

Internal Audit Services (IAS) | Independent Evaluation and Audit Services (IEAS)

# REPORT ON INTERNAL AUDIT AND INVESTIGATION ACTIVITIES

2023 Annual Report





# CONTENTS

## 1. Introduction

- Internal Audit Service (IAS) structure within UN Women
- Statement of independence and conformance to Internal Audit standards

## 2. Internal audit activities in 2023

- Summary of work
- Annual overall opinion
- Individual engagement audit opinions
- Key Issues
- Status of internal audit recommendations
- Audit plan for 2024

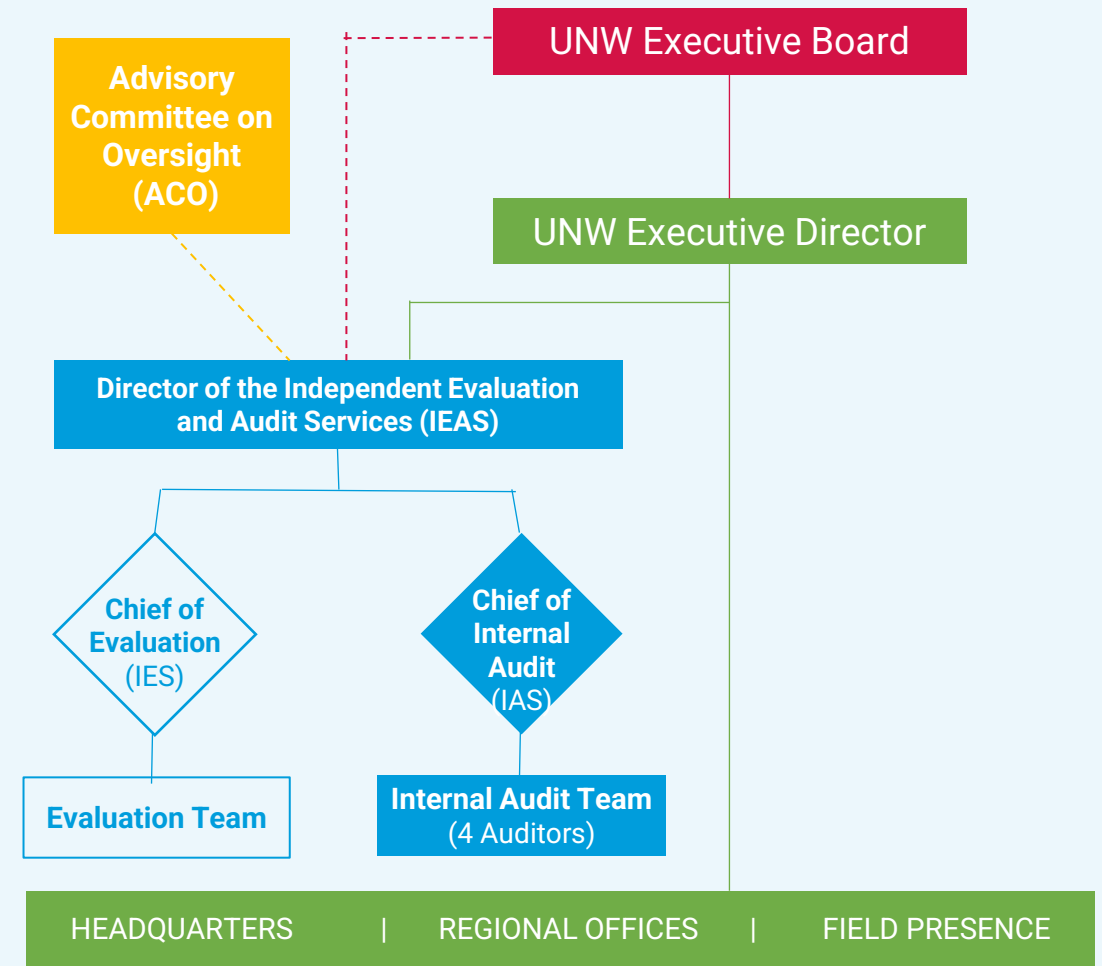
## 3. Investigation activities in 2023

## 4. Resources and strengthening oversight

# **1** INTRODUCTION

# IAS STRUCTURE WITHIN UN WOMEN

- **MANDATE:** 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. Reports annually to the Executive Board. Protections of independence through its charters and the 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



