



INTERNAL AUDIT DIVISION

AUDIT REPORT

Audit of the African Gender Development Index project in the Economic Commission for Africa

Overall results relating to the management of the African Gender Development Index project were initially assessed as unsatisfactory. Implementation of two critical recommendations remains in progress.

FINAL OVERALL RATING: UNSATISFACTORY

20 July 2012

Assignment No. AN2011/710/04

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AUDIT REPORT

Audit of the African Gender Development Index project in the Economic Commission for Africa

I. BACKGROUND

1. The Office of Internal Oversight Services (OIOS) conducted an audit of the African Gender Development Index (AGDI) project in the Economic Commission for Africa (ECA).
2. In accordance with its mandate, OIOS provides assurance and advice on the adequacy and effectiveness of the United Nations internal control system, the primary objectives of which are to ensure (a) efficient and effective operations; (b) accurate financial and operational reporting; (c) safeguarding of assets; and (d) compliance with mandates, regulations and rules.
3. ECA is mandated to facilitate the effective implementation, monitoring and evaluation of international and regional platforms and plans for action on gender equality and women's advancement. The AGDI project is broadly divided into three "blocks", reflecting the totality of human development. They are the: (a) "social block" (capabilities), covering education and health issues; (b) "economic block" (opportunities), assessing the access to productive resources; and (c) "political block" (agency), addressing women's representation in decision-making in public and civil society arenas. The African Centre for Gender and Social Development (ACGSD) Division in ECA is responsible for developing the AGDI project to provide African policy makers and their partners with a tool to monitor progress towards gender equality and women's advancement.
4. The project was funded by Austria, Denmark and Sweden. As of March 2011, ECA received \$3.8 million in donor contributions supporting the project and expended \$2.9 million (76 per cent) of project contribution income as of June 2011, with approximately 72 per cent of the expended funds being allocated to the countries as grants and technical assistance. Selected financial data of the project, as of 30 June 2011, is summarized in Table 1.

Table 1: Project expenditure as of 30 June 2011

Donor	Donor Project	Allocation	Expenditure	% of expenditure
Austria	MTW 7371	\$297,865	\$291,288	97.8
Denmark	HDM 7466	1,197,669	1,193,043	99.6
Sweden	HDS 7473	1,681,194	1,259,519	74.9
Sweden	HDS 7636	600,000	123,907	20.7
Total		\$3,776,728	\$2,867,757	75.9

5. Comments provided by ECA are incorporated in *italics*.

II. OBJECTIVE AND SCOPE

6. The audit was conducted to assess the adequacy and effectiveness of ECA's governance, risk management and control processes in providing reasonable assurance regarding the **effective management of the AGDI project**.

7. The key controls tested for the audit were: (a) project management; and (b) fund-raising strategy. For the purpose of this audit, OIOS defined these key controls as follows:

(a) **Project management** – controls that provide reasonable assurance that the planning, organizing, and management of the project are aimed at achieving the project objectives; that there are effective means of measuring the progress of the project in providing inputs, implementing activities, and delivering outputs, as defined in the project document; and that funds are used for intended purposes.

(b) **Fund-raising strategy** – controls that provide reasonable assurance that the fund-raising strategy and donor funding acceptance policy adequately met the resource requirements of the project.

8. The key controls were assessed for the control objectives shown in Table 2.

9. OIOS conducted this audit from August to November 2011. The audit covered the period from January 2008 to October 2011.

10. OIOS conducted an activity-level risk assessment to identify and assess specific risk exposures, and to confirm the relevance of the selected key controls in mitigating associated risks. Through interviews, analytical reviews and tests of controls, OIOS assessed the existence and adequacy of internal controls and conducted necessary tests to determine their effectiveness.

