

# Internal Audit of the Colombia Country Office

January 2017



Office of Internal Audit  
and Investigations (OIAI)  
Report 2016/19

## Summary

The Office of Internal Audit and Investigations (OIAI) has conducted an audit of the Colombia Country Office. The audit sought to assess the office's governance, internal risk management and internal control. The audit team visited the office from 15-26 August 2016. The audit covered the period from January 2015 to August 2016.

The 2015-2019 country programme has four main programme components: *Child protection; Inclusive education; Child survival and development;* and *Social inclusion and monitoring child rights*. There is also a cross-sectoral component. The total approved budget for the country programme is US\$ 59.9 million, of which US\$ 3.9 million is regular resources (RR) and US\$ 56 million is Other Resources (OR). Regular Resources are core resources that are not earmarked for a specific purpose, and can be used by UNICEF wherever they are needed. Other Resources 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 Other Resources), up to the approved ceiling.

The country office is located in the capital, Bogotá, and has one field office in Quibdo with one staff member. As of November 2016, the country office had a total of 49 approved posts, of which five were for international professionals, 25 for national officers and 19 for general service staff. As of August 2016, six of the 49 established posts were vacant, and at the time of the audit one was filled with a temporary appointment (TA). Total expenditure was US\$ 10.2 million in 2015, and US\$ 3.5 million in 2016 as of August.

### Action agreed following the audit

The audit noted a number of areas where controls were functioning well. For example, the office had taken important steps to improve gender programming. This included establishing a gender officer position, and conducting a review to assess the extent to which gender was being mainstreamed into the country programme and the organization of the office.

The office also had an active research function. The 2015-2016 multi-year workplan and Plan for Research, Impact Monitoring and Evaluation (PRIME) were clearly linked and stakeholders were systematically involved in the development of terms of reference (ToRs) for key PRIME activities. Evaluations were conducted and reports and management responses were uploaded promptly to the UNICEF Evaluation Office's database.

However, as a result of the audit, and in discussion with the audit team, the country office has agreed to take a number of measures. Three are rated as high priority (that is, requiring immediate management attention). These are as follows:

- Eleven months into the first year of the October 2015-December 2019 country programme, only 14.5 percent of the budget had been funded. A review of fundraising against outcomes, outputs and activities<sup>1</sup> noted that most areas had severe funding

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<sup>1</sup> 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

gaps that needed to be remedied as a matter of urgency.

- Planning for results needed strengthening. For example, the programme results matrix should include indicators that permit clear assessment of progress against properly defined targets and baselines.
- There was a need to strengthen the implementation of the Harmonized Approach to Cash Transfers (HACT). Areas requiring attention included the macro-assessment, micro-assessments, capacity development for partners, monitoring of the assurance plan, and terms of reference for the HACT committee and its reporting to the Country Management Team.

## Conclusion

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

The Colombia Country Office and OIAI intend to work together to monitor implementation of the measures that have been agreed.

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contribute to the achievement of an outcome. Thus an output might include (say) the construction of a school, but that would not in itself constitute an outcome; however, an improvement in education or health arising from it would.

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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.

## Audit observations

### Annual Management Plan (AMP)

An office's Annual Management Plan should establish key priorities and assign staff responsibilities for them. Progress on these priorities should normally be monitored by the Country Management Team (CMT). The priorities should be specific and measurable and have appropriate baselines, targets and indicators.

The 2015 AMP contained programme priorities that were not sufficiently specific or measurable, and were instead broadly formulated (e.g. "*Para diciembre de 2015, niñas, niños, adolescentes y mujeres en situación de mayor inequidad y exclusión, acceden a servicios sociales de mejor calidad.*") For baselines, reference was made to the CPAP.<sup>2</sup> The 2015 management priorities were appropriate, but had no baselines or indicators (e.g. it specified as indicators numbers of late donor reports and unclosed travel authorizations, but gave no indication of how many were/were not unacceptable). There was no obvious relationship between AMP priorities and the risk assessment in inSight<sup>3</sup>, which suggested that the office had not built identified risks into its priorities.

The management priorities as set out in the AMP were monitored by the CMT during 2015 and to some extent during 2016 (see also observation *Statutory committees*, p7 below). However, responsibility for the priorities was assigned to named individuals rather than posts, meaning that accountability could lapse with a change of incumbent.

**Agreed action 1 (medium priority):** The office should ensure that:

- i. The next Annual Management Plan (AMP) includes management and programme priorities that are specific and measurable, with appropriate targets and indicators.
- ii. The management and programme priorities in the AMP are informed by the country-specific risk assessment and the related risk-mitigation action plan.

