Internal Audit of the Uganda Country Office

July 2018

Office of Internal Audit
and Investigations

oiai

Report 2018/04

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Summary

The Office of Internal Audit and Investigations (OIAI) has conducted an internal audit of the Uganda Country Office. The objective of the audit was to assess the office's governance, internal risk management and internal control, with a focus on key risk and activity areas. The audit team visited the office from 12 to 29 March 2018. The audit covered the period from January 2017 to March 2018.

The 2016-2020 country programme has three main components: *Child survival and development*; *Basic education and adolescent development*; and *Child protection*. There is also a cross-sectoral component. The total approved budget for the country programme is US$ 316 million, of which US$ 112 million is Regular Resources (RR) and US$ 204 million is Other Resources (OR). RR are core resources that are not earmarked for a specific purpose. OR are contributions that may have been made for a specific purpose such as a particular programme, strategic priority or emergency response, and may not always be used for other purposes without the donor's agreement. An office is expected to raise the bulk of the resources it needs for the country programme itself (as OR), up to the approved budget; the office planned to raise a further US$ 66.1 million in 2018 to respond to the needs of refugees, mainly but not exclusively from South Sudan. This type of funding is known as Other Resources (Emergency), or ORE.

The country office is located in the capital, Kampala; there are zone offices in Gulu, Moroto and Mbarara. As of March 2018, the country office had a total of 177 approved posts, of which 27 were for international professionals, 68 for national officers and 82 for general service staff. Of the 177 established posts, 14 were vacant. The total budgets were US$ 62.1 million in 2017 and US$ 76.4 million in 2018.

The audit noted a number of positive practices, including pioneering approaches to innovation, and mainstreaming of Communication for Development (C4D) as part of the 2016-2020 country programme. There was also cross-sectoral programming around early childhood development (ECD) and adolescent development and participation, which are organizational priorities for UNICEF. In 2018, the office planned to conduct quarterly reviews of programme implementation, which would include field-visit findings to generate adequate assurance on programmatic activities and how funds are being spent. The regional office noted that in its view the office did have good monitoring systems, although their quality could have been further improved.

The office had taken significant steps to reduce risk exposure and to ensure that funds were used for the intended purposes. For example, a risk analysis was undertaken of partners working in the humanitarian response. Additional controls included setting up standard salary rates for NGOs, enhancing accountability to donors, and asking partners to account for use of funds that were unliquidated after more than three months before additional direct cash transfers (DCTs) were made. In the latter cases, the office properly switched to use of reimbursement or direct payment instead of DCTs.

Action agreed following the audit
The audit identified a number of areas where further action was needed to better manage risks to UNICEF's activities. In discussion with the audit team, the country office and regional office have agreed to take a number of measures to address these risks and issues. The

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following actions are being implemented as a high priority – that is, to address issues requiring immediate management attention:

- The office will strengthen the way it uses the Harmonized Approach to Cash Transfers (HACT) and other mechanisms to generate adequate assurance on programmatic activities and how funds are being spent; and
- The office will ensure that its work is adequately evaluated, with the lessons learned being integrated into future programming.

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 Uganda Country Office, the Eastern and Southern Africa Regional Office (ESARO) and OIAI will work together to monitor implementation of the measures that have been agreed.

| Office of Internal Audit and Investigations (OIAI) | July 2018 |

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Objectives

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

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

Audit observations

Achievement of results (assessment and reporting)

UNICEF practices results-based management, and offices, including country offices, upload their results to a Results Assessment Module (RAM) so that they can be viewed across the UNICEF system, allowing easy access to information and comparability of results. UNICEF requires that the results be evidence-based, and that they be reported against defined indicators and baselines.

The audit found that the Uganda Country Office's reporting had improved in 2017 compared to 2016; rather than simply rating indicators as on-track, the office had sought in 2017 to determine whether 2017 targets were actually achieved. However, there was still a need for further improvement, as the 2017 rating of some indicators did not properly reflect the status update. For example, the Standard Indicator 'District or equivalent administrative unit with at least 80 percent coverage of DTP-containing vaccine for children < 1 year' had a 2015 baseline of 64 and a 2017 target of 80. The office reported a result achievement of 54 – which was below the baseline; yet the indicator was rated as partially achieved.

The office rated progress against country programme outcomes and outputs as being 'on track' (except the WASH[1] output, which was rated as 'constrained'). The on-track rating was applied despite the fact that targets for many outcome[2] indicators had been reduced from 2016 to 2017 (so should not still have been used to measure progress against the original five-year target). This was the case for six out of 21 outcome indicators with both 2016 and 2017 targets.

The office noted that the annual targets were derived from the Government sector plans and that they were developed based on administrative data from sources such as the Education Management Information System (EMIS) and Health Management Information System

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

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(HMIS). The administrative data in the area of health depicted a positive trend, although at a lower level than other data, including the Demographic and Health Survey (DHS).[3] With regards to the Child Survival and Development (CSD) outcome, the 2017 'on-track' rating was based on the results of the household-based survey (Uganda DHS), which showed significant progress against several outcome indicators.

The on-track ratings were also used where data for outcome-level indicators was not readily available. For example, child protection had not determined three out of four annual targets for 2017. Moreover, for two of the five child protection outcome indicators (Children 0-17 years living in formal foster care, and Children 0-17 years living in residential care), data will only become available in 2018. Similarly, in the area of social policy, data on the proportion of children living in poverty will only become available in 2018. The office noted that some of the shortfalls outlined above were due to the RAM's limitations, and the timeliness of availability of data allowing for the provision of annual outcome-level indicators.

Humanitarian Action for Children (HAC)[4] ***results:*** The office's humanitarian support to refugees in Uganda hinges on the long-term Refugee and Host Population Empowerment (ReHoPE) strategy aligned to the government's Settlement Transformation Agenda (STA). Despite a 2017 HAC funding gap of 51.4 percent, the office reported that it was able to reach between 42 and 100 percent of all sector targets by integrating development and humanitarian programming, using some core/development funds for humanitarian-related system building and responding rapidly to the significant influx of refugees. The audit noted that HAC results reporting included both refugees and host community members, as disaggregated data was not readily available for service provision in host communities. This was a major contributing factor leading to the results in 2017 reportedly exceeding available resources.

Accuracy of results reporting: A review of a sample of 12 results statements from the 2017 Country Office Annual Report, RAM and donor reports found that adequate supporting documentation was readily available for seven results.

The remaining five included a case where a digital school payment and management process called Kupaa was reported to reduce school payment transaction costs to both parents and schools, and contribute to increased transparency and accountability. However, no detailed costing or research had been undertaken to demonstrate this. According to the office the reduced cost was derived from stories of change documented through interviews with head teachers and parents.

Agreed action 1 (medium priority): The office agrees to improve its approach to assessing results and reporting their achievement in RAM.