# STATEMENT OF INDEPENDENCE

## AND CONFORMANCE TO INTERNAL AUDIT STANDARDS

- IAS continues to maintain its **independence**
- IAS work conducted in conformity with the Institute of **Internal Auditors' (IIA) Standards and Code of Ethics.**
- IAS was required to undergo an external quality assessment and received the **highest rating from the Institute of Internal Auditors.**

### Overall Conclusion

#### United Nations Entity for Gender Equality And the Empowerment of Women

Internal Audit Service Generally Conforms with the *International Standards for the Professional Practice of Internal Auditing* and the IIA Code of Ethics.

This level of conformance is the top rating and demonstrates a clear intent and commitment to achieving the Core Principles for the Professional Practice of Internal Auditing and the Definition of Internal Auditing.

GOVERNANCE		STAFF		MANAGEMENT		PROCESS	
Standard	Rating	Standard	Rating	Standard	Rating	Standard	Rating
1000	GC	1200	GC	2000	GC	2200	GC
1100	GC			2100	GC	2300	GC
1300	GC			2450	GC	2400	GC
Code of Ethics	GC			2600	GC	2500	GC



Basil Woller, CIA, CRMA  
Team Leader  
IIA Quality Services

Warren Hersh, CIA, CPA, CISA, CFE  
Director, IIA Quality Services  
IIA Quality Services

Team Member:  
Cyndi Plamondon, CIA, CISA, QIAL, CCSA, CRMA, CGAP, CFSA

**2**

# **INTERNAL AUDIT ACTIVITIES IN 2023**

# INTERNAL AUDIT SERVICE SUMMARY OF WORK IN 2023

## SOURCES OF EVIDENCE FOR ANNUAL OVERALL OPINION



### AUDIT PLAN

2023 risk-based audit plan and its implementation



### AUDIT ENGAGEMENT

Individual audit and advisory engagement results and ratings



### PROGRESS MADE BY MANAGEMENT

Actions addressing audit recommendations



### UNBOA'S WORK

Work conducted by the United Nations Board of Auditors

# 12

**AUDIT AND  
ADVISORY REVIEWS  
COMPLETED**

# 8

Individual office audits

# 1

Thematic audits and assessments

# 3

Advisory reports

## ADVISORY ACTIVITIES

- Commenting on draft policies and procedures
- Adviser on Management Teams meetings
- Regular interactions with Evaluation team and UN BoA
- Observer in ERP Project Board, BRC and other groups
- UN-RIAS regular meetings (IAS one of the co-chairs)

## IMPLEMENTATION OF INTERNAL AUDIT RECOMMENDATIONS

**11%** of long-outstanding recommendations

**16** High priority recommendations

**36** Medium priority recommendations

## SCOPE LIMITATIONS IN 2023

- Availability of reports from Quantum
- During first 9 months some controls were revisited due to Quantum rollout

## IAS 2023 ANNUAL OVERALL OPINION

The Internal Audit Service overall opinion is that the Entity's governance, risk management and control processes were **generally established and functioning but needed some improvement.**

IAS notes the positive efforts UN-Women has made to enhance corporate governance and risk management in 2023 such as the Business Review Committee, the Quarterly Business Reviews, new policies (e.g. in the areas of planning, monitoring and reporting, programme; partners).

### Overall risks that required UN Women management attention:

- Teething problems with Quantum (e.g. availability of reports and need to streamline new processes and controls.
- Further enhance corporate and regional oversight mechanisms (aka "second line of defence")
- Ensuring more technical capacity at country level to advance strategic priorities and ensure oversight
- Finalize a Statement of Internal Controls process to demonstrate management accountability and good risk management.