III. AUDIT RESULTS

11. ECA's governance, risk management and control processes that were examined were assessed as **unsatisfactory** in providing reasonable assurance regarding the **effective management of the AGDI project**. OIOS made five recommendations (two critical and three important) to address the issues identified in the audit. ACGSD had been successful in sourcing funds for the project, which targeted 18 countries and raised total contributions of \$3.8 million to support project objectives from three main donors. ACGSD had also regularly invited donors to roundtable discussions and reported annually on project expenditures. Substantive reports on project performance were regularly provided through joint funding arrangements. As of 30 June 2011, the project had primarily spent \$2.9 million (76 per cent) of its allocated \$3.8 million for the intended purpose, with 22 per cent of the funds being advanced as grants to the target countries, 42 per cent allocated for technical assistance workshops and seminars, and 8 per cent paid for consultants and technical experts; the remaining 28 per cent of the expenditures was incurred on project support services. There was no strategic plan to guide project implementation and ensure effective project management, resulting in slow progress of the project. There was also no consolidated annual report since no assessment of the AGDI project's objectives could be made. As a result, only in 2009 did actual project initiation and implementation take off. During the project term, ACGSD had an overall 43 per cent vacancy rate in total posts and 50 per cent in the Professional posts, affecting the division's professional capacity and, ultimately, project implementation. Moreover, Memoranda of Understanding (MOUs) had been signed with only 12 of the 18 countries as of 2011. Instead of being signed at the same time as the MOUs, the country Action Plans were not prepared and finalized until four months after the MOUs had been executed and the grants were advanced, further delaying the project.

12. ECA had established five sub-regional offices (SROs) in an effort to strengthen regional technical support. However, the gender positions in the five SROs were all vacant resulting in weak technical support to the project. ACGSD provided training to national teams and also helped recruit consultants for data collection in the 18 target countries. The African Centre for Statistics Division (ACSD) within ECA

had an in-house gender statistician, who could have contributed to this work. However, ACGSD and ACSD did not systematically consult and coordinate on complementarities in both activities, critically missing the opportunity to create synergy in this area.

13. The initial overall rating was based on the assessment of key controls presented in Table 2 below. The final overall rating is **unsatisfactory** as implementation of two critical recommendations remains in progress.

Table 2: Assessment of key controls

Business objective	Key controls	Control objectives			
		Efficient and effective operations	Accurate financial and operational reporting	Safeguarding of assets	Compliance with mandates, regulations and rules
Effective management of the AGDI project	(a) Project management	Unsatisfactory	Partially satisfactory	Partially satisfactory	Unsatisfactory
	(b) Fund-raising strategy	Satisfactory	Satisfactory	Satisfactory	Satisfactory
FINAL OVERALL RATING: UNSATISFACTORY					

A. Project management

The AGDI project had not developed a strategic plan and there was no consolidated annual report

14. ACGSD prepared a project document for the Austrian contribution and another one for the other two donors to justify the need for the donor contributions. However, the project did not have a strategic plan to facilitate project execution, monitoring and oversight. The lack of a strategic plan prevented effective project management as there were no measures to assess whether the AGDI project had achieved its objectives.

15. Annual reporting to individual donors on project expenditure was done regularly. Substantive reporting on project performance was also done under joint funding arrangements. However, there was no comprehensive project document for AGDI with well-defined objectives and expected accomplishments and no consolidated project report assessing achievements for the project as a whole. A consolidated annual project report for the AGDI project needed to be prepared.

(1) ECA should prepare a strategic plan for the African Gender Development Index project to facilitate project execution, monitoring and oversight, and prepare an annual report to assess achievement of the project's objectives.

ECA accepted recommendation 1, stating that it would be implemented by September 2012. Recommendation 1 remains open pending receipt of the strategic plan by September 2012 and the 2012 consolidated annual project report by March 2013.

High vacancy rate affected project implementation

16. The Gender and Women in Development (GWID) Section within ACGSD is responsible for implementing the AGDI project. GWID had an authorized staffing table of 12 posts and two general

temporary assistance positions comprising 10 Professionals, two General Service staff, and two senior regional advisors. Five of the ten professional posts (50 per cent), including the post of the Section Chief which was vacant since June 2010, as well as one of the two senior regional advisor positions, were vacant at the time of the audit. OIOS' review of the vacancies, by position, from 1 January 2010 to 30 April 2012 indicated that the positions were vacant for prolonged periods, extending to as much as 22 months, thus affecting professional capacity. The vacancies are summarized in Table 3 below.