Responsible staff members: Chief PME, MES
Date by which action will be taken: November 2018

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[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. The 2016 DHS for Uganda is available at https://dhsprogram.com/publications/publication-fr333-dhs-final-reports.cfm.
[4] HAC stands for Humanitarian Action for Children. An HAC is an appeal that UNICEF launches for assistance for a particular crisis or emergency response, and will state how much UNICEF thinks it needs to raise for a given situation. The appeals page is at https://www.unicef.org/appeals/; the current page for Uganda can be found at https://www.unicef.org/appeals/uganda.html.

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Agreed action 2 (medium priority): The office agrees to amend the humanitarian monitoring system, enabling the provision of disaggregated data (refugee/host population) where possible; or indicate where the achievements are measured against national systems, including both refugees and host population, and in the latter case include aggregate targets for both refugees and the host population.

Responsible staff members: Chief FOE, Health Information Specialist
Date by which action will be taken: December 2018

Results structure and planning

The Uganda office's 2016-2020 Country Programme Document is fully aligned with the UNICEF Strategic Plan, and has a particular focus on the cross-sectoral areas of early childhood and adolescent development.

The audit reviewed the country programme results structure in the RAM, and noted that it was over-complicated. Child survival and development (CSD), which included health, nutrition, HIV and WASH, had 94 outcome and output indicators in 2017. In 2018, the office took steps to simplify the CSD result structure and de-activated 21 indicators, but the number still remained high.

The education programme also had a high number of indicators (33) in 2017 and only one less in 2018. The office explained that the Education Section hosted two of the office's cross-sectoral flagship programmes that required additional indicators, in addition to the three sector-specific output areas. It also said that the results framework was being reviewed as part of the Mid-Term Review (MTR) process. The complexity of the office's result structure could be a main cause of weaknesses identified above in the area of result assessment and reporting.

There also seemed to be an over-reliance on standard indicators in the RAM. Of 26 CSD outcome indicators, 23 were standard indicators, as were all nine education and all six child protection outcome indicators. UNICEF policy globally is that there should be a balance between standard and tailored indicators. This permits an office both to produce data that is comparable to other offices, and to measure performance in ways that is appropriate to its own situation using data that is available for that particular country or programme.

In this case, the reliance on standard indicators also affected the office's ability to measure its programme, due to data gaps. For example, three years into the implementation of the 2016-2020 country programme, there were five outcome indicators in the RAM without a baseline. Moreover, the baselines used for 12 of the standard indicators (particularly at outcome level) were outdated, going back to the start of the previous country programme. In the area of Child Protection, the baseline for four out of six outcome indicators was from 2011 and a fifth was from 2012. In the area of CSD, six standard outcome indicators relied on baseline data from 2011.

The audit also found that there were 18 targets yet to be determined for outcome-level indicators and four targets pending for output-level indicators. Further, in some cases indicators did not adequately capture the result statements. Examples included outcome indicator 4380/A0/05/115, for the result 'Innovative and participatory approaches and partnerships that increase public awareness and understanding of child rights in Uganda,

create a social movement to position children on the national development agenda and promote positive individual behaviour and social change'. This had only one indicator, which was 'percentage of key stakeholders (citizens, corporations, CSOs, government entities) reached and engaged in taking action for Public Advocacy, Communication for Development and promote private sector partnerships as part of the #InvestInUGchildren campaign'.

Lastly, several of the standard indicators were redundant – that is, they had already been achieved prior to programme implementation (according to baselines). A case in point was 'Existence of age- and sex-disaggregated data on HIV testing and counselling among adolescents 15 -19 years and by sex'; another was 'Comprehensive behaviour change communication strategy for adolescents and youth including those from key populations available'.

Many of the shortfalls outlined above reflect that 2016 DHS data (summary indicator report) only became available early 2018, and only captured some of the office's indicators. The full DHS report was released in 2018. As the DHS is only undertaken every five years, no household data will be available to assess end of country programme results for many outcome indicators. The availability of data should be a key selection criteria for indicators to be included in the RAM.

Agreed action 3 (medium priority): The office agrees to further simplify the result structure as part of the 2018 MTR and ensure that selected indicators have a baseline and a 2020 target that is measurable, i.e. for which means of verification (MoV) exist.

Responsible staff members: Chief PME
Date by which action will be taken: September 2018

Work planning

The audit reviewed the office's national-level workplans covering 2017-2018, and found a clear linkage to national government strategies, the UNDAF[5] and the UNICEF country programme results. However, the office did include a high level of unfunded activities, which could lead to unrealistic expectations. At the time of the audit, the general funding situation had improved. However, significant funding gaps remained in the area of education (37.4 percent unfunded) and the emergency response (74.7 percent unfunded).

A review of the office's work in the area of fundraising found it to be generally satisfactory with regards to OR. However, in the area of emergency, further action was required urgently to address the significant funding gap. The office noted that as OR (Emergency) consist of short-duration grants, it is to be expected that there will be a large gap early in the year. However, a review of the OR (Emergency) funding situation in 2017 found a year-end gap of 51.3 percent. The office said it was planning to determine its comparative advantage in the area of emergency and how to strengthen its position as part of the MTR.

In 2017, the office had taken steps to strengthen work planning at decentralized level and as a result, a compact was introduced in 2018 for each zone office, clearly outlining performance

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

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expectations with regard to work planning. Moreover, District Implementation Plans (DIP)[6] were in place at the time of the audit for each of the 29 priority districts. The office's work in the area of work planning at decentralized level was overall of good quality. However, the audit found that result targets in DIPs should be at district and not zone-office level, as the document serves as an accountability document between UNICEF and district officials. Moreover, indicators should only be included for interventions being implemented in a given district.

Agreed action 4 (medium priority): The office agrees to review the District Implementation Plan template so as to ensure results targets are included at district level.

Responsible staff members: Chief PME
Date by which action will be taken: September 2018

Partnership with NGOs

The audit team found that implementing partners expressed general satisfaction regarding their partnerships with UNICEF. The office has also enhanced transparency to donors; since 2015, it has had a Standard Operating Procedure (SOP) for NGO partnerships that provides a breakdown of who does what, when and how, with clear timelines for each step of the process. The audit found that the results frameworks in PCAs with the six implementing partners reviewed were of adequate quality.

In 2017 the office had 41 NGO partners, of whom 26 were assessed as low risk, 14 as moderate risk and one as a significant risk (as per the HACT framework[7]). The office tracked the timely development of Programme Cooperation Agreements (PCAs) and Small-Scale Funding Agreements (SSFAs).[8] According to the office's records, 21 out of 23 PCAs in 2017 were developed within the 45 day benchmark (from initial submission of the Programme Document by the partner, to signature by both parties).

To enhance cost efficiency and in an effort to mitigate fraud risk, the office had introduced standard market rates for common goods and services to be applied when developing PCAs. The standard rates were reportedly appreciated by donors. However, the rates (apart from for fuel) were defined at national level. As a result, there was a risk that a strict application of national standard rates could lead to inflated costs in areas where real-world rates were lower, and thus jeopardize the value for money being achieved. For example, in the area of salaries, the standard rate provides implementing partners a strong incentive to budget according to the upper salary range rather than the actual cost, which the partners interviewed by the audit noted were lower than the standard rate. (The standard rate was based on a UN salary survey from two years earlier that had looked at organizations such as international NGOs and at international organizations comparable to the UN, rather than at the wide range of UNICEF implementing partners.)