# IAS INDIVIDUAL ENGAGEMENT AUDIT OPINIONS- 2023

## Distribution of audit ratings by region and thematic area in 2023



## IAS Standard Audit Rating Scale

<b>Satisfactory</b>	The assessed governance arrangements, risk management practices and controls were adequately established and functioning well. Issues identified by the audit, if any, are unlikely to affect the achievement of the objectives of the audited entity/area.
<b>Some Improvement Needed</b>	The assessed governance arrangements, risk management practices and controls were generally established and functioning but need some improvement. Issues identified by the audit do not significantly affect the achievement of the objectives of the audited entity/area.
<b>Major Improvement Needed</b>	The assessed governance arrangements, risk management practices and controls were established and functioning, but need major improvement. Issues identified by the audit could significantly affect the achievement of the objectives of the audited entity/area.
<b>Unsatisfactory</b>	The assessed governance arrangements, risk management practices and controls were either not adequately established or not functioning well. Issues identified by the audit could seriously compromise the achievement of the objectives of the audited entity/area.

## KEY ISSUES IDENTIFIED IN 2023 BY FUNCTIONAL AREA

### → Programme and project management:

project oversight, quality assurance, risk management, monitoring, management of working with beneficiaries, sustainability and reporting

### → Capacity, structure and skills:

timely deployment of experts in crisis countries, fit-for-purpose staffing and structure, sustainable funding sources, annual viability assessment for suboffices

### → Strategic priorities:

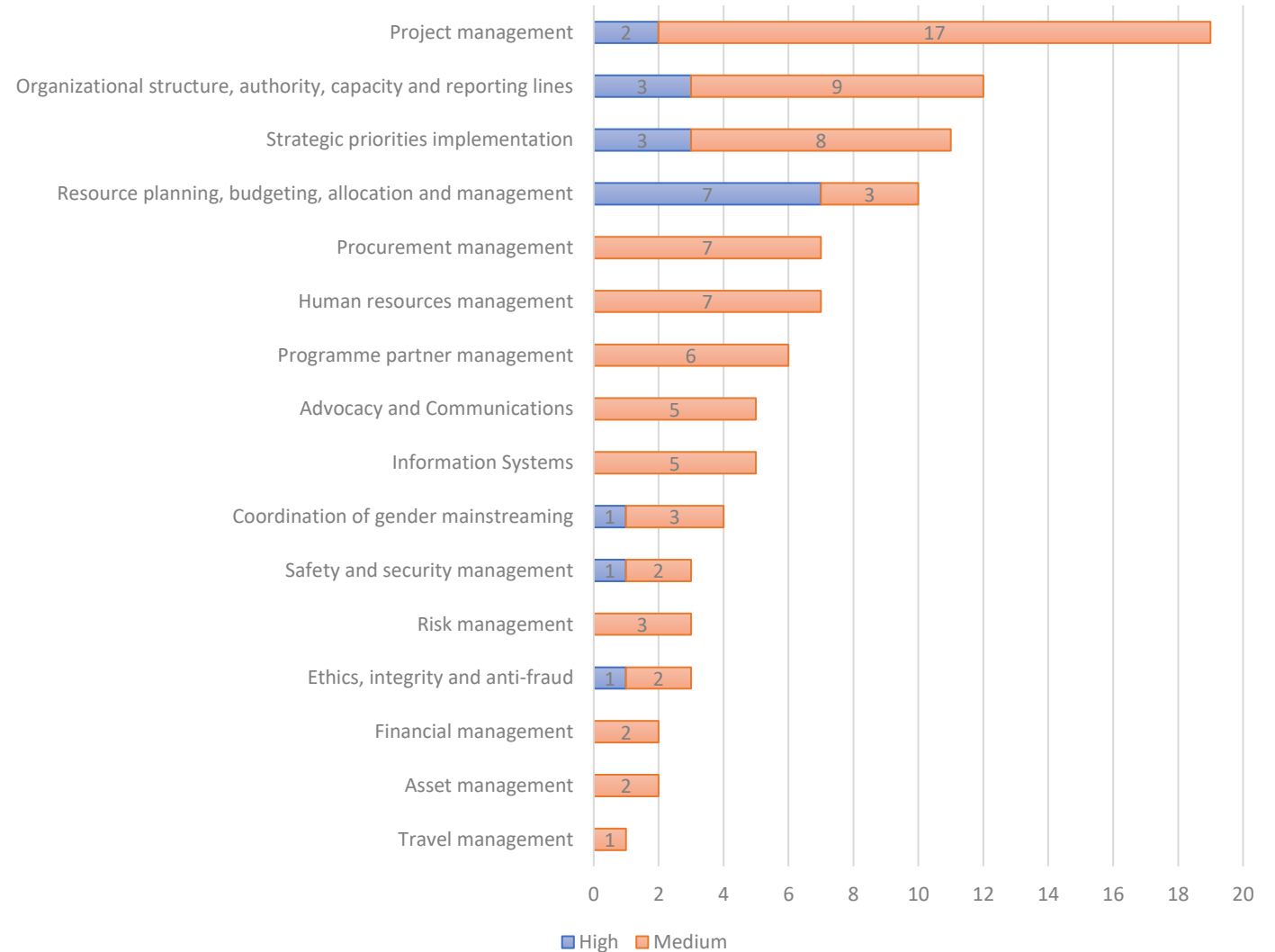
clarity of results and indicators, data validation and results-focused reporting, monitoring success of resource mobilization, enhancing monitoring and evaluation, timely technical backstopping of country offices.

