

## Background Note: Briefing to the Executive Board, First Regular Session 2020

Updated status as of UN-Women management actions to address outstanding audit recommendations in the UN Secretary General’s Report on *‘Implementation of the recommendations of the Board of Auditors contained in its reports for the year ended 31 December 2018 on the United Nations funds and programmes’* (A/74/323/Add.1)

**Note: The updates on the status of UN-Women action for each audit recommendation is reflected in the green box.**

The paragraph numbers of each recommendation and management response below are consistent with those in the report A/74/323/Add.1 to facilitate cross-referencing.

### Summary of updated status of UNBoA outstanding recommendations

Year Issued	Number of recs	Closed	Closure requested*	Under implementation
2018	12	7	4	1
2017	7	3	2	2
2016	3	0	1	2
<b>Total</b>	<b>22</b>	<b>10</b>	<b>7</b>	<b>5</b>
<b>%</b>	<b>100%</b>	<b>45%</b>	<b>32%</b>	<b>23%</b>

\* “Closure requested” means UN-Women has submitted evidence for completed management actions and awaits UNBoA assessment as “Implemented” to close.

### A. Implementation of the recommendations contained in the report of the Board of Auditors for the year ended 31 December 2018

1151. In paragraph 20, the Board recommended that UN-Women establish a dashboard or system that would allow knowing the deficiencies that the Country Offices present in complying with the regulations on the matter, with the purpose of identifying improvements in this control and evaluating its impact on the efficiency of the purchasing process, and the due communications.

*Department(s) responsible:* Management and Administration Division  
*Status:* Closure requested  
*Priority:* High  
*Target date:* Not applicable

1152. UN-Women established a dashboard, available in the OneApp system, that provides live data and effectively monitors the conformity of the purchase orders of field offices with their procurement plans. In the second quarter of 2019, the quarterly list of offices that are still to submit their procurement plans was circulated as a reminder. The aim is to enhance the oversight mechanism already in place and ensure compliance with the UN-Women contract and procurement management policy. UN-Women considers this recommendation to have been implemented and requests its closure by the Board.

*Recommendation action status update:*

“Implemented” per UNBoA assessment.

**1153. In paragraph 21, the Board recommended to evaluate the obligatory function of reporting on the purchase plan of the projects that are executed of the programmes’ area, within the programmatic formulation stage.**

*Department(s) responsible:* Programme Division  
*Status:* Under implementation  
*Priority:* High  
*Target date:* Third quarter of 2019

1154. UN-Women is finalizing the update of the project documents and the preparatory assistance guidance and templates required for the completion of the project procurement plan. The same requirement will be included in the review checklist of the project appraisal committee. The revisions are expected to be completed by the end of 2019.

*Recommendation action status update:*

After extensive consultations at Headquarters and Field Offices, the draft project documents and the preparatory assistance guidance and templates, that includes a procurement plan template cross-referred to the project appraisal committee review checklist, are undergoing an internal quality assurance review prior to final approval and promulgation.

The department responsible is now the “Programme, Policy and Intergovernmental Division” following recent UN-Women change management adjustments in the structure of headquarters.

**1155. In paragraph 29, the Board recommended that the Latin American and Caribbean Regional Office comply with timely Atlas Purchase Orders clean up processes stated in the Finance Manual and Standard Operating Procedures.**

*Department(s) responsible:* Regional Office of Americas and Caribbean  
*Status:* Closure requested  
*Priority:* Medium  
*Target date:* Not applicable

1156. The Americas and the Caribbean Regional Office has improved its standard operating procedures to ensure compliance with timely Atlas purchase order clean-up processes during the month-end certification exercises. All purchase orders for which no further deliveries or payments are expected are closed in a timely manner. UN-Women considers this recommendation to have been implemented and requests its closure by the Board.

*Recommendation action status update:*

UN-Women has submitted to the auditors additional evidence requested to support the completed action to this recommendation and awaits UNBoA's final assessment of this recommendation as "Implemented".