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<sup>2</sup> The country programme action plan (CPAP) is a formal agreement between a UNICEF office and the host Government on the programme of cooperation, setting out the expected results, programme structure, distribution of resources and respective commitments during the period of the current country programme.

<sup>3</sup> inSight (sic) is the performance component in UNICEF's management system, VISION (Virtual Integrated System of Information). inSight streamlines programme and operations performance management, increases UNICEF staff access to priority performance information, and assists exchanges between country offices, regional offices and HQ divisions, as everyone sees the same data/information.

- iii. Accountabilities for both individual management and programme priorities are assigned to individuals by post or focal point, so that they are not affected by changes of incumbent.

Responsible staff members: Representative and Operations Manager

Date by which action will be taken: April 2017

## Risk identification and mitigation

Under UNICEF's Enterprise Risk Management (ERM) policy, offices should perform a Risk and Control Self-Assessment (RCSA). The RCSA is intended to provide a structured and systematic process for the assessment of risk to an office's objectives and planned results, and the incorporation of actions to manage those risks into workplans and work processes. The risks and their mitigation measures are recorded in a risk and control library. The country programme management plan (CPMP)<sup>4</sup> should include the 5-10 most significant specific risks to the achievement of planned programme results and management objectives, along with identified mitigation measures. Specific staff members should be assigned as responsible for each of these measures.

The office had drawn up a risk and control library back in 2010, but said that it had not been updated. However, in preparing the 2015-2019 country programme, and to comply with UNICEF Instruction 1: *Risk Assessment and Reporting* (2015), the office had issued a Risk Assessment Executive Note as a risk analysis, which identified the general risks that it might have to address as part of the new programme. The regional office had agreed with the production of this concept note and was in agreement with the contents.

Meanwhile, the office had updated inSight for 2016 with 10 different risks for 2016, for risk areas such as Budget and Cash Management, Fraud and Misuse of Resources, Funding and External Stakeholder Relations. Out of those 10 risks, four were rated as medium, and six as low. However, there was limited detail, and they lacked mitigation activities for each risk assigned to specific staff with target dates.

The audit noted that the risks documented in the 2010 risk and control library had not been taken into account to develop the Risk Assessment Executive Note for the preparation of the 2015-2019 country programme. Neither had they been used to update inSight for 2016. The three documents – the 2010 risk assessment, the Note, and the inSight update – were not synchronized, although each of them contained valid and useful assessments of different risks for the office and for the country context. The audit also noted that no minutes from the CMT meetings recorded a discussion or update regarding the RCSA.

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

- i. Review the risk and control library drawn up in 2010, and update it based on the risks defined in the Risk Assessment Executive Note, and the risks uploaded to inSight.
- ii. Establish a process to periodically review, update and monitor risks included in the risk and control library.

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<sup>4</sup> When preparing a new country programme, country offices prepare a country programme management plan (CPMP) to describe, and help budget for, the human and financial resources that they expect will be needed.

- iii. Select key risks from the updated risk and control library to keep inSight updated and monitor them through the country management team (CMT) meetings.
- iv. Indicate deadlines and accountable staff for each mitigating action included in the risk and control library.

Responsible staff members: CMT, and Operations Manager

Date by which action will be taken: November 2017

## Statutory committees

The country office had established statutory governance, programme, and operations support committees. These included the Country Management Team (CMT), Joint Consultative Committee (JCC), Learning Committee, Programme Coordination Group (PCG), Programme Review Committee (PRC) Property Survey Board (PSB), Contract Review Committee (CRC), Operations Group, etc. The AMP included details of each established committee.

However, the audit noted the following.

**ToRs and membership of committees:** For several committees, including the CRC, PSB and JCC, instead of terms of reference (ToR) that met the specific needs of the Colombia Country Office, the office had used a copy of the corresponding manual or policy issued by UNICEF HQ. Given that the ToRs were not office-specific, some important information was missing, for example the number of members in some committees and the minimum quora for meetings of each committee. Further, there was no record of the current ToR for any of the committees having been approved by the Representative.

**Country Management Team (CMT):** The CMT met monthly during the period under audit. Minutes were signed by the Representative in 2015 and by the Staff Representative, among others. Action points from previous meetings were followed up and current ones assigned to staff members by post. The CMT appeared to have monitored the key management priorities in the AMP, though it was not clear how systematically. It was actively monitoring assurance activities and risk ratings under HACT.

