Management Response to Annual Report on Internal Audit & Investigations Activities

For the year ended 31 December 2018
“No significant weaknesses were identified in the Entity’s governance, risk management, and control processes that would seriously compromise the achievement of UN-Women’s strategic and operational objectives”

Audit recommendation implementation rates

✓ Measuring against prior year

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No Unsatisfactory audit rating

31 outstanding audit recommendations with only one long outstanding recommendation.
Combined assurance coverage for 2018

➢ UNBoA External Audit: **Headquarters and 2 field offices** with focus on financial statement; **AND**

➢ Internal Audit: **16.0%** of total expenditures, **1 Functional** audit, **1 HQ Division** audit, **9 Field offices** (full scope) audits and **18 DIM Project** audits; **AND**

➢ Global Auditors project audits: **46%** of Project Expenditures, **95 projects** with **167 partners**; **AND**

➢ Investigation activities: Global service; **AND**

➢ Independent Evaluation: **1 Corporate and 33 decentralized** evaluations
UN-Women implemented all recurring recommendations issued in 2017:

- Highlights of positive impact from actions taken to 2017 recommendations:
  - mobilization of substantial additional funding;
  - Call for proposals for selection of implementing partners;
  - strengthened guidance for Joint Programming;
  - enhanced guideline distinguishing between infrastructure-related programmatic activities and office refurbishment activities; and
  - strengthened monitoring and reporting of assets.

- Corporate framework and tools in place for monitoring and Oversight:
  - Three Lines of Defense Model and oversight framework; and
  - ACL Analytics tool.
Positive Impact of Implementation of 2018 Internal Audit Recommendations

➢ **High Priority recommendations:**
  - new **corporate strategy** and clearer leadership roles in resource mobilization;
  - new **framework guidance** on resource mobilization processes, action plans and structures;
  - updated corporate ERM risk registers and fraud risk registers; and
  - improving the **linkage** between Results Management System (RMS) and ERP system;

➢ **Corporate recommendations:**
  - drafted the **Policy on Crisis Response** and a harmonized **fast-tracking procedures** including programme delivery;
  - drafted **Partner Selection Due Diligence Procedure** and improved monitoring of partner expenditures in Atlas;
  - implemented **Key Performance Goal Indicators (KPIs)** for Programme Specialists on management of implementing partner advances; and
  - revising **Partner Cooperation Agreement template**.
Positive Impact of Implementation of 2018 Internal Audit Recommendations

➢ Recurring recommendations:
  ▪ protocol for rigorous vendor reference checks;
  ▪ Business Continuity Plan updated and tested;
  ▪ resource mobilization toolkit and Client/Donor Relationship Management System to be launched;
  ▪ leadership in SG’s working groups of the Financing for Gender Equality task force;
  ▪ implementing partner assessment and capacity building strengthened; and
  ▪ project activity and performance monitoring enhanced.
31 outstanding recommendations as at 31 December 2018:
- 30 were issued in 2018 and 1 was issued in 2017; and
- 15 out of 31 recommendations are implemented to-date.

Nearly at completion of the 1 long outstanding recommendation:
- new Small Grants Policy finalized for promulgation.
Investigation activities

- Increased investigation case load can, inter alia, be attributed to:
  - enhanced knowledge and awareness on reporting mechanisms;
  - trust in independence of investigations.

- Sustained greater accountability, enhanced communication and awareness, and strengthened policies.

- Enhanced focus on people management, better planning and workload management, and enhanced training in leadership and management.

- Presented the report on disciplinary measures and other actions taken to respond to wrongdoing under zero tolerance policy.
Thank you!