With regards to the fuel rates used in PCAs, the audit noted that the standard rate did not capture inflation. The office's Operations Section's instructions on fuel were that: 'the liquidation of direct cash transfers (DCTs) should be based on actual market price applied

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[6] DIPs are a UNICEF Uganda initiative, but have been implemented in cooperation with Government at local level and have been found useful by both parties as an aid to work planning.

[7] HACT is the Harmonized Approach to Cash Transfers. See observation *Monitoring and Assurance activities* (p9 below).

[8] SSFAs are simpler than PCAs and may be used up to a threshold of US$ 50,000.

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at the time of the implementation of the activities. To ensure that the standard rates reflect the market rates at all times, the administration unit (transport) will monitor the market rates and a revision of the standard rates will be made on a quarterly basis'. The audit found that the standard rate for fuel in Karamoja is UGX[9] 3,400 per litre but the actual cost at the pump was UGX 3,800 at the time of the audit visit in March 2018.

The office stated that their standard unit cost rates provided guidance on the maximum amounts that the office is willing to contribute to the partnership per budget line. The standard unit rates are developed through a consultative process that involves all programme and programme support staff; they are based on the prevailing market rates and informed by updates signed by members of the Local Development Partners Group in Uganda.[10] The accuracy of rates provided by implementing partners was reportedly verified by the country office through the routine financial assurance activities. The current standard rates were reviewed in October 2016 and a further review was underway at the time of the audit.

The office was aware of the risk of creating incentives that could lead to higher costs, and explained that the standard rates were not meant to be public; in fact the Operations Section sent an email to UNICEF Uganda staff on 4 April 2017 pointing out that 'the standard unit cost document is an internal guide ...it is capped for each line item at maximum and therefore it is advisable not to share this with our partners as this may pose challenges in bargaining for the best possible rates'. However, the audit found that the partners interviewed were aware of the standard rates. In view of the above, it is suggested to review the application and common understanding of standard rates with a view to obtaining the best value for money in partnerships with NGOs.

It was also noted that the timeliness of provision of supplies to implementing partners could have been improved. All three partners interviewed in Kampala mentioned this as an issue and one of them had experienced delivery of supplies after the PCA had come to an end (see also observation *Procurement*, below).

Agreed action 5 (medium priority): The office agrees to review the application of standard rates at national and sub-national levels to ensure that best value for money is obtained in each case.

Responsible staff members: HACT Officer, Chief of Operations
Date by which action will be taken: June 2018

Monitoring and assurance activities
UNICEF offices monitor programme activities through a number of activities. Some are purely for monitoring the progress of programme implementation. Others are part of the Harmonized Approach to Cash Transfers (HACT), which provides assurance on the use of programme funds by partners. However, there is considerable crossover between the two, as HACT involves some programmatic monitoring as well as reviews of partners' financial procedures. They are therefore reviewed together here.

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[9] UGX: Ugandan Shilling (US$ 1 = UGX 3,711 approx.)
[10] A coordinating body for the Government and other development actors, founded in 2006. See https://www.ldpg.or.ug/

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Monitoring

The Uganda Country Office set out its approach to monitoring in a document titled *UCO programme monitoring system*. The paper succinctly outlined roles and responsibilities. In addition, there was a section listing monitoring tools that can be accessed with hyperlinks. The document highlighted the importance of using E-tools, an online platform used by UNICEF offices to track monitoring activities. However, the E-tools roll-out had been delayed: this had adversely affected the quality of the office's monitoring, as it had discontinued the use of its information management system Dev-track in 2014 when it signed up to be one of the E-tools test countries. The office had now to rely on manual Excel-based systems to track monitoring efforts. When questioned, the regional office noted that in its view the office did have good monitoring systems, although their quality could have been further improved.

UNICEF also requires end-user monitoring of supplies, which assesses the extent to which programme supplies provided to partners have been used as intended and they have been found to be appropriate. In discussion with the Supply Section, and through review of trip reports, the audit team found that the office was in the process of establishing a robust end-user monitoring system. An End-User Monitoring (EUM) procedure had been introduced so that EUM could be kept track of online, and during 2016 and 2017 the Supply Section carried out five field visits for end-user monitoring related to vaccine management and immunization activities.

Assurance activities

UNICEF has adopted the Harmonized Approach to Cash Transfers (HACT), a set of procedures used by several UN agencies to ensure that cash transfers to partners are used as intended. This is meant to cut down on bureaucracy, but without reducing vigilance especially in cases where fraud seems more likely. HACT procedures include a micro-assessment of the partner to determine the risk level, which should then determine the level of assurance activities used with that partner. These activities include spot checks, scheduled audits, special audits where necessary, and programmatic visits; the latter review progress on funded activities.

Programmatic visits: These are carried out with partners, and review whether the funded activities have progressed as agreed. The office drew up quarterly monitoring plans. The plans were initiated by the HACT officer and the Planning, Monitoring and Evaluation Section, who sought to ensure that sufficient assurance activities to meet HACT minimum requirements were captured in the monitoring plans. The draft plans are then shared with programme sections and zonal offices who add other field visits as required (as per their programmatic needs). The extent to which the quarterly monitoring plans are implemented could be improved as no office wide effort was systematically undertaken in this regard. A total of 642 programmatic visits were reported as conducted in 2017. On aggregate, this is more than three times as many as the HACT minimum requirements. However, in other important respects the HACT requirements were not met.

Of 182 partners (NGO and Government), 23 did not receive any programmatic visits. In two cases, this was due to the PCAs having been signed towards the end of the year (in November 2017), and the visits for these partners were planned for 2018. However, the audit team was concerned that of the other partners that did not receive programmatic visits in 2017, two had been assessed as posing significant risk, and eight more were of moderate risk. Most of the 23 partners that were missed had received significant funding from UNICEF. Meanwhile, instead of undertaking programmatic visits to the above partners, the office undertook more frequent visits to some others. Of these other partners, 11 had received more than 15 programmatic visits each. Examples include 29 visits to Kaabong District, 23 visits to Amudat

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District Local Government and 17 visits to World Vision – all of which were low-risk partners. This is contrary to the principle behind HACT, which is that the level of risk of a partner should be assessed and the rate of assurance activities set accordingly, and risks instead poor use of UNICEF resources on unnecessary activities as well as over-burdening these partners.

In addition to uneven coverage, the audit noted that the quality of the visits themselves should be improved. A review of a sample of eight programmatic visit reports found:

- Progress of programme implementation was not systematically assessed against expected achievements (in seven cases).
- Follow-up on the implementation of previous recommendations was not done (in six cases).
- In some instances, there were no recommendations for remedial action even though some important issues were noted.