**1157. In paragraph 40, the Board recommended that the Latin American and Caribbean Regional Office and the Mexico Country Office comply with the control stated in the mentioned Internal Control Policy (ICP) of UN-Women, and that the Procurement Section will run reports every quarter to monitor the use of these profiles and address any infractions in the use of these authorities as appropriate.**

<i>Department(s) responsible:</i>	Management and Administration Division, Regional Office of Americas and Caribbean and Mexico Country Office
<i>Status:</i>	Closure requested
<i>Priority:</i>	Medium
<i>Target date:</i>	Not applicable

1158. The Americas and the Caribbean Regional Office and the Mexico country office have implemented a standard operating procedure to ensure compliance with the proper segregation of duties, in line with the internal control policy of UN-Women. In 2019, the Procurement Section began running quarterly reports to monitor the use of the "project manager" and "committing officer" profiles and to review whether those functions are generally performed by different staff members for every procurement transaction. The same quarterly report is used to examine transactions that deviate from that general control. The root cause for any deviation is determined and the related transaction is identified for further investigation. UN-Women considers this recommendation to have been implemented and requests its closure by the Board.

*Recommendation action status update:*

UN-Women has submitted to the auditors the evidence to show the upgrade of Atlas controls that systematically prevents any non-compliance to the proper segregation of duties for the approval of purchase requisition and purchase order. UN-Women awaits UNBoA's final assessment of this recommendation as "Implemented".

**1159. In paragraph 41, the Board recommended that UN-Women assess options for preventive controls in order to avoid creation and approval of transactions by the same staff profile.**

*Department(s) responsible:* Management and Administration Division  
*Status:* Closure requested  
*Priority:* Medium  
*Target date:* Not applicable

1160. UN-Women assessed the options for preventive controls to avoid the creation and approval of transactions by the same staff member and confirms that a preventive control is in place. The Atlas system has a preventive operating system control whereby the “buyer” user profile, which creates purchase orders, cannot be combined with the “committing officer” user profile, which approves purchase orders. Although the Atlas system does not prevent both the “project manager” and the “committing officer” user profiles to be assigned to the same staff member, the Procurement Section runs and reviews quarterly reports to monitor the use of those profiles as a compensating control process. UN-Women considers this recommendation to have been implemented and requests its closure by the Board.

*Recommendation action status update:*

UN-Women has submitted to the auditors the evidence to show the upgrade of Atlas controls that systematically prevents any non-compliance to the proper segregation of duties for the approval of purchase requisition and purchase order. UN-Women awaits UNBoA’s final assessment of this recommendation as “Implemented”.

**1161. In paragraph 45, the Board recommended that the Mexico Country Office make sure that the Asset In-Service report shows exactly where the assets are located.**

*Department(s) responsible:* Mexico Country Office  
*Status:* Closure requested  
*Priority:* Medium  
*Target date:* Not applicable

1162. Following its relocation, the Mexico country office carried out an inventory review of all assets, a reconciliation and an update of records during the mid-year asset verification exercise in 2019. Accordingly, the asset in-service report of the Mexico country office was updated to reflect exactly where the assets were located. UN-Women considers this recommendation to have been implemented and requests its closure by the Board.

*Recommendation action status update:*

“Implemented” per UNBoA assessment.

**1163. In paragraph 49, the Board recommended that the Mexico Country Office implement a more durable and visible asset tag, that it does not come off quickly. The office should ensure that the asset tag contains the same asset information as in the Asset Management Module in Atlas.**

*Department(s) responsible:* Mexico Country Office  
*Status:* Closure requested  
*Priority:* Medium  
*Target date:* Not applicable

1164. The Mexico country office implemented a new asset tagging system that uses more durable, conveniently visible tags, with a Quick Response barcode attached to each asset. The use of unique Quick Response barcodes for each asset facilitates real-time monitoring control of asset movements and an efficient update of the asset information in the Atlas asset management module. UN-Women considers this recommendation to have been implemented and requests its closure by the Board.

*Recommendation action status update:*

“Implemented” per UNBoA assessment.

