also helps to hold UNICEF accountable for contributing to results for children, or for not doing so. Adequate evaluation coverage is key to providing a representative, unbiased picture of UNICEF performance.

The audit found that there was insufficient evaluation coverage in Côte d'Ivoire. No evaluation had been conducted since 2016, despite there being an Executive Board-approved costed evaluation plan for the 2017-2020 CPD that included four evaluations, two of which were to have been completed in 2017.

The regional evaluation advisor visited the Côte d'Ivoire in September 2018 and found that the scope of evaluations included in the costed evaluation plan required some revisions. The revision was called for by both new, emerging information needs among UNICEF country-office staff, and changes in the Government's strategic interests. As part of the 2018 mid-term review, significant revisions were made to the costed evaluation plan. At the time of the audit, terms of reference (ToRs) were being drafted for one evaluation, but another evaluation had been delayed and the ToRs were still in draft.

The office did not systematically monitor the implementation of evaluation recommendations – or at least, follow-up action was not documented. Thus, the office uploaded recommendations from the two 2016 evaluations to UNICEF's Evaluation Management Response Tracking System on 22 November 2016. The office recorded agreeing to most of the recommendations. However, no updates had been entered into the tracking system regarding implementation of the recommendations.

Agreed action 7 (high priority): The office agrees to strengthen the management of the evaluation function, ensuring that:

- i. Evaluations are implemented according to the revised Costed Evaluation Plan.
- ii. The related findings are used more systematically for decision-making purposes.
- iii. The implementation of the evaluation recommendations is tracked on a more regular basis.

Responsible staff members: Deputy Representative and Chief, PM&E

Date by which action will be taken: 30 June 2020

Harmonized Approach to Cash Transfers

UNICEF offices need to obtain reasonable assurance that partners have used their funds for the intended purposes. To do this, UNICEF has, along with several other UN agencies, implemented the Harmonized Approach to Cash Transfers. Under the HACT framework, country offices are required to undertake a risk assessment (micro-assessment) of all its partners receiving US\$ 100,000 or more in a calendar year. Based on the resulting risk rating, the office decides which disbursement method is appropriate for that partner. The disbursement methods are direct cash transfers, or DCTs (where funds are transferred to the partner in advance of implementation of activities), reimbursements and direct payment.

The risk ratings should also be used to decide on the types and frequency of assurance activities for that partner, as well as the total amount of funds to be transferred to it. Assurance activities include spot checks, scheduled audits and programmatic visits.²⁰ An office's HACT officer provides oversight of the HACT process, such as the planning of assurance activities, implementation of the plan, and the follow-up of issues arising from assurance activities.

The audit assessed the office's implementation of the HACT framework and noted the following.

Coverage: During a review of the final assurance plan for 2018 and its implementation, it was noted that the office planned 106 programmatic visits and 47 spot checks. In fact, it completed slightly more than this – 117 programmatic visits and 51 spot checks at the end of the year. However, not all partners got the number of programmatic visits or spot checks they were supposed to. The audit noted that eight partners did not receive the total number of minimum required programmatic visits. For example, a high-risk partner with a total of US\$ 328,389 disbursed during the year had three programmatic visits planned but only two completed, whilst a low-risk partner with a total of with \$82,709 disbursed received two visits. The audit review also noted that one partner did not receive spot checks as planned because its offices were flooded, and documentation destroyed. (This case was brought to the attention of the DCT committee in New York, which agreed that the DCT could be liquidated without the missing documentation.)

Spot checks: To make better use of limited technical staff capacity, the office used an audit firm to carry out spot checks in 2018 and 2019. The audit sampled five reports of spot checks completed in 2018 to assess their overall quality. In all cases, recommendations were assigned a rating – high, medium or low risk. However, the ToRs for the spot checks, which were based on the template provided by UNICEF's Field Results Group (FRG), did not require the audit firms to provide specific deadlines for implementation of recommendations or to follow up on the status of recommendations from previous spot-checks; the audit firm did not therefore do this.

The ToR for the spot checks did require the audit firm to follow up on recommendations of the most recent micro-assessment. However, in three of the five reports sampled for testing, the audit firm wrongly stated that the partners had not had a micro-assessment, although all three had had them within less than five years. There was therefore no follow-up on recommendations raised in the micro-

²⁰ Programmatic visits are a review, with the implementing partner, of progress towards achievement of planned results, challenges and constraints in implementation and ways to address them. They can take place at a field location, partner's office or meeting with stakeholders, and focus on programmatic issues, including attention to matters of financial management.

assessment reports of the three partners. However, in two of the three cases, the country office itself had followed up on closing the recommendations.