### → Resource planning, budgeting and allocation:

formalizing governance in budgeting, updating financial regulations and rules, consolidating budget management policy, implementing direct project cost recovery.

### → Procurement:

strategy, plan and capacity to fit business needs, utilization of procurement systems

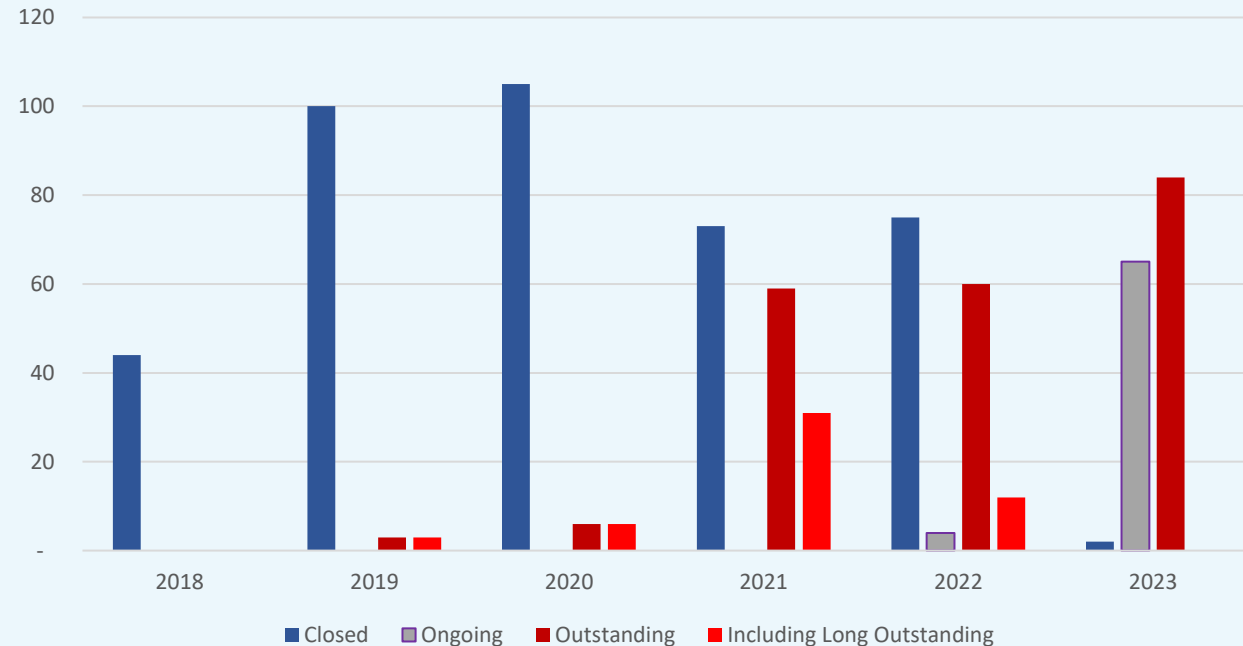


# INTERNAL AUDIT RECOMMENDATION STATUS

AS OF 24 FEBRUARY 2024 (Annual Report date)

- Implementation of audit recommendations is still slow in some instances.
- Number of corporate and thematic recommendations are complex and require work across different divisions.
- IAS is aware of management's efforts in tracking and seeking to implement recommendations
- With additional funding provided to management for implementation of recommendations, IAS will conduct an advisory review to check accountability for results.

