Management Response to Annual Report on Internal Audit and Investigations Activities

For the year ended 31 December 2021

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1. Updates on Management Actions to four Overarching areas for improvement
2. Positive impacts from implementing audit recommendations
3. Internal Audit Opinion and UN-Women Achievements for 2021
4. Positive Progress on Long-outstanding Recommendations
5. Response to Executive Board Decisions
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Updates on Management Actions to Four Overarching Areas for Improvement

**Enhanced Second Line of Defense**

- Within the overall structure of the second line of defense, UN-Women has prioritized available resources to achieve continuous improvements in internal governance, risk management and compliance
- Effective oversight committees (BRC/TMG) and Quarterly Business Review

**Development of Statement of Internal Controls**

- Planning for organization-wide annual Statement of Internal Controls to commence following new ERP system

**Increased management absorption capacity**

- SP 2022-2025 and Strategic Notes incorporate needed operational improvements and lessons learned from audits and evaluations
- Uptake mechanism supports increased accountability for implementation of audit and assessment recommendations
- Ongoing prioritization of available resources to implement oversight recommendations considering increased volume of recommendations

**Effective pivot to the field**

- Presence typology framework supports recalibration of UN-Women’s global footprint to ensure it is equipped to effectively deliver on triple mandate
- Targeted business transformation support to Offices to drive results at country level
Positive Impacts from Implementing Audit Recommendations

**Principled Performance**

- SP 2022-2025 and SN performance indicators support increased accountability for Strategy implementation
- Enhanced beneficiary-oriented interventions at country level
- Operationalization of Joint Comprehensive Cost Recovery Policy promotes harmonized cost category classification and updated preferential rates
- Streamlined risk escalation protocol for timely visibility of significant and emerging risks
- HQ and RO oversight function clarified

**Products, Services and Processes**

- Online platform for enhanced tracking of donor reports
- Professionalized procurement function through certification programme and community of practice at HQ and field
- Automated procurement platform to streamline all processes and support procurement needs
- HQ and RO networked knowledge-based design completed for reinforced policy and programme technical support to the field

**Advancing Partnerships and Resourcing**

- Resource mobilization plans embedded within Strategic Notes to support achievement of mandate
- Crisis communication policy developed for strategic approach to external communications
- Enhanced focus on UN coordination mandate in SP 2022-2025

**Business Transformation**

- Strategic Notes guidance and results frameworks at country level aligned with UNSDCFs
- Presence Governance Policy guides transparent resource allocation for fit-for-purpose global footprint
- Country typologies define functional setup, funding principles and strategy options, aligning organizational design behind transformative results

**Empowered People**

- Organization-wide ethics and integrity culture strengthened
- Field Office HR strategy developed for appropriate staffing level for the delivery of objectives
- Support for enhanced fraud risk awareness at RO and CO level
- BPO responsibility clarified to coordinate overall anti-fraud programme
**Internal Audit Opinion and UN-Women Achievements for 2021**

IAS’s 2021 Overall Opinion:

“UN-Women’s governance, risk management and control processes were generally established and functioning but needed some improvement”

**94%**

Prior Year Recs Implementation Rate

Above corporate target of **80%** for **consecutive 7 years**
Positive Progress on Long-outstanding Recommendations

As of April 2022

- Guidance Note on Managing Direct Funding to Strategic Notes soon to be issued
- Programme Partner Management Policy and Procedures soon to be issued
- Global policy and programme architecture with enhanced accountability structure for more focused, impact-oriented support to the field to be finalized in the context of UN-Women’s signature interventions
- Review of the required capacity for the travel function considering post COVID-19 environment ongoing
- SWOT analysis and structured office organigram completed to support delivery of results
Response to Executive Board Decisions

**Decision 2021/4**
The Executive Board “Encourages UN-Women management to continue strengthening its second line of defense and its work on the establishment of a Statement of Internal Controls”

- Initiate planning for relevant organization-wide process to prepare an annual Statement of Internal Controls upon completed migration to new ERP system

**Decision 2020/5**
The Executive Board “Requests UN-Women to address areas of recurring issues and the high number of audit recommendations related to managing implementing partners, project/programme management, travel management, risk management, structure and capacity, and procurement, including by ensuring the availability of high-competent staff and relevant control mechanisms in order to manage these areas of recurring concern”

- All recurring issues except for one procurement issue are addressed; developing a matrix of criteria to determine appropriate delegation of procurement authority level
Investigations Activities

UN-Women remains committed throughout 2021 to ensure all misconduct are effectively reported.

UN-Women nurtures a diverse and empowered workforce and advances an inclusive culture, as explained in its 2022-2025 Strategic Plan, as well as addresses workplace concerns holistically.

UN-Women maintained transparency with the 2021 Disciplinary Report; prompt and appropriate actions taken to implement the zero-tolerance policy towards misconduct, fraud and corruption substantiated investigation cases.
Investigations Activities

2021 Key initiatives

- Designed leadership journeys to strengthen capacity of senior managers and teams
- "Conversations on Living our Values" series for a safe space to reflect on the organizational values and competencies framework facilitated
- Continued collaboration with the Office of the Ombudsman for UN Funds and Programme on the Respectful Workplace Facilitators and Conversations with the Mediator programme
- Under the aegis of the UN Ethics Office, the organization wide roll-out of the 2021 UN Leadership Dialogue on “Accountability Systems in the UN” completed
THANK YOU!