Scheduled audits: The HACT policy requires partners to be audited once during the country programme cycle, based on risk rating and amount received. Scheduled audits were carried out by accounting firms to independently review the effectiveness of internal controls. The audit selected a sample of five scheduled audit reports for review and noted that the most recurrent issues identified were ineligible expenditures due to inadequate, or lacking, supporting documentation. Three of the reports had a qualified audit opinion. The audit reports were adequate.

Programmatic visits: The audit identified a positive practice in that the office sometimes performed joint monitoring of programme activities with the Government of Côte d'Ivoire.

For the period under review, the audit looked at 10 of the programmatic visits reports. More than half lacked a clear linkage to workplan or targets, a comparison of actual and planned results, and follow-up on implementation of action points from previous field visits. Only three gave recommendations that fully addressed the weaknesses or challenges identified. There was therefore a need to improve the overall quality of programmatic visit reports.

The office said that it had delayed the revision of the programmatic report format because of the forthcoming transition to eTools, a suite of online tools designed to help offices with various administrative tasks, including preparation of field-visit reports. This transition will require the use of a new standard format.

Assurance activities follow-up: The office had consolidated office-wide assurance activity tracking sheets. These recorded the number of recommendations arising from micro-assessments, spot checks, scheduled audits and programmatic visits, as well as their implementation status. According to the office's standard operating procedure, the head of the relevant programme section has the primary responsibility for ensuring that significant and high-priority recommendations from assurance activities are implemented. Only the Finance and HACT Officers were authorized to confirm closure of recommendations from spot checks and micro-assessments. They did this either by analyzing documents sent by the partner, or – for recommendations which required field visits – from feedback received after a joint field mission by Programme and Finance staff.

However, there was no documentation of the follow-up mechanism for key findings. Additionally, recommendations of assurance activities, except for scheduled audits, were not prioritized. It was also unclear which section chiefs had been assigned follow-up on a recommendation. With regards to the closed recommendations found on the tracking sheet, it was not clear who provided information for closure of recommendations or, sometimes, which recommendation had been closed. It was also not stated what information had been received to enable the closure, and the validation of that information was not documented. The tracking of recommendations did not include the date of the recommendation, and there was no timeline given for the implementation of recommendations on the tracking sheet.

Approved Signatory list: The audit selected a sample of nine FACE forms²¹ for testing. The office could not provide the list of authorized signatories for any of the partners concerned, or their specimen

²¹ 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.

signatures. It was thus not clear how it was verified that the FACE forms were being signed by authorized personnel. The office was aware of this issue and stated that it had sent out letters in 2018 to partners and programme section chiefs, asking for the lists of authorized signatories and their specimen signatures. However, this was not effectively followed up by the respective sections. The office had since emailed some partners in this regard.

The regional office stated that the country office was required to put in place, by 31 May 2019, a repository of authorized officers and their specimen signatures for all implementing partners so that they could be verified during the processing of FACE forms.

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

- i. Improve quality and coverage in the planning, implementation and reporting of assurance activities.
- ii. Establish a database of the specimen signatures of those who are authorized to sign FACE forms on behalf of partners, and assign responsibility for verification of signatures on FACE forms to the appropriate staff.

Responsible staff members: Deputy Representative, Deputy Representative – Operations and PM&E
Date by which action will be taken: 31 July 2019

Bank payments

The audit noted some challenges the office was currently having with their banking institution. These issues included delays in payment of vendors and partners, as well as incorrect charges to the office's account. According to documents reviewed, the issues with the bank had started in July 2017 and had been reported to the bank several times. The office had escalated the problems to UNICEF's Division of Financial and Administrative Management (DFAM) in 2017, and, after the intervention of senior management, the bank had promised to resolve them. It had not done so; rather, they had increased.

At the beginning of 2019, the banking institution changed their operational platform without alerting the office, and this caused further delays in payment to vendors and partners. On some occasions, the office staff had to physically follow-up on payments at the bank; in fact there were instances of this during the audit. The office had therefore contacted DFAM again in March 2019 and provided information on the list of challenges they were currently facing with the bank. DFAM is therefore currently following up with the bank. Meanwhile, according to the office, the regional office was aware of the challenges with the bank and will be conducting a survey across the region, since other country offices have reported similar problems.

Agreed action 9 (medium priority): DFAM agrees to, in collaboration with the country office, resolve the outstanding issues with regards to banking, ensuring that the office has a functional banking institution that can meet its operational needs.

Responsible staff members: Treasurer and Head of Banking Unit (DFAM), Representative and Deputy Representative – Operations (country office)
Date by which action will be taken: 30 September 2019

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.