**1165. In paragraph 53, the Board recommended that the Latin American and Caribbean Regional Office update the list of non-capital assets.**

<i>Department(s) responsible:</i>	Regional Office of Americas and Caribbean
<i>Status:</i>	Under implementation
<i>Priority:</i>	Medium
<i>Target date:</i>	Third quarter of 2019

1166. The Americas and the Caribbean Regional Office updated and approved its list of non-capital assets. The non-capital assets in the programme presence offices were updated but have yet to be physically verified. The Regional Office expects the verification to be completed by the end of 2019.

*Recommendation action status update:*

“Implemented” per UNBoA assessment.

**1167. In paragraph 54, the Board recommended that the Latin American and Caribbean Regional Office implement a mechanism to identify the assets by location to expedite supervision and control over the non-capital assets.**

<i>Department(s) responsible:</i>	Regional Office of Americas and Caribbean
<i>Status:</i>	Under implementation
<i>Priority:</i>	Medium
<i>Target date:</i>	Third quarter of 2019

1168. The Americas and the Caribbean Regional Office, in updating its list of non-capital assets, instituted a coding system that references the location of each item to facilitate monitoring and control. The same coding system is being put in place for the list of non-capital assets in the programme presence offices. The Regional Office expects the coding system to be fully implemented by the end of 2019.

*Recommendation action status update:*

“Implemented” per UNBoA assessment.

**1169. In paragraph 59, the Board recommended that the Mexico Country Office improve the processing timelines of the FACE forms.**

*Department(s) responsible:* Mexico Country Office  
*Status:* Closure requested  
*Priority:* High  
*Target date:* Not applicable

1170. The Mexico country office strengthened the guidance provided to implementing partners for the completion and submission of the funding authorization and certificate of expenditure forms by the respective due dates. In addition, the Mexico country office has re-trained its project managers on their accountability with regard to the requirements of the policy on cash advances and other transfers to partners to ensure their adherence to the policy, especially on the processing and approval, within 10 business days, of the funding authorization and certificate of expenditure forms submitted by implementing partners. UN-Women considers this recommendation to have been implemented and requests its closure by the Board.

*Recommendation action status update:*

“Implemented” per UNBoA assessment.

**1171. In paragraph 60, the Board recommends that the Mexico Country Office strengthen the training process of the implementing partners, with focus on the processing of the FACE form.**

*Department(s) responsible:* Mexico Country Office  
*Status:* Closure requested  
*Priority:* High  
*Target date:* Not applicable

1172. The Americas and the Caribbean Regional Office and the Finance Section at UN-Women headquarters jointly provided training to implementing partners in July 2019 on the proper completion of funding authorization and certificate of expenditure forms and the provision of supporting documentation. The Mexico country office provided additional training for its implementing partners and other responsible parties to further clarify the importance and accountability of each party following feedback received from some implementing partners. UN-Women considers this recommendation to have been implemented and requests its closure by the Board.

*Recommendation action status update:*

“Implemented” per UNBoA assessment.

1173. In paragraph 64, the Board recommended that UN-Women, when conducting assurance on liquidation of advances to partners, determine a standard review format, which ensures the validation of it the selection process, whilst documenting any exceptions that could arise from the review.

<i>Department(s) responsible:</i>	Management and Administration Division
<i>Status:</i>	Under implementation
<i>Priority:</i>	High
<i>Target date:</i>	Third quarter 2019

1174. UN-Women initiated the revision of the policy on cash advances and other transfers to partners to include standardized documentation for the sampling, review, identification of any exceptions and remedial actions to be taken when conducting assurance on the liquidation of advances to implementing partners. The revised policy will be promulgated following the receipt and incorporation of comments from all stakeholders.

*Recommendation action status update:*

The revised Cash Advances and Transfer Policy was promulgated and includes the required standardized documentation for sampling and review when conducting assurance on the liquidation of advances to implementing partners. UN-Women awaits UNBoA's final assessment of this recommendation as "Implemented".