In late 2017 the office had introduced a system to track implementation of recommendations arising from programmatic visits, but information was being uploaded to it by zone offices only. No office-wide monitoring was done of recommendations issued by programme staff in Kampala. Further, the system for capturing recommendations differed amongst zone offices. One zone office (Moroto) recorded recommendations that needed action by UNICEF, but did not always track those made to implementing partners or Government counterparts; this was not in accordance with the purpose of assurance activities. Moreover, the audit found that recommendations at times focused on action that could be taken in the short term. There was thus a risk that the recommendations might simply address the symptoms of implementation challenges rather than the root causes.

In 2018, the office planned to mitigate this risk by conducting quarterly reviews of programme implementation, which would include field-visit findings. A guidance note had been issued in this regard.

Micro-assessments and spot-checks: The office was carrying out assurance activities to provide assurance over the use of funds disbursed to partners, and to identify those in need of capacity building. Follow-up on findings and recommendations from these activities was generally adequate. However, the audit noted that, in six instances, relevant information such as staff responsible and expected deadline to resolve issues was not tracked centrally. Moreover, the audit reviewed a sample of eight spot checks to assess completeness of the information compiled in the Spot Check trackers and noticed 12 high/significant risk findings were not captured. These issues could impair follow-up of pending recommendations.

Agreed action 6 (high priority): The office agrees to strengthen its approach to assurance activities, ensuring that the number and distribution of activities is proportionate to the risk level and assurance required. It also agrees to ensure adequate evidence that there is appropriate monitoring, and the reporting and follow-up of recommendations stemming from both financial and programmatic visits.

Responsible staff members: Chief PME, MES
Date by which action will be taken: October 2018

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Communication for development (C4D): Measuring results

The office had drawn up draft integrated advocacy and communication strategies for Early Childhood Development (ECD), and Adolescent Girls. These strategies were part of the office's broader efforts towards integrated programming. In order to support integrated ECD service delivery, all districts and municipalities were reportedly oriented on the policy and helped to establish integrated ECD coordination mechanisms at district, sub-county and parish levels. The audit noted the following.

ECD: The audit found it commendable that the C4D strategy pertaining to Integrated Early Childhood Development (IECD) would be owned by the Government (once the draft was approved). The C4D strategy aims to increase awareness and commitment to ECD services and programmes by all stakeholders. Although the strategy was still in draft form, C4D activities were already being implemented.

As a first step, the Ministry of Gender, Labour and Social Development and other sectors had been assisted in dissemination and promotion of the IECD policy. Secondly, there had been capacity-building of Local District Governments (DLGs) and community groups to roll out an integrated approach and Package of Key Family Care Practices (KFCPs) at community and household level to drive individual behaviour change and broader social change related to ECD. The office reportedly reached a total of 75,445 parents and caregivers in 2017 with KFCPs through trained community and faith-based groups. There was also a national ECD campaign.

However, the audit team noted that while the C4D strategy on IECD was comprehensive and of good quality, the capacity of DLGs and community groups to engage successfully in C4D was not systematically assessed. For example, there was no learning outcome assessment following capacity-building activities, and community-level C4D activities had not been systematically monitored. The changes in knowledge, attitude and behaviour at community and household level were not measured. Although the office reported that the training generated a demand for ECD services, no actual measurement of the outcomes from the training had been done. Data shared with the audit team focused instead on number of people reached and anecdotal evidence that parents found the KFCP intervention useful.

More positively, the office planned to measure results achievement in 2019 and 2021 with a survey among parents and caregivers, supplemented by focus group discussions among community members and in-depth Key Informant Interviews with DLG leaders and community-level actors such as teachers, religious and cultural leaders, among others.

Adolescence: A similar approach to the one for ECD was applied to the Multi-Sectoral C4D Strategy for Adolescent Girls. This strategy was developed jointly with the Government and was even more elaborate, particularly in the area of monitoring and evaluation. However, the strategy did not outline how the office would measure knowledge, attitude and behaviour change pertaining to indicators outlined in the result framework.

Expanded Programme on Immunization (EPI): Activities enabling measurement of C4D had advanced the furthest in the area of immunization. Most importantly, there was baseline information available due to a 2016 Knowledge, Attitude and Practices survey. In addition, a pre-and post-assessment tool had been developed for the EPI communications workshop for District Health Teams and line departments on 'Developing a Communication for Development (C4D) Strategic Plan'. Whether the tool was applied was not evident from information shared by the office.

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In an effort to strengthen measurement of results, the office was in the process of producing a C4D monitoring and evaluation (M&E) capacity-strengthening plan.

Agreed action 7 (medium priority): The office agrees to further strengthen its approach to measuring results achievement in the area of C4D.

Responsible staff members: Chief, Communication
Date by which action will be taken: August 2018

Endowment Fund and Child Support Grant

The office had launched a Social Protection Investment Case study in November 2016 that found that providing UGX 23,500 (US$ 6.50) per month to families with children under the age of two, or to families with a pregnant mother, would reduce Uganda's national poverty rate by at least 28 percent. The office argued that child-sensitive social protection investments represent a viable option to maximize impact. Meanwhile the office had started discussing innovative financing in 2015 and in mid-2017 it finalized a concept for a blended public/private finance facility – an Endowment Fund – to finance the Child-Focused Social Protection scheme, which would provide Child Support Grants (CSGs).

The office stated that there had been significant advocacy undertaken for deeper exploration of the finance facility concept. Moreover, the office had advocated blended financing to the private sector and sought its contributions to the fund. At the time of the audit the office was advocating a management and coordination structure for the concept. It was also revising the financing facility concept note, and the Communications and Social Policy Sections were discussing how to implement a CSG. The fund to support it was already being pitched to potential donors in a number of fora.

The audit team notes the positive initiative shown in exploring innovative financing in view of the limited opportunities for Government social spending and the unpredictable aid environment. However, the office should conduct a risk assessment, including fraud risk assessment, ensuring the chosen approach is within its risk appetite, and also that the risk-sharing between partners is clear at the time of designing such arrangements. It should also review the way forward with regards to CSG, as the concept note in its current form simply noted that it was proposed to commence in three regions (West Nile, Karamoja and Kampala) benefitting a total of 405,000 children, and that the cost associated with the programme is estimated to be around US$ 12.5 million per year; and that initial implementation of the grant in one region should await generation of an adequate principal amount in the endowment fund.

Agreed action 8 (medium priority): The office agrees to conduct a risk assessment in respect of the finance facility (Endowment Fund), either as a stand-alone exercise or as part of a feasibility study. Moreover, the office agrees to begin to set out the types of Child Support Grant which could be supported by the Endowment Fund, or revise the fund concept so that it focuses less on the Grant but invests instead in other areas.