Table 3: Summary of vacancies 1 January 2010 - 30 April 2012

	Position	Level	Vacant Date	Current Status	No. of Vacant Months
1.	Chief, GWID Section	P-5	June 2010	Vacant	22
2.	Senior Regional Advisor	L-6	March 2011	Vacant	14
3.	Gender Advisor	P-5	June 2011	Vacant	11
4.	Human Rights Officers	P-4	June 2011	Vacant	11
5.	Economic Affairs Officer	P-3	Feb. 2011	Vacant	15
6.	Economic Affairs Officer	P-3	June 2011	Vacant	11

Source: ECA Staffing Table

17. In addition to the vacancies in GWID, ACGSD was without a Director between 2005 and 2010. An Officer-in-Charge (OIC) headed ACGSD, on an interim basis, for over four years until May 2009 when an external candidate was appointed as full-time Director. However, the Director's position was vacated nine months later when the incumbent retired. From February 2010, the Division's management continued under the previous OIC until August 2010 when the OIC was appointed as the Director. The high vacancy rate in the authorized posts and resultant high professional capacity loss of the GWID Section negatively affected the progress of the project

(2) ECA should fill all the African Gender Development Index project vacancies on a priority basis to ensure progress in the implementation of the project.

ECA accepted recommendation 2, stating that all but one posts had been filled. Recommendation 2 remains open pending receipt of documentation showing the filling of all vacancies.

Slow progress in project implementation due to lack of country Action Plans

18. The AGDI project compiles information on both quantitative and qualitative indicators in two parts: (i) the Gender Status Index (GSI); and (ii) the African Women's Progress Scorecard (AWPS). The GSI focuses on measurable indicators of the AGDI's three blocks (social, economic, and political), while the AWPS is the qualitative facet directly related to the actual implementation of global and regional treaty obligations through the lens of all three blocks. Since the start of the AGDI project in 2002, project initiation and implementation has been slow and only three milestones have been achieved thus far: (i) the preparation of the first AGDI manual; (ii) the printing of the African Women's report 2009; and (iii) the finalization of the AGDI manual in 2011.

19. The project took off in 2009 with the stabilization in the Director's position in May 2009. However, actual collection of data covering the three blocks for 12 of the 18 target countries did not actually start until 2011 after ECA signed the MOU with those countries and the actual grants were disbursed. As of the date of the audit, MOUs for the remaining six countries were still pending finalization and the project had not yet been initiated in those countries. Also, the project was making slow progress due to delayed finalization of the country Action Plan for each target country. The country Action Plan was integral to efficiently implementing the project's activities within the allotted time.

However, it took an average of one month from the time of signing of the MOU to the actual release of the grant funds to the target countries, and only at this point were the country Action Plans prepared. Finalization of the country Action Plan took, on average, another three to four months after preparation.

20. The reasons for the slow initiation of the project in the 18 target countries were twofold: (i) the high vacancy rate in ACGSD's Professional posts significantly contributed to the delays, as discussed in paragraphs 16-17 of this report; and (ii) the preparation and finalization of the country Action Plans were not synchronized with the signing of the MOU, thus extending the project initiation timeline even further.

(3) ECA should finalize the Action Plan when signing the Memorandum of Understanding with each target country so that implementation of project activities in that country may begin immediately.

ECA accepted recommendation 3 and stated that the countries join the process through a phased programme. Recommendation 3 remains open pending receipt of the finalized country Action Plans for all the remaining target countries.

ECA's SROs are not fully engaged in the AGDI project

21. In 2011, the project was collecting data from the 18 target countries in the five sub-regions as shown in Table 4 below.

Table 4: Regional coverage of AGDI project

Eastern Africa	Rwanda, Djibouti, Burundi, Democratic Republic of the Congo
Western Africa	Mali, Senegal, Gambia, Cote d'Ivoire, Togo
Central Africa	Republic of Congo
Southern Africa	Zimbabwe, Zambia, Botswana, Namibia, Malawi
Northern Africa	Morocco, Algeria, Libya

22. A repositioning exercise conducted by ECA in 2006 envisaged SROs playing a crucial role in fulfilling the ECA mandate. The involvement of the SROs was critical to the success of the AGDI project in the 18 target countries as ACGSD relied on them for technical backstopping of the country teams with respect to gender issues in the respective regions.