## **B. Implementation of the recommendations contained in the report of the Board of Auditors for prior financial periods**

### **Report of the Board for the year ended 31 December 2016**

1177. In paragraph 42 of the report, UN-Women agreed with the Board's recommendation that it: (a) ensure that the selection of implementing partners is strengthened and the requirements of the programme and operations manual regarding the selection process are adhered to; and (b) perform partner risk rating to identify the score for each implementing partner against the tolerable risk levels.

<i>Department(s) responsible:</i>	Programme Division
<i>Status:</i>	Under implementation
<i>Priority:</i>	Medium
<i>Target date:</i>	Fourth quarter of 2019

1178. UN-Women updated its programme and operations manual to require the use of a "call for proposals" process for an improved and more rigorous selection of implementing partners and responsible parties, especially for high-value projects. Risk management components are included in the evaluation of the proposals received from potential partners.

1179. UN-Women also proceeded with the development of a partner and grant agreement management system to support and enhance compliance with the prescribed partner selection process. The launch of the system has been placed on hold pending the revision and promulgation of the new partner agreement template that is more suitable to the needs of UN-Women.

Furthermore, UN-Women saw the need to develop a more comprehensive due diligence procedure for implementing partners and responsible parties, which is being finalized.

*Recommendation action status update:*

The comprehensive due diligence procedure for implementing partners and responsible parties has been promulgated. UN-Women awaits UNBoA's final assessment of this recommendation as "Implemented".

The department responsible is now "Programme, Policy and Intergovernmental Division" following recent UN-Women change management adjustments in the structure of headquarters.

**1180. In paragraph 58, the Board recommended that (a) expedite the development of policy and guidelines that clearly define the rationale for the establishment of programme presences and the management of programme and field presences; and (b) develop business cases for the already established programme and field presences so as to suit the current needs and situation.**

<i>Department(s) responsible:</i>	Office of the Deputy Executive Director for Resource Management, Sustainability and Partnerships
<i>Status:</i>	Under implementation
<i>Priority:</i>	High
<i>Target date:</i>	First quarter of 2020

1181. Following the formation of the interdivisional task force on change management, UN-Women established a change management team, led by a highly experienced and knowledgeable former Assistant Secretary-General. The team used scenario modelling to develop a rationale and propose a business model for the repositioning and right-sizing of the UN-Women field offices.

1182. A road map to roll out the new model is being aligned with the broader United Nations reform process. Extensive consultations on the proposed model are ongoing with various stakeholders at headquarters and field offices, including the Staff Council. The comprehensive analyses and consultative approach, although crucial to the transparent and successful implementation of the new country typology, impacted the initial target implementation date for the recommendation.

1183. The new country typology will be formally instituted when a final agreement is reached. The related policy and guidelines will be promulgated to include clear criteria for the future establishment of offices, which will aptly consider, among other things: (a) indicators related to issues that have an impact on gender equality and the empowerment of women; and (b) a financial model that will ensure sustainability.

*Recommendation action status update:*

The new country typology design has been completed and a phased approach for implementation underway. Once fully implemented, the new country typology along with the decentralization of certain policy capacities to the field will ensure that UN Women's global footprint has a standard staffing structure that provides high quality Technical input and supports management to deliver impactful results. This will be supported by related policy and guidelines which will be drafted for promulgation.



1184. In paragraph 81 of the report, UN-Women agreed with the Board’s recommendation that it: (a) consider the use of the implementing agent code in the chart of accounts for Atlas to enhance efficiency and effectiveness; (b) work closely with the global auditors to review the audit process to ensure that project audit reports are submitted in a timely manner; and (c) enhance the capacity of the Audit Coordination Unit to ensure that it supports effectively the oversight function in the organization.

*Department(s) responsible:* Management and Administration Division  
*Status:* Under implementation  
*Priority:* Medium  
*Target date:* Fourth quarter of 2019

1185. The Board assessed parts (a) and (b) of this recommendation as implemented. With regard to part (c), UN-Women is carrying out a functional analysis of its various divisions and offices, including the Management and Administration Division and the Office of Human Resources. As part of the ongoing functional analysis, the capacity of the Audit Coordination Unit will be assessed, and a determination will be made as to what additional capacity, if any, is required.