However, the audit noted that while the management priorities were clearly monitored in 2015, in 2016 this was less clear, and in general there were fuller minutes from 2015. Further, although the CMT did monitor the budgetary situation, it was not clear to what extent it monitored programme priorities.

In relation to this, it was noted that the CMT had little representation from the Programme side. The Deputy Representative was a member, but CMTs should also include Heads of Sections; the office's ToR for the CMT included the paragraph in the UNICEF guidance<sup>5</sup> to this effect, but the Heads of Sections were not present at the meetings.

**Programme Cooperation Agreement Review Committee (PCARC):** Meetings were minuted but did not record the Committee's discussions in any detail. For example, the audit noted a case of a WASH-related project where implementation had been constrained by security issues and a lack of community commitment, but it was not clear from the documentation whether these risks had been considered by the PCARC before approving the PCA. UNICEF's risk management policy recognizes that offices need to take risks where appropriate to meet

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<sup>5</sup> This guidance is in the UNICEF Programme Policy and Procedure Manual (PPPM).

their objectives, but management needs to record why they are taking a particular risk and how that risk will be managed.

**Contract Review Committee (CRC):** The minutes of the CRC were signed by all present including Chair and Secretary, and by the Representative. It was noted that further information had been requested before approval in some cases. However, there was no indication in the minutes of whether rival bids were received and how they compared, and while the minutes recorded decisions and the reasons for them, they did not detail the discussions.

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

- i. Produce terms of reference for each statutory or advisory committee that includes all necessary information, such as the number of members in each committee, minimum quorum for meetings, etc. The terms of reference for all committees should be approved by the Representative.
- ii. Ensure that the Country Management Team (CMT) has a broader membership, including section chiefs (which should include those from the Programme side).
- iii. Strengthen documentation of CMT minutes regarding review of progress against country-specific indicators.
- iv. Ensure that the CMT either reviews progress against plan on the Programme side, or reviews updates received from the Programme committee.
- v. Ensure, for all committees, that adequate evidence is retained to support each committee's deliberations and conclusions, and that this is appropriately reviewed and signed off by management.

Responsible staff members: Representative, Committee Chair Persons, and CMT

Date by which action will be taken: The office reports the action as having already been taken

## Human resources

As of August 2016, the office had total of 49 staff members. The office had been subject to a Programme Budget Review (PBR)<sup>6</sup> in June 2015, which approved the abolition of six posts and the establishment of 11 new ones. The changes took effect, in most cases, on 1 January 2016.

As of the time of the audit in August 2016, the office had six vacant positions (including one that was filled with a temporary appointment). Four of the vacancies had been approved by the PBR to start in January 2016, but remained vacant due to lack of funding. Additionally, the audit noted that one post – level NO-B, under the title Child Protection Office (Mines) – had been vacant since it was approved in January 2013. The office said that this position had been kept vacant due to lack of funding, but had not been abolished because there was still a possibility of additional funding during 2016.

**Agreed action 4 (medium priority):** The office agrees to, with support of the regional office, review its vacant posts in relation to the funding challenges and prepare a strategy to either

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<sup>6</sup> The PBR is a review of a UNICEF unit or country office's proposed management plan for its forthcoming country programme. For a country office, it is carried out by a regional-level committee, which will examine – among other things – the proposed office structure, staffing levels and fundraising strategy, and whether they are appropriate for the proposed activities and objectives.



fill these posts in a timely manner or abolish them, with full documentation of the impact that any post abolition is expected to have on country programme implementation.

Responsible staff members: Representative, Deputy Representative, and Human Resources Officer

Date by which action will be taken: July 2017

## Resource mobilization<sup>7</sup>

Country offices need a clear and comprehensive fundraising strategy for securing approved Other Resources (OR) in support of the country programme. In the Colombia Country Office, the CMT met monthly to review the financial management scorecard and recommend specific actions regarding implementation of the strategy.

Eleven months into the first year of the October 2015-December 2019 country programme, only 14.5 percent of the total required budget had been funded. A review of fundraising against outcomes, outputs and activities noted severe funding gaps in the country programme's four outcome areas. For example, the Child Protection programme had a planned budget of US\$ 27 million, which is about US\$ 5.5 million per year. At the time of the audit, however, the office had only mobilized US\$ 1.3 million.

Programme delivery was affected by the funding situation, and it was noteworthy that despite a very low fundraising figure, the utilization rate was lower still. Examples of delayed interventions include *Gender-Based Violence, Education for peace* and *Ethno-culture education*.