Recommendation status by year based on original agreed timeframe



→ within corporate target of 14% for long outstanding recommendations (more than 12 months from its agreed implementation timeframe)

→ 16 long outstanding recommendations were high priority, 36 long outstanding recommendations were medium priority

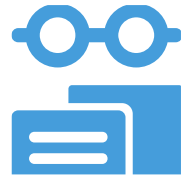
→ 3 long outstanding from 2019, 6 recommendations from 2020, 31 recommendations from 2021 and 12 were from 2022.

# IAS AUDIT PLAN FOR 2024



## Carry forward from 2023 assignments

- Meta-synthesis on regional office role
- Meta-synthesis on preparedness for humanitarian crisis management
- Staff entitlements and benefits
- Vehicle and fuel management



## Corporate audits

- Governance of private partnerships
- Data governance, protection and privacy
- Quantum system interagency audit
- Recruitment, succession planning, staff performance and development (late 2024/2025)



## Audit of country offices

- Audits of country offices including crisis and emergencies



## Advisory reviews

- Piloting digital innovations
- Assurance mapping
- Utilization of additional funding provided to management implement ELT priorities

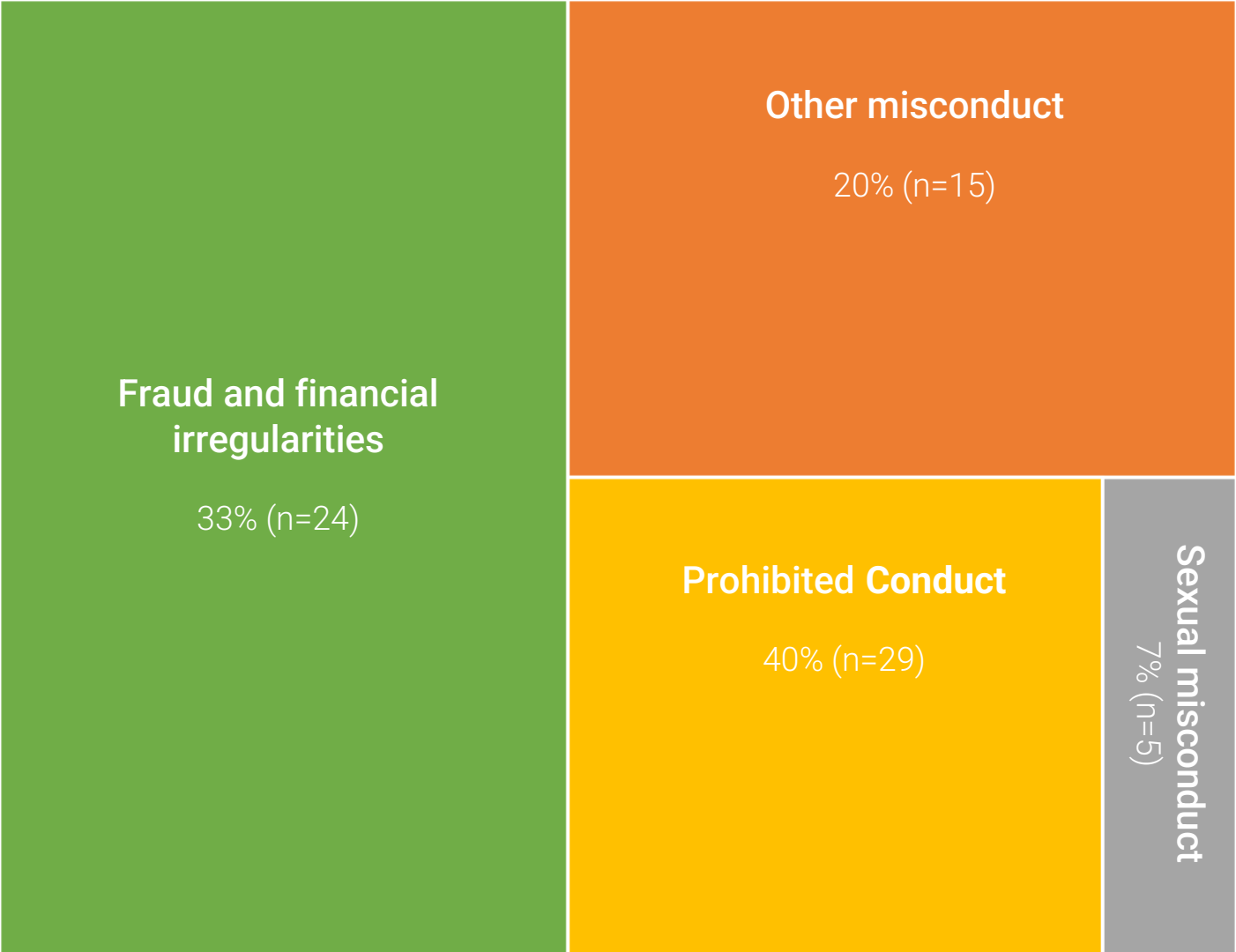
**3**

# INVESTIGATION ACTIVITIES IN 2023

# INVESTIGATIONS - 2023



## ALLEGATIONS INTAKE BY CATEGORY DURING 2023



# INVESTIGATIONS IN 2023

## SOURCE OF ALLEGATIONS



- In 2023, the 63 new allegations were received by email (54 per cent), the hotline (43 per cent), or through other means (3 per cent). Sources of allegations were either UN personnel (33 per cent), anonymous (27 per cent), referrals from other UN entities (24 per cent), external parties (14 per cent), or unknown (2 per cent).

# 52

## CASES CLOSED WITHOUT INVESTIGATION

- OIOS referred 43 of the cases (subject to consent by the complainant, where applicable) for management consideration and potential action by UN-Women (compared to 21 cases referred in 2022).

# 12

## CASES INVESTIGATED & CLOSED IN 2023

- eight cases presented findings that were indicative of misconduct (compared to 8 in 2022)