*Recommendation action status update:*

As part of the implementation of the Change Management initiative at UN-Women, the Audit Coordination Unit was moved to the new Strategy, Planning, Resources and Effectiveness Division to ensure a strengthening of UN Women’s assurance function through the second line of defense by systematically enhancing the utilization of audit findings and recommendations to inform strategic planning and corporate performance management. Should additional functions be considered for the Audit Coordination Unit, the capacity of the Audit Coordination Unit would be reassessed at such time.

The department responsible is now the “Strategy, Planning, Resources and Effectiveness Division” following recent UN-Women change management adjustments in the structure of headquarters.

## Report of the Board for the year ended 31 December 2017

1186. In paragraph 17 of the report, UN-Women agreed with the Board’s recommendation to (a) continue with its efforts to ensure that field offices comply with the fraud risk assessment plan developed by Headquarters, and perform fraud risk assessments that will enable management to focus on mitigating actions designed to prevent and detect instances of fraud; (b) continue to provide adequate awareness training for staff on fraud risk assessment to ensure that approach and methodology are aligned with best practices.

*Department(s) responsible:* Management and Administration Division  
*Status:* Under implementation  
*Priority:* High  
*Target date:* Fourth quarter of 2019

1187. UN-Women is continuing to implement its fraud risk management plan. That process is closely monitored on a monthly basis to ensure that key milestones are met.

*Recommendation action status update:*

“Implemented” per UNBoA assessment.

**1188. In paragraph 27 of the report, UN-Women agreed with the Board’s recommendation to improve the link between Results Management System (RMS) tool and Atlas system such that the information in RMS is up to date to facilitate timely and accurate decision-making.**

<i>Department(s) responsible:</i>	Programme Division
<i>Status:</i>	Under implementation
<i>Priority:</i>	Medium
<i>Target date:</i>	Third quarter of 2020

1189. UN-Women determined that for a seamless, reliable interface between Atlas and the results management system, the root causes of inconsistencies had to be addressed by fixing the fundamental structural issues between the two systems. The ongoing system enhancement work in Atlas and the results management system requires significant efforts and more resources than initially anticipated. The functional requirements are being gathered, and will be followed by system development, testing and piloting. The full roll-out of the interface is expected to be completed by the third quarter of 2020.

*Recommendation action status update:*

The work to improve the link between Results Management System (RMS) tool and the Atlas system is ongoing and on target.

The department responsible is now the “Strategy, Planning, Resources and Effectiveness Division” following recent UN-Women change management adjustments in the structure of headquarters.

**1190. In paragraph 31 of the report, UN-Women agreed with the Board’s recommendation to expedite the review of its grants modality in the Programme and Operational Manual to provide more clarity on grants management.**

<i>Department(s) responsible:</i>	Programme Division
<i>Status:</i>	Under implementation
<i>Priority:</i>	Medium
<i>Target date:</i>	Fourth quarter of 2019

1191. The UN-Women small grants policy was approved for promulgation by the Executive Director. Promulgation is pending, following the completion of the partner and grant agreement management system that is crucial for the oversight and proper implementation of the policy. In turn, the partner and grant agreement management system is awaiting the launch of the due diligence procedure for implementing partners and responsible parties and the completion of the

new partner agreement template. The due diligence procedure is also being finalized. UN-Women will complete the promulgation of the small grants policy immediately after the launch of the partner and grant agreement management system.

*Recommendation action status update:*

“Implemented” per UNBoA assessment.

**1192. In paragraph 36 of the report, The Board recommended that UN-Women (a) strengthen the compliance with the Implementing Partners selection process and ensure its field offices conduct capacity assessment of implementing partners in a proper manner in accordance with the requirements of the POM; and (b) perform partners risk rating to identify the score for each implementing partner against the tolerable risk levels.**

<i>Department(s) responsible:</i>	Programme Division
<i>Status:</i>	Under implementation
<i>Priority:</i>	High
<i>Target date:</i>	Fourth quarter of 2019

1193. UN-Women has developed a more comprehensive due diligence procedure for implementing partners and responsible parties, which will be supported by the partner and grant agreement management system. The new procedure requires a proper risk assessment of potential partners to be performed, with a risk rating assigned to identify the score for each partner evaluated. The launch of the system was put on hold pending the revision and promulgation of the new partner agreement template that is more suitable to the needs of UN-Women. The due diligence procedure is being finalized.