Responsible staff members: Chief, Communication
Date by which action will be taken: September 2018

Gender programming

The 2016-2020 Country Programme had a clear focus on adolescent girls (e.g. outcomes 1 and 3). Moreover, several result structure indicators were disaggregated by gender. The key objectives of the country programme included empowerment of adolescent girls by:

- Improving their completion of primary education and transition to secondary school.
- Increasing their access to adolescent-responsive prevention services in health, and HIV and AIDS prevention, care and treatment services.
- Protecting them from violence and harmful traditional practices such as child marriage.
- Equipping them with vital information and life-skills information that is gender sensitive in order to reduce their vulnerability to HIV and AIDS, teenage pregnancy, substance abuse and violence.

The importance of gender programming reflects gender relations in Uganda that are marked by deep inequalities between men and women, and boys and girls, at family and community level. The office had established a gender working group in 2015 and appointed a gender focal point who spent approximately 20 percent of her time on coordinating gender programming. The office was considering whether to establish a full-time gender officer position as a part of the 2018 MTR. Meanwhile, gender programming was prioritized during the 2017 annual review and a separate session held on this cross-sectoral issue.

At the annual review, it was agreed that an in-depth review/discussion of gender programming should be conducted as a part of the MTR. To support the office in this regard, the regional gender advisor visited Uganda in February 2018 and provided recommendations on gender programming considerations to be taken into account as part of the MTR. The review/discussion was underway at the time of the internal audit visit.

Overall, it was found that the office prioritized gender programming and was aware of issues to be addressed. This included the need to determine how best to address the issue of inadequate knowledge and skills for effective gender programming, being more explicit with regards to its interventions related to sexual and gender-based violence, and strengthening its approach to documenting gender programming and assessing the impact of its interventions.

Agreed action 9 (medium priority): The office agrees to continue to strengthen the office's approach to documenting gender programming and determine the impact of its interventions. It also agrees to identify its skills gaps in gender programme and devise an approach to address them.

Responsible staff members: Deputy Representative and the Gender Focal Point
Date by which action will be taken: December 2018

Protection from Sexual Exploitation and Abuse (PSEA)

Interviews with staff suggested that there had been a strong focus on PSEA in the office. It had been discussed at staff meetings, and the OHCHR[11] booklet on PSEA had been circulated to staff.

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[11] Office of the United Nations High Commissioner for Human Rights.

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Concerns with regard to sexual exploitation and abuse (SEA) were raised in February 2018 pertaining to the refugee response. According to a report by CARE International (*GBV*[12] *Experiences of South Sudanese Women and Girls on the Run to Uganda - A Case Study from Busia to Imvepi, Arua District, Uganda)*, anecdotal evidence suggests that SEA incidents are significantly under-reported. The above was stated in a section of the report with the headline *Women and Girls SEA Experiences En Route to Settlements*. Thus, the SEA cases could have occurred on either side of the South Sudan/Uganda border.

In addition, a recent inter-agency study, *Inter-agency Rapid Gender Analysis and GBV Assessment of the recent DRC Refugee Influx*, conducted between 6 and 17 February 2018, raised unsubstantiated allegations of SEA. From the data currently available regarding these allegations, it appears that offenders fall into three main categories: leaders, agents and workers. It is not fully clear who constitute the three groups of offenders. However, based on the Child Protection Section's knowledge of the country context, leaders are likely from within the refugee community (from previous rounds of relocations); agents are local people acting as marriage brokers in exchange for money, linking girls to interested men; and workers are early responders recruited by NGOs or other bodies involved in the emergency response.

Following the findings coming out of the inter-agency rapid assessment, the UN country team (UNCT)[13] decided that the UN Resident Coordinator's Office (RCO) and UNHCR (as lead agency for the refugee response) would report the issue to their respective oversight investigations units. The reason the RCO and UNHCR took the lead in the investigation of the allegations was that they were already investigating the refugee response following reports of inflated refugee numbers (these had been widely reported in international media). The allegations were reportedly being addressed according to the UNCT's draft action plan *Promoting Transparency and Accountability in Uganda's Refugee Response*, which had been under development since February 2018. In addition, the UNCT has focused on PSEA prior to the latest allegations and started the development of a PSEA Action Plan early 2017, currently being finalized.

The action plan included steps to strengthen programming around prevention of sexual abuse and violence. Amongst the actions were:

- Review and strengthen safeguards to assess and address key protection concerns, including child and forced marriage and trafficking in persons.
- Support strengthening of systems of the Government and other agencies to prevent, monitor and respond to SEA and GBV, including child and forced marriage and trafficking in persons.

In line with the mandates of the various UN agencies, UNFPA and UN Women would be the lead on programming on GBV, while UNICEF is the lead on violence against children. The UNICEF Uganda office will participate in a UN assessment to clarify programming gaps at settlement and host community level with regard to protection, prevention and response services for addressing violence against children (VAC) and SEA. This includes determining how best to strengthen reporting on GBV and VAC and strengthening prevention and response systems. This is necessary as there is limited data on SEA obtained from monitoring and

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[12] Gender-based violence.
[13] 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.

current reporting mechanisms, and insufficient systems are in place at decentralized level to provide required support. According to the office, a Government model of the child protection system is being developed and will be piloted in selected districts.

During the review of PSEA the audit noted that, as of 27 March 2018, 85 percent of staff had completed the mandatory 'Prevention of Sexual Harassment and Abuse of Authority' training and 70 percent had completed the PSEA training. The office explained that the lower completion rate of the latter was due to the fact that the original global deadline for completing the PSEA training had been 31 July 2018, but had been brought forward.

In discussion with the office, it was noted that a PSEA allegation had been raised and shared with the regional office and the Office of the Executive Director (OED), in accordance with UNICEF policies. An area requiring improvement was improving partners' knowledge of PSEA. Moreover, the internal audit found that although PSEA clauses are already incorporated into the PCA standard terms and conditions, these only referred to provisions from 2003. The office indicated a desire to further strengthen these clauses, and the audit team agrees that this should be done. This issue is being addressed at headquarters level by the Field Results Group as it affects all UNICEF regions and offices.

Agreed action 10 (medium priority): The office agrees to continue to train implementing partners on PSEA and address programming gaps in the refugee and host-community context to ensure prevention and response services are in place to address VAC and SEA.

Responsible staff members: Planning Specialist, Child Protection in Emergency Specialist and Chief PME
Date by which action will be taken: November 2018

Evaluation

The office had prioritized evaluations when designing the 2016-2020 country programme. The costed evaluation plan for the 2016-2020 country programme budgeted US$ 2.4 million for 15 evaluations of country programme interventions. However, at the time of the audit only one out of eight 2016-2017 evaluations included in the costed evaluation plan had been completed.

This highlighted the fact that the office generally did not include evaluations from the costed evaluation plan in its yearly Integrated Monitoring Evaluation and Research Plans (IMERP). Only two out of the 13 planned evaluations had been included in IMERPs. These were the end-of-project evaluation of the Enhanced Resilience Karamoja Programme (ERKP) and the evaluation on the Community and District Empowerment for Scale-up (CODES). The implementation of one of these was delayed (CODES) and the quality of the completed evaluation (ERKP) was inadequate. The evaluation of ERKP was rated neither satisfactory nor highly satisfactory by GEROS.[14]

Rather than implement the costed evaluation plan, the office had planned other evaluations. It said that in some cases interventions had been delayed so could not be evaluated as planned. Despite this, the office reported in its 2017 Country Office Annual Report that all four evaluations included in the IMERP for 2017 had been completed, although in fact only one

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[14] GEROS is the Global Evaluation Reports Oversight System, an office that works to strengthen the quality of evaluations across UNICEF. See https://www.unicef.org/evaluation/index_GEROS.html.