23. Of the five regions, only the SRO in Southern Africa (SRO-SA) had a dedicated focal point for gender until June 2011. With a focal point for gender on board, the SRO-SA had been effective in implementing the AGDI project activities. These included: (i) profiling gender champions in Southern Africa as a way to promote gender equality and women's empowerment and supporting the Southern African Development Community (SADC) in developing a regional gender monitoring tool to track progress made in implementing the SADC Protocol for Gender and Development; (ii) development of the gender monitoring tool that had been adopted for use by SADC Ministers in charge of gender and women's affairs; and (iii) supporting SADC to produce a biennial report on Gender and Development in Southern Africa. Currently, the gender focal point positions in all five SROs are vacant.

(4) ECA should ensure that all its sub-regional offices fill the gender focal point positions to effectively carry out the African Gender Development Index project activities.

ECA accepted recommendation 4 and stated that the recruitment process is not entirely under the ACGS Director's control, but the majority of the posts had been filled or are being filled. Recommendation 4 remains open pending receipt of documentation showing that the gender focal point positions have been filled.

Absence of formal coordination between ACGSD and ASCD

24. The AGDI project supports target countries in the selection of their consultants to collect data and training of the country team. An action plan for a target country generally called for: (a) forming a national advisory panel; (b) hiring a statistician when forming data collection teams; (c) processing, analyzing and interpreting data; (d) drafting and validating its progress report; and (e) preparing a final report. The African Centre for Statistics (ACS) had an in-house gender statistician, who could greatly contribute to and support country data collection. However, ACGSD and ACS did not systematically consult and coordinate activities of the project to achieve synergy.

(5) ECA should ensure that its African Centre for Gender and Social Development Division and the African Centre for Statistics establish a mechanism to coordinate project activities to support target countries in the selection of data collection consultants and in training country teams.

ECA accepted recommendation 5 and stated that the two divisions are collaborating on a number of programmes of mutual interest. Recommendation 5 remains open pending receipt of documentation of the established coordination modalities between ACGSD and ACS.

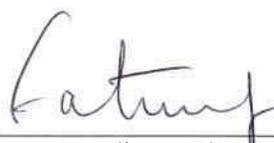
B. Fund-raising strategy

Fund-raising and financial sourcing of project

25. ACGSD had been successful in sourcing funds for the project as it presented the gender development index for Africa to donors as a holistic package linked to the substantive work of the Division and regularly invited donors for a roundtable. OIOS considers that controls on fund-raising strategy are adequate.

IV. ACKNOWLEDGEMENT

26. OIOS wishes to express its appreciation to the Management and staff of ECA for the assistance and cooperation extended to the auditors during this assignment.



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STATUS OF AUDIT RECOMMENDATIONS

Audit of the African Gender Development Index project in the Economic Commission for Africa

Recom. no.	Recommendation	Critical/ ¹ important ²	C/ ³ O ³	Actions needed to close recommendation	Implementation date ⁴
1	ECA should prepare a strategic plan for the African Gender Development Index project to facilitate project execution, monitoring and oversight, and prepare an annual report to assess achievement of the project's objectives.	Important	O	Receipt of the strategic plan by September 2012 and the 2012 consolidated annual project report by March 2013.	September 2012
2	ECA should fill all the African Gender Development Index project vacancies on a priority basis to ensure progress in the implementation of the project.	Critical	O	Receipt of documentation showing the filling of all vacancies	August 2012
3	ECA should finalize the Action Plan when signing the Memorandum of Understanding with each target country so that implementation of project activities in that country may begin immediately.	Critical	O	Receipt of the finalized country Action Plans for the remaining target countries.	September 2012
4	ECA should ensure that all its sub-regional offices fill the gender focal point positions to effectively carry out the African Gender Development Index project activities.	Important	O	Receipt of documentation showing that the gender focal point positions have been filled.	August 2012
5	ECA should ensure that its African Centre for Gender and Social Development Division and African Centre for Statistics establish a mechanism to coordinate project activities to support target countries in the selection of data collection consultants and in training country teams.	Important	O	Receipt of documentation of the established coordination modalities between ACGSD and ACS.	August 2012

¹ Critical recommendations address significant and/or pervasive deficiencies or weaknesses in governance, risk management or internal control processes, such that reasonable assurance cannot be provided regarding the achievement of control and/or business objectives under review.

² Important recommendations address important deficiencies or weaknesses in governance, risk management or internal control processes, such that reasonable assurance may be at risk regarding the achievement of control and/or business objectives under review.

³ C = closed, O = open

⁴ Date provided by ECA in response to recommendations.