The audit noted the following.

**Public-sector fundraising:** The office's resource-mobilization strategy for the period 2015-2019 clearly outlined the programming context, major donors and the public-sector fundraising strategy. However, the strategy lacked a clear results framework or action plan for raising funds from bilateral donors and from global or thematic funds.

**Funding from the government:** The Colombian government had expressed interest in transferring funds to UNICEF in order to assist implementation and/or scale-up of interventions in areas where UNICEF had a comparative advantage. The discussion has advanced the most in the area of health and nutrition, where the Ministry of Health proposed transferring US\$ 485,334 to UNICEF to support the scale-up of a community-based nutrition intervention. The majority of funds were to be used to purchase ready-to-use therapeutic foods (RUTF), and for capacity building.

The office also informed the audit team that it had succeeded in leveraging government funding to implement activities in its Plan for Research, Impact Monitoring and Evaluation (PRIME). This had been critical for the advancement of the research agenda in view of the current funding gap. However, more work was needed to assess the implications of accepting government funding.

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<sup>7</sup> While the terms "resource mobilization" and "fundraising" are often used interchangeably, the former is slightly broader; although fundraising is its largest single component, it also includes mobilizing resources in the form of people (volunteers, consultants and seconded personnel), partnerships, or equipment and other in-kind donations.

**Programmatic re-adjustment:** The funding situation, combined with some unexpected changes to the programme environment, had forced the office to re-evaluate some of its planning assumptions and to postpone or scale down interventions. The decision to re-prioritize interventions was mainly based on obligations under existing donor agreements, and on the availability of strong partners at local level that could support programme implementation. However, in view of the prevailing financial shortfalls, the audit found that there was a need for the office to more systematically set priorities, both programmatic and geographical.

The office noted that the funding situation in Colombia reflected a regional trend, where funding from traditional UNICEF donors has gradually declined, resulting in underfunding of several country programmes in the region. In light of this, the office had properly taken steps to increase funding from non-traditional donors in Colombia.

**Agreed action 5 (high priority):** The country office agrees to:

- i. Devise a results framework and action plan for resource mobilization with the public sector.
- ii. In consultation with the Regional Office, assess the implications of accepting government funding.
- iii. Carry out a more systematic programmatic and territorial re-prioritization in view of the prevailing financial shortfalls.

Responsible staff members: Representative, Deputy Representative, Operations Manager, Chief of PSFR, Programme Section Heads

Date by which action will be taken: August 2017

### Harmonized Approach to Cash Transfers (HACT)

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

HACT makes this possible by requiring offices to systematically assess the level of risk before making cash transfers to a given partner, and to adjust their method of funding and assurance practices accordingly. HACT therefore includes micro-assessments of the individual implementing partners. There should also be a macro-assessment of the country's financial management system. As a further safeguard, the HACT framework requires offices to carry out assurance activities regarding the proper use of cash transfers. Assurance activities are expected, at a minimum, to include spot-checks, programme monitoring and scheduled audits. HACT is also required for other UN agencies and offices should cooperate with them where possible when implementing HACT, for example through joint assessments of partners that are common to more than one agency.

The Colombia Country Office had had a total of 25 partnerships in the period 2015-2016. Of these, 15 were through partnership cooperation agreements (PCAs); the rest were through small-scale funding agreements (SSFAs), which are used for agreements worth less than US\$ 50,000. Ten of the PCAs had a value of more than US\$100,000.

Of 25 staff involved with implementing partners, 22 had completed the E-HACT training, and 21 out of 25 staff had completed the E-FACE training (to familiarize themselves with the use of the FACE form<sup>8</sup>). However, the audit noted the following.

**Capacity assessment:** The most recent macro-assessment had been 2008. Completion of a new macro-assessment had been expected by March 2016, but as of August 2016 it was still underway. The office said this was due to a delay in the finalization of a World Bank tool for improving public financial management, but that it should be available in the fourth quarter of 2016, enabling completion of the macro-assessment by February 2017.

For micro-assessments, all those planned for 2015 had been done. However, at the time of the audit none of the 15 planned for 2016 had been completed, due to delays in hiring an audit firm to conduct the micro assessments. A request for proposals to conduct the 2016 micro-assessments was underway.

**Assurance activities:** The office had drawn up annual assurance plans in 2015 and 2016. Of the 58 programmatic visits planned for 2015, all but one took place. However, only three out of 11 planned spot-checks were conducted. For 2016, 25 out of 38 planned programmatic visits had taken place at the time of the audit in August, and two out of 13 planned spot-checks had been done. The audit team was informed that an additional spot-check had been undertaken in July but the report was pending, and an additional three spot-checks were planned for September 2016. The audit concluded that there was insufficient implementation of assurance activities.