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had. The office said that 'completed' had meant that the fieldwork had been undertaken, not that evaluation reports had been drafted. This could be misleading.

More positively, the office had produced a management response for the evaluation of Enhanced Resilience Karamoja Programme. During an onsite visit to Karamoja, the audit verified that the evaluation had informed programming in the area of nutrition.

The office was aware of gaps in the evaluation function and had taken steps to improve it in 2017. A Monitoring & Evaluation Specialist position (NOC) had been established, for which recruitment had been completed in the third quarter of 2017. Amongst key objectives of the post is that UNICEF-supported evaluations attain established UN quality standards, and the results are disseminated promptly to stakeholders for use in improving programme performance and contributing to national and corporate learning. Moreover, the office planned to review the costed evaluation plan and provide strong justification for the omission of each evaluation that will not be done.

Agreed action 11 (high priority): The office agrees to undertake planned evaluations, and to ensure that the Planning, Monitoring and Evaluation Section closely monitor implementation of the revised evaluation plan and continue to report regularly on progress to the Country Management Team.

Responsible staff members: Chief PME
Date by which action will be taken: July 2018

Information and communication technology (ICT)

Country offices are required to establish effective ICT controls to ensure the confidentiality, integrity and availability of information. They should also prepare and test the Disaster Recovery Plan (DRP), which is a series of procedures to restore normal office operations within a pre-determined time following a disaster and/or major event.

The audit noted the following.

Network security: The relevant guidelines[15] recommend implementation of Virtual Local Area Networks (VLANs) in order to provide UNICEF offices with a stable, secure and highly performing network infrastructure to effectively deliver cloud-centric applications as required by the business. VLANs segregate the network and limit the impact of any security events, such as Denial of Service Attacks, within a segment of the network rather than affecting its overall availability. However, the implementation of VLANs had not been completed. The office has noted this point and included it in ICT's Annual Workplan for 2018.

Innovation's ICT infrastructure: ICT infrastructure such as (Linux) servers are maintained in the office's server room for innovation interventions that are in the process of handover to Government partners. However, this infrastructure is not included in the Disaster Recovery Plan (DRP), even though the office retains custodian responsibility until the point at which all the hosted systems are handed over to the Government.

Access to the infrastructure is provided to the Government users via the internet, and a firewall had been set up for internet-facing servers. However, the service packs (patches) for

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[15] ICTD/ GUIDANCE/ 2017/001.

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the firewall were not consistently applied. This may have security implications, as was proved in the case of the WannaCry ransomware attack.

Updating and testing of DRP: The office had tested the business-continuity call trees and internet connectivity by having the staff and senior management respectively login remotely in 2016 and 2017. However, according to UNICEF's DRP manual, country offices should update their DRP and conduct failsafe tests on ICT infrastructure at least annually. These simulation tests should include the failsafe availability testing of ICT infrastructure such as servers, firewalls and various connectivity links.

Vendor security verification: UNICEF's Policy on Information Security, issued in May 2015, requires UNICEF offices to perform regular audits and checks on local vendors. However, the office had neither performed security compliance verification of vendors nor introduced any security provisions in the vendor agreements. This increased the risk of not detecting any significant vulnerabilities before they could be exploited, leading to possible breaches of information security – and also risk to reputation, particularly in the case of vendors used in the programme interventions for the Government.

Cloud hosting: The office's contract with a service provider (Nyaruka) for hosting the Innovation applications (e.g., UReport, EduTrack, NECOC/YUM) in their cloud expired in December 2017. The Uganda contract was said to be in the final stages of renewal; however, the audit team noted that the global Long-term agreement (LTA) had been extended until June 2018.

Software certification: UNICEF's certification standard/procedure requires that internally used/managed software and applications, such as that for End-User Monitoring (EUM), should be referred by UNICEF country offices to their respective Regional Chiefs of ICT for certification. However, the country office's certification request for the EUM tool had not yet been sent, even though the tool has been in use for at least two years.

Agreed action 12 (medium priority): The office agrees to strengthen its controls over ICT, including addressing the causes of the network, software certification, and information security gaps, and conducting the security compliance verification of ICT vendors and the Disaster Recovery Plan testing of the ICT infrastructure maintained in the UNICEF building.

Responsible staff members: ICT Manager
Date by which action will be taken: October 2018

Governance over innovations

Since 2009, the office has piloted, scaled, handed over to government, maintained and/or discontinued at least 25 different innovative Technology for Development (T4D) initiatives. Initiatives from Uganda, including U-Report, mTrac and EduTrac, have been replicated in over 30 different UNICEF offices and have been of great benefit to UNICEF and its work. There was an innovation strategy for 2017-18 in the office and in the regional office, and the terms of reference (ToRs) of the T4D Governance committee had been revised in January 2017. Moreover, there had been several visits from the regional office and a number of improvements had been made in the innovations area in 2017, some with the help of the regional office missions which identified areas for improvement.

The audit noted the following.

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Criteria for review and scale-up: The T4D Governance committee is responsible for review of innovation project proposals; however, it was noted that many such reviews were done outside formal meetings. The regional and other reviews in 2016 and 2017 proposed improvements, and some actions such as preparation of mapping of innovations were completed. However, there was a need to identify the criteria for review and scale-up of innovations. The office stated that, as an interim measure, it would consider the Readiness Assessment developed by the regional office, which ensures that a product is adequate and free of defects before launch.

Total cost of ownership: While the T4D governance committee is tasked with giving inputs to funding proposals before they are submitted to Government partners, donors and CRC, gaps exist in the tracking of investments and programme costs associated with T4D initiatives. For example, the total cost of ownership via one-time capital/fixed cost and the recurring operational cost breakdown were not available. As many of the innovation interventions are at different stages of scale-up and participation/handover to Government, costing will be important for integration with Government systems and advocacy for sustainable funding to the line ministries or NITA-U,[16] according to the office's exit strategy.

Ownership of the source code*:* The technology mostly adopted was the open-source RapidPro,[17] where the total cost of ownership is reduced because there are no recurrent licenses for the source code and middleware etc. However, in exploratory innovations with private sector, such as KUPAA,[18] the ownership of the source code was proprietary to the partner (MasterCard). Private-sector partnership strategy needs to consider this aspect before any scale-up and/or upgrades are performed.