- four cases were investigated and closed as follows: one was closed as unsubstantiated, and three related to programme partners were closed through completion memorandum

# 8

## CASES SUBSTANTIATED IN 2023

- Inappropriate sexual conduct by a staff member against UN-Women personnel.
- Purchasing assets in conflict with duties.
- Lack of disclosure of outside activity and misuse of property and assets.
- Fraudulent creation of documents.
- Falsification of travel documents.
- Entitlement fraud.
- Undeclared conflict of interest
- Inappropriate use of ICT resources.

# 15

## CASES CARRIED OVER TO 2023

- As at 31 March 2024, 9 of these cases had been closed, and 6 cases remained open. Three of the closed cases were closed following an investigation, and six were closed after preliminary assessment (three matters were referred for management consideration and potential action by UN-Women, and three were closed for information).

## INTERNAL AUDIT SERVICE'S ANTI-FRAUD AND ANTI-CORRUPTION ACTIVITIES

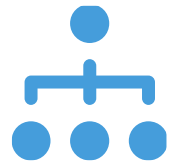
- Annual campaign on International Anti-Corruption Day (9 December)
- IEAS issued memorandums following a limited review of implementing partner management with cash-based interventions, and recruitment practices in Country Offices.
- IEAS also provided advice in the discussions and drafting process of donor agreements with other UN entities, UN Member States, multilateral agencies and other third parties.

**4**

# RESOURCES AND STRENGTHENING OVERSIGHT

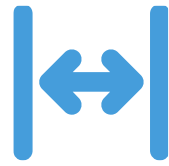


# RESOURCES AND STRENGTHENING OVERSIGHT



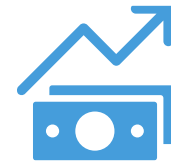
## IAS staffing fully funded

Five approved posts complemented by expert consultants on an as needed basis



## High Risk Coverage

Current budget provides coverage of high-risk offices and targets every two to five years



## Hybrid Investigation function

New MOU with UN-OIOS and launch in 2024 of internal investigation function

QUESTIONS, COMMENTS, FEEDBACK?