In August 2016 a guideline for programmatic visits was distributed to programme staff and the difference between field visits and programme visits was clarified.<sup>9</sup> A detailed briefing had yet to be conducted on the programmatic visit tool; the full roll-out was underway at the time of the audit. There was no office-wide system to monitor the implementation of agreed actions arising from assurance activities, although the key issues were discussed during programme meetings.

**Capacity building of implementing partners:** Micro-assessments may result in actions being agreed with the partner in order to strengthen their capacity. These agreed actions had not been systematically followed up. Moreover the office had not established a capacity development plan in either 2016 or 2015.

**HACT oversight:** A HACT committee had been established in 2015 to keep track of HACT implementation in the office and manage issues related to it. There were no ToR for the

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<sup>8</sup> 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.

<sup>9</sup> According to the latest UNICEF-specific HACT procedure issued in 2014 (page 2), programmatic visits are defined as “a review of progress towards achievement of planned results, challenges and constraints in implementation and ways to address them performed with the partner at the programme site. Depending on the nature of the partnership, programmatic visits may be undertaken at a field location (field monitoring), the partner’s office and/or in the form of a meeting involving key stakeholders. Programmatic visits focus on programmatic issues, including attention to matters of financial management.” A field visit or monitoring trip is thus not necessarily a programmatic visit – but it might be if it combined both functions.

committee. However, the 2016 AMP does refer to the committee and states it should meet as required in order to support the implementation of HACT. The committee met five times in 2015 and twice in 2016. Comprehensive minutes were taken, but no formal updates on HACT implementation had been provided to the CMT. Consequently the CMT could not provide necessary support regarding challenges in HACT implementation.

The office was aware of the importance of HACT, and was working in collaboration with the regional office to address shortfalls in HACT implementation.

**Agreed action 6 (high priority):** The office agrees to take the following steps to strengthen implementation of the Harmonized Approach to Cash Transfers (HACT):

- i. Finalize the macro-assessment once the World Bank tool for improving public financial management is available.
- ii. Conduct micro-assessments, following finalization of a contract with a company to do so.
- iii. Develop a capacity development plan that is linked to findings from the micro-assessments.
- iv. Establish an office-wide system to monitor the implementation of the assurance plan and of agreed actions arising from assurance activities.
- v. Agree terms of reference for the HACT committee and ensure it reports on progress on HACT implementation to the CMT.

Responsible staff members: Operations Manager, and HACT Focal Point

Date by which action will be taken: The office reports the action as having already been taken

### Partnerships and Programme Cooperation Agreements (PCAs)

Partnerships with NGOs should be used when there is a comparative advantage in UNICEF and partners working together. The NGO should also bring resources to the partnership (financial, intellectual or in-kind). UNICEF and the partner should work together on all aspects of programme design and implementation, jointly determining the expected results and implementation strategies.

From January 2015 to the start of the audit (August 2016), the office had disbursed more than US\$ 2.5 million to implementing partners via PCAs. A review of five of the 15 PCAs issued during that period checked the time taken to conclude these agreements, and release the first tranche of funding. It was reasonable – that is, less than 50 days from submission of programme document to release of the first tranche. It was also noted that, in four out of five PCAs, less than 15 percent of UNICEF's contribution went to indirect programme costs (e.g. support to the NGO partner's infrastructure). This was well within the global benchmark, which is that no more than 25 percent should be used on indirect programme costs. Moreover, during visits to programme activities in Cordoba, the audit heard from implementing partners that they and UNICEF had worked closely together in all phases of the partnership. This included the joint formulation of results.

However, the audit also noted the following.

**Partners' contribution to partnerships:** In the selected sample of PCAs, implementing partners contributed less than 10 percent to direct programme implementation cost. The office stated that most of its implementing partners were small, local NGOs that lacked means.

In view of this, the value of these NGOs' technical contributions should have been better reflected in programme documents.