Innovation linkage to programme*:* The changes in alignment to some of the innovation products was not consistently understood in the office at the time of the audit. For example, U-Report[19] was moved from C4D to the Adolescence Section. U-Report is to be used as a strategic tool firstly in the Adolescence Section and then offered for use to Child Protection, where it is well understood. However, it will also be offered to, and is expected to be used by, other programme Sections where it was not so well understood how and in which programme interventions this tool could be used. Another example was gradual phase-out of end-user monitoring from Government supply chains (e.g., Nutrition), which was not yet clearly understood by all the relevant staff.

Financial sustainability: The office had a strategy for funding some of the exploratory innovations by way of RR, in cases where there was a need in the humanitarian sector, or to generate interest and/or demand. Typically, such innovations may be funded initially from RR while donor interest is generated in them. Generally, T4D initiatives had been funded either using donor funding (OR) or internal UNICEF funds (i.e. Regular Resources (RR)) and

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[16] NITA-U is Uganda's National Information Technology Authority (https://www.nita.go.ug/).

[17] RapidPro is a platform devised by UNICEF and its partners for development of applications for use in development work (see https://www.unicef.org/innovation/innovation_75975.html).

[18] A digital platform that links schools, guardians and the school administration, bringing all income and expenditure of the school into one transparent system. To enable digital payments, it has been linked with mobile phone providers that deal with mobile money. The platform also allows digital transfer of the government grants to schools.

[19] U-Report, originally developed by UNICEF in Uganda but widely adopted elsewhere, is a text-based platform that allows young people to express their views, and helps map their concerns (see https://www.unicef.org/media/media_82583.html).

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exceptionally, through special funding from headquarters (for example the Rapid SMS upgrade to RapidPro). However, the strategy as to which innovations might benefit from the RR funding was not yet finalized.

The audit team also noted constraints such as high messaging (SMS) costs, resulting in the need to re-negotiate them and/or explore use of appropriate websites (for example, toll-free websites for the Ministry of Health) and social media platforms (for instance for U-Report). The options also included advocacy with Uganda Communications Commission, NITA-U and mobile network operators for zero-rated charges. These considerations needed to be incorporated into the memoranda of understanding and workplans that governed advocacy and other such matters with the Government; this needed to be proactively followed up, with progress monitored by senior management.

Agreed action 13 (medium priority): The office agrees to review its strategy for all types of innovations and ensure that there is an exit strategy, or plan for generating demand, as appropriate. It also agrees to fund them from relevant funding sources. The assessment of innovation systems for fitness for purpose and for financial sustainability will continue to be monitored by the senior management.

Responsible staff members: ICT Manager
Date by which action will be taken: December 2018

Financial management

Cash transfer was the major programme input in the Uganda Country Office, representing around 43 percent (US$ 28.8 million) of the 2017 expenditure. The audit noted the following.

Fraud-risk management: The office had taken significant steps to reduce risk exposure and to ensure that funds were used for the intended purposes. For example, a risk analysis was undertaken of partners working in the humanitarian response, following early-2018 allegations of fraudulent registration of refugees (not specifically UNICEF-related). Moreover, additional controls had been introduced. These included (see above) setting up standard salary rates for NGOs, enhancing accountability to donors, and asking partners to account for use of funds that were unliquidated after more than three months before additional direct cash transfers (DCTs) were made. In the latter cases, the office properly switched to use of reimbursement or direct payment instead of DCTs if the latter were still outstanding. The office explained that this strategy was designed to keep fraud risk within the risk appetite of UNICEF and donors.

Efficiency (DCT and liquidations): In 2017 the office had been the subject of an external audit. This had highlighted cash transfers and liquidations as areas that needed improvement. In addressing the audit recommendations, the office took action to increase its efficiency in transferring funds to implementing partners and ensuring compliance with the requirements established in UNICEF rules and regulations.

These measures included providing refresher training in February 2017, and introducing a system to track processing time for DCTs and liquidations from the reception of documents from partners to the transaction posting. However, the refresher training had had limited impact, as the tracking system showed the rate of transactions rejections was 48 percent throughout 2017. The main reasons for rejections were lack of clarity on the DCT budget

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breakdown, advance requests for the wrong implementation period, and discrepancies in amounts requested for payment and the supporting documents provided, among others.

In addition, there were bottlenecks in departments involved in processing DCTs and liquidations. An analysis of 624 disbursement requests and 209 liquidations submitted by partners during 2017 showed that office took an average of 38 and 23 calendar days respectively to finalize transactions processing.

Agreed action 14 (medium priority): The office agrees to conduct a review of its transaction processes with a view to streamlining them wherever possible. This includes determining and addressing the root causes behind DCT and liquidations rejections.

Responsible staff members: ICT Manager, Finance Manager and Chief of Operations
Date by which action will be taken: December 2018

Procurement

The audit reviewed the office's supply management function with a view to assessing if supplies were delivered on time and the supplies were of expected quality. There were delays in supplies distribution of more than 30 days affecting 49 out of 786 purchase orders. (In value terms, these represented US$ 577,000-worth out of a total of US$ 9 million.)

During a field visit, the audit team held discussions with partners regarding the quality and timeliness of supplies delivered by UNICEF. In two different project sites within the Bidi Bidi refugee settlements, partners said quality was good but mentioned late delivery of supplies related to WASH and education, the latter due to a misunderstanding by the NGO responsible for procurement and delivery.

The office had recently introduced a system to track outstanding purchase orders, recording of goods receipts and upcoming deliveries; however, this had yet to be fully instituted. In addition, there were weaknesses in distribution controls. During 2017 the office had issued 835 release orders for goods with a total value of US$ 4.9 million; out of these, the office had not obtained proof of acknowledgement of receipt for four distribution orders with a total value of about US$ 611,000. Also, some of the acknowledgments of receipt had been outstanding for more than six months. The office provided evidence that it was following up with the transport company to obtain the documentation.

Open contracts: The office had improved contract management and reduced the number of contracts with open balances after expiry. Evidence was provided that the status of contracts was monitored and communicated to programme sections in an effort to ensure that timely action was taken.

Nonetheless, shortfalls continued. The office had issued 187 institutional contracts for a total amount of US$ 3.8 million during the period under review. The audit noted that 30 contracts (US$ 416,000, equalling 10 percent of total contract value) remained open beyond validity, for an average of 60 days. A review of a sample of six institutional and five consultant contracts found that two cases pertaining to institutional contracts had remained open because the contractors/consultants failed to deliver within the agreed timeframe. In one of these cases, a contract extension had been requested to allow the remaining balance to be used.

During the field visit to Gulu zone office the audit team noted an unfinished school building.

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The office explained that it faced difficulties due to Government requirements to change from a semi-permanent to a permanent structure. In order to mitigate the risk of this situation repeating itself, NGOs and contractors should obtain government approval before commencing any construction.

Agreed action 15 (medium priority): The office agrees to fully introduce the supply monitoring system to enhance monitoring over outstanding purchase orders, goods receipts and inbound deliveries. Proof of supply handover to partners should be obtained after delivery is completed by third parties.

Responsible staff members: Supply Manager
Date by which action will be taken: October 2018

Agreed action 16 (medium priority): The office agrees to enhance communication with NGOs when responsibility for procurement and delivery of supplies lies with them, in order to avoid delays, and to effectively monitor the NGOs' performance.

