REPORT ON THE INTERNAL AUDIT AND INVESTIGATION ACTIVITIES

of the United Nations Entity for Gender Equality and the Empowerment of Women, 2019

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Internal Audit function in UN-Women

2019 Annual Report on the internal audit and investigation activities

- Annual opinion on effectiveness of governance, risks and controls
- Recurrent issues observed during audit and advisory reviews
- Advisory engagement and activities
- Investigation activities

Internal Audits in the context of COVID-19
Internal Audit function in UN-Women
OVERSIGHT PROVIDERS

**Independent Evaluation and Audit Services-IEAS**
- IES
- IAS
  - Evaluation
    - Impact, Sustainability Relevance
  - Internal Audit Governance Risks Controls

**Board of Auditors**
- External Auditors
- Opinion on the financial statements

**Office of Internal Oversight Service**
- Investigation of fraud and misconduct

**Joint Inspection Unit**
- Cross agencies benchmarking assessments

**Ethics Office**
- Consult on ethical issues, and seek protection against retaliation for reporting misconduct.
IAS STRUCTURE WITHIN UN WOMEN

Established in 2017
Took effect in 2018

MANAGEMENT: independent and objective assurance and advisory services to add value and improve the effectiveness and efficiency of UN-Women's work

INDEPENDENT: Reports directly to the Executive Director. Protections of independence through ACO.

AUTHORITY: full, free, and unrestricted access to any and all records, electronic data, physical properties, and personnel

GOVERNED: Charter, ACO, International Professional Practices Framework (IPPF) of the Institute of Internal Auditors (IIA)

SCOPE: Assurance and advisory on the effectiveness of governance, risk management, and internal controls processes
Annual Report on Internal Audit and Investigation Activities
Based on the internal audit work performed in 2019

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.

As a result of its 2019 audit assignments, IAS did identify some risks that require UN Women management attention:

a. further enhance its second line of defence;

b. further demonstrate its accountability for risk management and related systems of internal control through preparing an annual Statement of Internal Controls.
13 Audit and advisory reviews completed
8 Field audits
2 Thematic audits
10 Audits
4 Satisfactory (Uganda, China, APRO, Brazil)
4 Some Improvements needed (Myanmar, Liberia, Afghanistan, Mali)
2 Major Improvements needed (IP and travel management)

Three reports were advisory
- Operational Risk Assessment of the Haiti Country Office
- Maturity Assessment of the Risk Management Process in UN-Women
- Gap Assessment of the Project Cycle

Implementation of internal audit recommendations
- All except 3 recommendations were closed for the period before 2019
- Management already addressed 50 per cent of 2019 recommendations
• **Management of Implementing partners:** responsibilities, process risk assessment, enhance policies and accountability for performance.

• **Programme and project management:** project progress and risk tracking, monitoring and reporting

• **Setting up and implementation of strategic priorities:** improve results framework, monitoring and data validation

• **Capacity needed to implement strategic priorities:** match field capacity with ability to deliver on agreed results

• **Risk management process:** greater risk-informed decision making and resource allocation
ADVISORY REVIEWS

Risk Assessment of Haiti Country Office
Risks and mitigating actions were identified and validated

Maturity of UN Women Risk Management
Maturity was assessed and roadmap was prepared to enhance and advance UN-Women to higher level maturity

Gaps in the UN Women Project Cycle
Gaps between current and best project management practices were identified and roadmap was proposed to streamline UN Women’s Project Cycle

ADVISORY ACTIVITIES

Commenting on draft policies and procedures
Active observer in working groups including Change Management
Adviser on Senior Management Team meetings
Regular interactions with Evaluation team
Partnering with UK National Audit Office on Value for Money audit methodology
65 Total allegations over 2019
13 Carry over from 2018
52 Intake during 2019
44 Closed Allegations: 43 by OIOS and 1 by UNDP OAI
10 Closed from carry overs
34 Closed from intake
21 Carried over into 2020

Sources of allegations
- 73% via hotline, 21% via emails, the rest via post, in person and referrals
- 65% from UN or former personnel, 21% anonymous, 10% from external parties, the rest from others

Allegations by type
- Prohibited conduct – 30%, personnel 16 %, fraud 14%, recruitment irregularities 14%, procurement irregularities 7%, misuse of office 7%, financial irregularities 5%, retaliation 5%, theft 2%
- Prohibited conduct includes harassment – 45%, abuse of authority – 32%, sexual harassment – 9%, discrimination – 5%, various – 9%
**In 2019 Annual Report**

**43**  
Allegations closed by OIOS

**9**  
Closed as not warranting investigation

**25**  
Closed and referred to UN Women

**8**  
Investigated:

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**4**  
Substantiated

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**4**  
Unsubstantiated

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**Allegations investigated and reported**

- 4 cases substantiated included allegations related to sexual harassment; irregularities in procurement process; abuse of authority; interfering with an official activity and not observing expected UN standards

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**Supporting investigations**

- IAS supports the investigation function through its limited existing human resources. Further support would increase its ability to provide proactive integrity and counter-fraud efforts, and increase awareness on handling potential misconduct
- Reporting on lessons learned from investigations related to control weaknesses
- Defining management referral workflow, roles and responsibilities
- Supporting OIOS data and information requests
Internal Audit function in the context of COVID-19
AUDITS IN THE CONTEXT OF COVID-19

Adjusting audit plan for 2020

Postponing field audit visits
Due to travel ban, planned audits of the field offices have been postponed until the ban is lifted

Remote audits
Where possible, remote audits have been conducted including limited scope field audits

Crisis management
Provide timely inputs on fast tracking policies and processes so the risks are identified and addressed

Emerging risks
Scanning for emerging risks and proactively advising management on effective management