**Results-based management (RBM):** In three out of the five PCAs reviewed, the results framework in the project document lacked a clear link to the office's annual workplans. Moreover three PCAs' result statements focused on actions or processes instead of the changes they were meant to promote. In three of the PCAs, a number of the result statements were pitched at the wrong level. This included having behavioural change as an output. Output results should be at an operational level, e.g. "teachers are trained on a new curriculum", whereas outcome level results are at an institutional or behavioural-change level, e.g., "teachers practice interactive teaching methods without discrimination against girls". (See also the following observation, *Planning for results.*)

**Budgeting:** The audit reviewed the budget of three 2016 PCAs and found that none of them adhered to the PCA guideline requirements on budgeting. For example, only one of the three PCAs included a breakdown of indirect programme cost; and the one that did, did not include the 7 percent overhead cost as a separate budget item. In four out of five PCAs checked, no funds were allocated to monitoring.

The above-noted weaknesses showed insufficient awareness of how to use RBM, and could lead to less effective partnerships with NGOs. Following the completion of the audit, the office conducted RBM training with support from the regional office.

The chair of the office's Partnership Review Committee (PRC) had not yet reported on performance in the area of partnership to the CMT. According to UNICEF's procedure for collaboration with NGOs, this should be done quarterly.

**Agreed action 7 (medium priority):** The country office agrees to strengthen its approach to partnerships, including the following steps:

- i. Improve results-based management frameworks in programme documents, for example by formulating SMART<sup>10</sup> results.
- ii. Ensure the budgeting for Programme Cooperation Agreements (PCA) meets PCA requirements (including provision for adequate funds for programme monitoring).
- iii. Clearly reflect the contributions of partners to direct programme costs in the PCAs, and ensure that financial contributions by the partners are in accordance with UNICEF requirements.
- iv. Ensure that the Partnership Review Committee (PRC) reports quarterly to the Country Management Team on performance in the area of partnerships.

Responsible staff members: Deputy Representative, M&E Officer, Programme Officers, CMT, PRC Chair, and Budget Officer

Date by which action will be taken: August 2017

## Planning for results

For effective results-based management, results, and the means of measuring them, should be clearly defined. A country programme's results matrix should state clearly what results are expected, against what baselines they are to be measured, and the indicators with which they

<sup>10</sup> Specific, measurable, achievable, relevant and time-bound.

are to be measured. Workplans should also clearly express what is to be achieved. The audit reviewed the planned results and noted the following.

**Indicators:** For some outputs, the indicators in the results matrix were not clear, or were framed in such a way as to make progress difficult to measure. Thus output 0930/A0/06/882/001 (*As of 2019, government institutions and child protection networks at national and community levels are equipped to increase coordination and use common standards in the protection*) only had one indicator. This was simply *Number of new technical tools for child protection (v. gr., protocols and routes) against violence that are aligned with international standards and validated by national committees and priority local committees*. This would not reveal whether institutions and networks were equipped to use standards, or did so. Similarly, output 0930/A0/06/882/002 read: *As of 2019, girls, boys and adolescents in prioritized high-risk areas who are exposed to violence have access to and use child protection prevention and response services within their communities*. There were no indicators on use of services by girls, boys and adolescents.

In the areas of Education and Child Survival and Development, the unit of measurement for the indicators sometimes differed between baseline and target. For example, the baseline unit was the percentage of people benefitting from the intervention and the target was the actual number who would do so. Some indicators are not clear. For example, in the area of social inclusion there was an indicator *Progress in the implementation of tools and methodologies for participation of children and adolescents in public policy*, but it was not clear what progress entailed.

In some cases, no baselines and targets had been established. In the area of Child Survival and Development, *Behaviour change* was included as an output level result; however, an output is something that leads to behavioural change – the change itself is an outcome.

**Results Assessment Module (RAM):** Offices upload progress of results into the RAM, where they are easily accessible across UNICEF. The RAM includes standard indicators, but the office had not used them, as the programme structure had been established prior to their establishment.<sup>11</sup> At the time of the audit, the office was reviewing and selecting standard indicators that were relevant to the Colombian middle-income country context. The final selection of indicators was expected in the third quarter of 2016, in order to deliver a more comprehensive country office annual report at the end of the year.

**Workplans:** Workplans outline the activities to be undertaken to achieve the results as identified in the CPAP. UNICEF programme officers, Government partners and, where applicable, NGO partners jointly prepare the workplans during planning meetings, which typically follow a technical review of the previous implementation period. Workplans serve as basis for all the programme disbursements.