Responsible staff members: Supply Manager
Date by which action will be taken: October 2018

Immunisation activities management

In conducting the overall country office audit, OIAI also carried out a specific review of UNICEF vaccine management activities in Uganda. The results of this review will also inform a consolidated report on OIAI's multi-country review of UNICEF's vaccine programme management to be issued separately.

The audit included the review of relevant records maintained by the country office, and interviews of key UNICEF and partner personnel involved in immunization activities. The audit also made visits to the National Medical Store (NMS), two districts and the Uganda National Expanded Program on Immunisation (UNEPI).

The country office supports three key thematic areas:

- Equity-based programming for immunization (that is, reaching every district/community).
- Communication for development.
- Supply-chain management and cold-chain optimization platforms.

In addition, the office supports immunization of refugees from South Sudan, estimated to be over a million. The office, in collaboration with its UN and other international partners successfully advocated for inclusion of the procurement of vaccines for refugees in the 2018 national plans; making Uganda one of the first countries to do this.

The audit found that a number of controls over vaccine management were functioning well. The office had, under the Child Survival and Development (CSD) section, a good structure in place for implementation of the activities related to immunization. The key staff had relevant technical capacity and clear understanding of their roles and responsibilities. There was adequate coordination with partners in respect of vaccine planning and forecasting processes, including the preparation of shipping plans to meet the needs of both the programme and procurement services. There was also adequate engagement with

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stakeholders during the preparation of national annual workplans for the office's immunisation activities, which included specific targets. The office had provided adequate support to the NMS for adequate cold-chain management, including vaccines arrival, stock controls and distribution up to the district level.

However, the audit noted the following.

Programme monitoring activities: The CSD section staff had prepared field-monitoring visit plans on a quarterly basis and carried out programme monitoring activities with the assistance of health specialists, and consultants funded through PEF/TCA[20]. However, implementation of these plans was not monitored. It could not be clearly established how recommendations from monitoring visits were followed up. Responsibility to implement proposed actions from monitoring visits were not always assigned or specific timelines indicated.

During field visits to UNEPI, NMS and to the two districts, the audit found that a number of controls were functioning well. For example, in one district visited, the infrastructure and vaccine management systems were adequate. At the NMS, there was effective control over vaccine stocks. The UNEPI team mentioned that there was a close and effective relationship with UNICEF, and that it was one of three core partners on which the immunization programme relied.

However, the audit also identified a number of potential impediments that could have been identified and reported by the monitoring visits and used by the country office to advocate for improved support and influence sustainable immunisation activities. The country office stated that it was aware of the impediments identified by the audit and continues to support the government in addressing them. However, it did not provide evidence to support how, when and where these issues had been identified and its efforts to have them addressed. Some of the potential impediments were:

- Excessive reliance on donor funds for the immunization programme and stagnation in investments in routine immunization in the last 10 years.
- Capacity gaps related to service delivery.
- Lack of reliable data on vaccine wastage at the national level.

Coordination mechanisms: The country advised that it was coordinating with its counterparts and other key stakeholders through various committees and task forces in respect of planning, implementation, monitoring and support of activities related to immunization. In particular, the office said it was participating in the following six groups: Project Management Team, Health Policy Advisory Committee, National Immunization Technical Working Group, Vaccine Management Committee, Expanded Programme on Immunization (EPI) Technical Working Group, and Inter-Agency Coordinating Committee.

To assess the office's engagement with its counterparts and other key stakeholders, the audit sought to review the terms of reference (ToR) of the various committees/task forces and the agendas and minutes of their meetings. However, the office provided the ToRs and minutes for only two of the groups (the EPI Technical Working Group and Inter-Agency Coordinating Committee). None of the other groups had had their ToRs endorsed by their respective

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[20] The Partners' Engagement Framework (PEF) covers the funder's support to partners, of which Targeted Country Assistance (TCA) is one type. TCA activities, and the best partners to support them, are identified by a joint appraisal of the country's needs by the funder and the partner.

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members. The ToRs seen by the audit did not provide clear definition of roles and responsibilities, and lacked guidance on membership, support functions such as secretarial functions, and objectives or mission of the coordination groups.

Additionally, the review of the minutes showed that the meetings of both groups were irregularly convened, and the participation of counterparts varied, as different members from different departments attended meetings without a regular participation in either committee. Participation of development partners and other UN agencies was also irregular. Per the minutes, discussions were focused on administrative issues rather than on achievement of results with only few EPI Technical Working Group meetings recording results achieved.

During the visit to the UNEPI, the audit was told that the Joint Assessment carried out in July 2017 identified the need for the creation of a National Interagency Coordination Committee (ICC) with strategic decision functions, which could define accountabilities among partners. The UNEPI management team said that at the time of the audit the creation of this committee was in progress, with ToR developed and presented to the Minister and Permanent Secretary of Health for review and approval. Based on feedback from top management of the Ministry of Health, UNEPI was revising the ToR.

While acknowledging that the office did not have leadership roles in the named committees/task forces, the audit was of the view that the office could use its role as member and key partner in the implementation to immunization activities to advocate for improved functioning of the committees/tasks forces starting from the establishment of ToRs with clearly define roles, responsibilities and expected achievements.

Agreed action 17 (medium priority): The office agrees to establish a process for documenting and sharing with the Government key gaps noted in the management of vaccines at the national and subnational levels during the field monitoring visits. It will also advocate (to the Government and donors) corrective actions to address them. The advocacy will cover, among other matters, allocation of adequate funds to immunization activities, improvement of service delivery capacities (covering staff and logistics), reporting of vaccine wastage, and immunization and vaccines information that is complete and reliable.

Responsible staff members: Health Manager and EPI Specialist
Date by which action will be taken: September 2018

Agreed action 18 (medium priority): The office agrees to advocate for the finalization of terms of reference for the immunization-related coordination committees/task forces, in particular the Immunization Interagency Coordination Committee (ICC); provide technical inputs to ensure clarity regarding the roles and responsibilities of participating agencies; and assist in ensuring that the terms of reference are endorsed by participating agencies. The office also agreed to advocate regular participation in coordination meetings by key members of the coordination bodies, and the recording of deliberations of meetings held.

Responsible staff members: Health Manager
Date by which action will be taken: December 2018

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Annex A: Methodology, and definitions of priorities and conclusions

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

OIAI is firmly committed to working with 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 report summary fall into four categories:

[Unqualified (satisfactory) conclusion]
Based on the audit work performed, OIAI concluded at the end of the audit that the office's governance, risk management and internal controls 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, the office's governance, risk management and internal controls were generally established and functioning during the period under audit.

[Qualified conclusion, strong]
Based on the audit work performed, OIAI concluded that the office's governance, risk management and internal controls needed improvement to be adequately established and functioning.

[Adverse conclusion]
Based on the audit work performed, OIAI concluded that the office's governance, risk management and internal controls needed **significant** improvement to be adequately established and functioning.