*Recommendation action status update:*

The comprehensive due diligence procedure for implementing partners and responsible parties has been promulgated. UN-Women awaits UNBoA’s final assessment of this recommendation as “Implemented”.

The department responsible is now the “Programme, Policy and Intergovernmental Division” following recent UN-Women change management adjustments in the structure of headquarters.

**1194. In paragraph 43 of the report, UN-Women agreed with the Board’s recommendation to (a) work closely with the global auditors to review the audit process to ensure that project audit reports are submitted on time; and (b) strengthen accountability in the field offices on assessing and monitoring of Implementing Partners by endeavouring to include key performance indicators (KPIs) related to the implementation of audit recommendations in respect of financial findings as part of the Country Office Assessment Tool (COAT).**

<i>Department(s) responsible:</i>	Programme Division
<i>Status:</i>	Under implementation
<i>Priority:</i>	High
<i>Target date:</i>	Fourth quarter of 2019

1195. The Board assessed part (a) of this recommendation as implemented. With regard to part (b), UN-Women is exploring the use of the audit implementation monitoring system being used by other United Nations organizations to streamline its current monitoring system for implementing partners. An enhanced system could provide data that could be used as key performance indicators for the country office assessment tool.

*Recommendation action status update:*

UN-Women has submitted to the auditors evidence to show the systematic monitoring of the status of resolving findings from implementing partners audits through the enhanced Country Office Assessment Tool that has been launched and working. UN-Women awaits UNBoA's final assessment of this recommendation as "Implemented".

The department responsible is now the "Programme, Policy and Intergovernmental Division" following recent UN-Women change management adjustments in the structure of headquarters.

**1196. In paragraph 44 of the report, the Board further recommended that UN-Women (a) ensure conclusive assessment of prior year's qualified audit report financial findings is conducted to determine the causes and prevent recurrence of the identified weakness; and (b) consider introducing policies to address weaknesses in project management that lead to ineligible expenditure and to guide the administration on the proper accounting for prior years ineligible expenditure to avoid potential misstatements in the financial statements.**

<i>Department(s) responsible:</i>	Management and Administration Division and Programme Division
<i>Status:</i>	Under implementation
<i>Priority:</i>	High
<i>Target date:</i>	Fourth quarter of 2019

1197. UN-Women conducted a conclusive assessment of prior years' qualified audit report financial findings. A new procedure and guideline for the resolution of audit recommendations arising from project partner audits is being finalized. In addition, UN-Women has requested advice from both its Audit Committee and its Internal Audit Service on the proposed procedure and guideline.

*Recommendation action status update:*

The draft policy and procedure are in the process of iterative quality assurance review prior to approval and promulgation.

The departments responsible are now the "Management and Administration Division and the Programme, Policy and Intergovernmental Division" following recent UN-Women change management adjustments in the structure of headquarters.

**1198. In paragraph 57 of the report, the Board recommended that after a feasibility assessment, UN-Women consider establishing a global Individual Consultant Monitoring Tool to record key details on hiring of a consultant including information such as the analysis of total hiring cost, performance measurement, and supervisor’s comments at every stage of the assignment based on the agreements made with each Individual Consultant.**

*Department(s) responsible:* Office of Human Resources  
*Status:* Under implementation  
*Priority:* Medium  
*Target date:* Fourth quarter of 2019

1199. UN-Women completed the assessment of the establishment of a global monitoring tool for individual consultants. The review of current processes is ongoing to identify the most effective way of putting in place a solution leveraging the existing systems in order to minimize any unnecessary use of the organization’s limited resources.

*Recommendation action status update:*  
“Implemented” per UNBoA assessment.