Workplans were developed in good time for the period 1 October 2015 to 31 December 2016. A review of the signed 2015-2016 workplans found that they were aligned with the country programme document, and clearly outlined linkages to national development strategies and

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<sup>11</sup> An office should complete both standard and country programme-specific indicators in the RAM. While the latter give a more accurate reflection of the country programme's work, standard indicators are also helpful to UNICEF as they enable at-a-glance comparability between countries, and also assist multi-country and global reporting.

the UNDAF.<sup>12</sup> Moreover, the plans had clear linkages to the evidence generation agenda included in the PRIME. The workplans were developed in close collaboration with government counterparts. However, the audit noted a need for results to be more SMART. Furthermore, there were no annual results/milestones established in the child protection workplan; these were needed for assessment of progress against the 2019 goals.

**Agreed action 8 (high priority):** The office agrees to strengthen planning for results, including the following steps:

- i. Ensure that the programme results matrix includes indicators that permit clear assessment of progress against properly defined targets and baselines.
- ii. Adopt common indicators within the results assessment module that are appropriate for the Colombia country programme.
- iii. Ensure that workplans for 2017-2018 include annual results that:
  - a. are specific, measurable, achievable, relevant and time-bound; and,
  - b. are expressed in terms of final results for children.

Responsible staff members: M&E Officer

Date by which action will be taken: The office reports the action as having already been taken

## Field monitoring

Country offices should establish mechanisms, guidance and standards for on-site monitoring of programme implementation, and should plan the monitoring programme in advance. Also needed is a system for follow-up on any agreed actions arising from trip reports.

The office did not have an office-wide travel plan. Instead each section devised its own monthly travel plan, which was approved by the Deputy Representative. There was no link in the travel plans to the assurance-activities plan (see observation *Harmonized Approach to Cash Transfers*, p10 above); this would have helped make best use of resources. The programme sections monitored the implementation of their monthly travel plans and summarized key agreed actions coming out of field visits. However, the implementation of those actions was not systematically monitored.

The audit reviewed six recent reports from field-monitoring trips related to the *Child Survival and Development (WASH and Health)*, *Child Protection*, *Social inclusion* and *Education* programmes. The following was noted:

- Monitoring objectives were stated in general terms, and formulated as a review of activities carried out rather than in terms of expected results.
- The monitoring activities expected to be undertaken were also framed in broad terms – for example, supportive supervision to schools or health facilities.
- Progress of programme implementation noted was not assessed against expected achievements.
- Agreed actions arising from field visits were not always specific, and did not identify the responsible staff or establish timelines.

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<sup>12</sup> 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.

- In some instances, there were no agreed actions, even though some important issues were noted that needed to be addressed.

**Agreed action 9 (medium priority):** The office agrees to strengthen field monitoring, including the following steps:

- Establish an office-wide travel plan for field monitoring, and ensure that is linked to the assurance-activities plan so as to make best use of resources.
- Introduce a system to ensure regular follow-up of agreed actions arising from field monitoring.
- Ensure that the objectives of each field-monitoring trip are specific, and are linked to results rather than activities.
- Where agreed actions arise from field monitoring, ensure that they are specific, time-bound and assigned to staff members.

Responsible staff members: Deputy Representative, Operations Manager, and HACT Focal Point

Date by which action will be taken: May 2017

## Reporting

Country offices have a number of mechanisms through which they report results. They include the RAM, through which offices make their results available across UNICEF. Offices also produce an annual report, and supply reports to donors in line with funding agreements.

The audit reviewed the office's reporting of its results through these mechanisms, and noted the following.

**RAM:** This carries a facility for writing a short progress report with respect to the achievement of both outcomes and outputs. Progress reports require that updates are made to the status of indicators.

The office reported in the RAM that the 2010 to September 2015 country programme outcome and output results were fully achieved. However, there were a number of indicators that were only partially achieved, according to the office's reporting in RAM. For example, in the area of social policy the office had a target of working in 20 priority territories. However, according to the RAM it had only managed to work in 15. Also, most CSD<sup>13</sup> indicators pertaining to Outcome One (*By September 2015, children, adolescents and women in situations of inequality and exclusion, have access to social services of higher quality*) used the same data as baseline and end-line, so it was not clear to what extent target results had been achieved. The 2015 Demographic and Health Survey (DHS) was delayed; this meant that no up-to-date data was available at outcome level pertaining to a range of indicators in the area of health and nutrition, to determine the end-of-country-programme results.

The outcome *By September 2015, children, adolescents and women in situation of inequality and exclusion, have access to social services of higher quality* had an indicator on education that stated "*100 percent complete a full course of primary and secondary education (2015)*". The coverage result reported was 85.39 percent primary and 72.14 percent secondary. Also,

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<sup>13</sup> Child Survival and Development.



the office relied on outdated data when reporting on results in 2015 (the data source was SINFONIA 2013<sup>14</sup>).

In the area of monitoring and evaluation (M&E), the office had planned to conduct 12 workshops with national and local partners, aimed at strengthening M&E tools and procedures. In fact, according to the M&E Officer, 11 had taken place. However, the office reported only three as having done so.

Several indicators focus on behavioral change. For these, the office only reported on number of people trained – despite the fact that, in some areas (such as mine-risk education), the office had data on behavioural change results.

**Country Office Annual Report:** This provides input to UNICEF’s organization-wide reporting on results for children and women, and contributes to organizational learning. For the office itself, it helps sharpen analysis of performance in order to effect improvements in programme quality.

The office had an established procedure for developing the annual report. The 2015 report was informative and was submitted on time. However, the audit tested a sample of five reported achievements and noted that two of the results were cumulative, covering the duration of the previous country programme. Cumulative reporting may increase the risk of double-counting – i.e., some of the results may have already been reported in previous annual reports.

**Donor reports:** Donor reports should clearly outline use of funds and achievement or otherwise of results. The office had an established process for the preparation, quality assurance and submission of donor reports, all of which were submitted on time in 2015-2016. However, a review of two sampled donor reports noted that achievement of results were not systematically compared with planned results.

The training on results-based management carried out after the audit visit may help improve results reporting, especially when supplemented by training on UNICEF programme policy and procedure.

**Agreed action 10 (medium priority):** The office agrees to:

- i. Strengthen the quality assurance of reporting in the Results Assessment Module (RAM), linking results achievement reporting more clearly to the indicators.
- ii. Review the result structure in RAM with a view to strengthening the linkages between output and outcome level results, so as to ensure that planned interventions are sufficient to achieve the intended result; and apply standard indicators to the extent possible.
- iii. Review the quality assurance review processes for the annual report and donor reports and address any gaps identified.

Responsible staff members: Representative, and Deputy Representative

Date by which action will be taken: The office reports the action as having already been taken

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<sup>14</sup> *Sistema de Información sobre Niñez y Adolescencia en Colombia*, an online tool launched by UNICEF to help local authorities, researchers and others compile and use comparable data on the situation of children in the country.

## Integration and cross-sectoral linkages

Support to integration and cross-sectoral linkages is one of UNICEF's nine core programme strategies. In the period covered by the audit, the office had taken steps to strengthen cross-sectoral linkages and promote programme convergence and integrated programming.

However, during a field visit to the municipality of Tierralta, it was noted that the impact of interventions could probably increase if they were further integrated. The education intervention *Quality of life in schools* had found that the situation in the schools was affected to a large extent by that in the children's homes. The *Seres de Cuidado* intervention would be able to address some of the root-causes noted by *Quality of life in schools*, if it were to be slightly broadened and if intervention sites were to overlap. As it was, both interventions were implemented in the municipality but at sites that were far apart. The office said that it would promote greater coordination between programmatic components wherever possible, bearing in mind that some programme and/or geographical areas were not common to different programme sections.

The audit also noted that links between programme and communication should be further strengthened. In interviews with the audit team, both donors and implementing partners raised the fact that there was a need to improve the transfer of knowledge obtained in the course of programme implementation.

**Agreed action 11 (medium priority):** The country office agrees to review its interventions with a view to establish areas that could benefit from convergence.

Responsible staff members: Deputy Representative

Date by which action will be taken: May 2017

## Residential security

According to the Operations Manager, all five international staff members living in Colombia were living in private residences. A report had been issued in May 2016 by the UN Department of Safety and Security (UNDSS) regarding compliance with Minimum Operating Residential Security Standards (MORSS), but there had been no follow-up on the report's recommendations.

At the time of the audit, the office had no system to monitor compliance with MORSS regarding residences of international staff, and no records were kept at the office of the actual residence of each international staff member in relation to MORSS. In general, the office did not centralize MORSS reports for each international staff member working in Colombia. This would be important not only to monitor MORSS compliance, but also in case staff members were entitled to payments for alarms, guards or other security-related items.

**Agreed action 12 (medium priority):** The office agrees to centralize all MORSS reports regarding international staff, both to enable monitoring of MORSS compliance, and in support of security-related entitlements for which the staff might be eligible.

Responsible staff members: Operations Manager

Date by which action will be taken: March 2017

## Annex A: Methodology, and definitions of priorities and conclusions

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

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

The audit looks for areas where internal controls can be strengthened to reduce exposure to fraud or irregularities. It is not looking for fraud itself. This is consistent with normal 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.