

Management Response Annual Report on Internal Audit & Investigations

For the year ended 31 December 2015

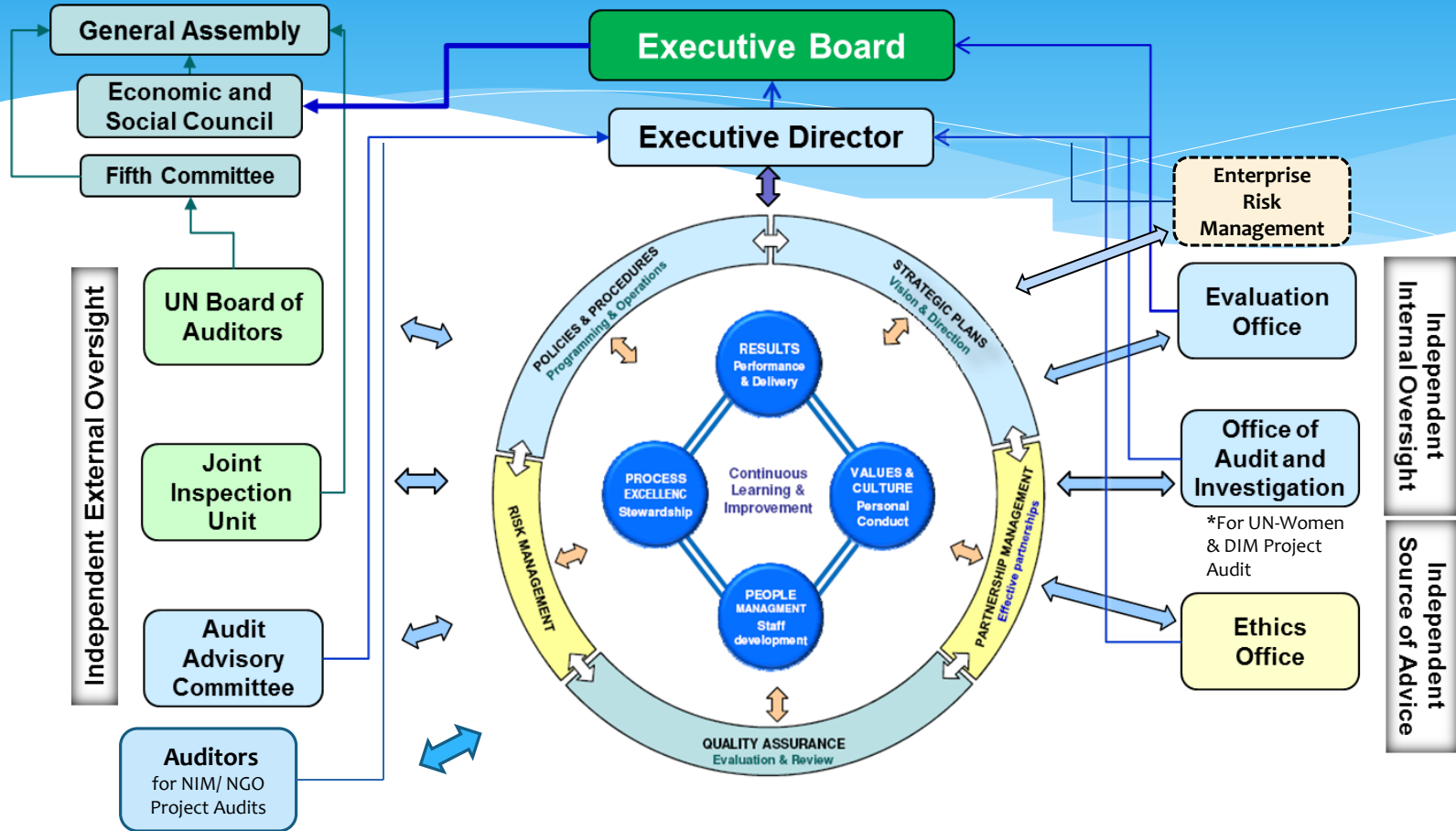


United Nations Entity for Gender Equality
and the Empowerment of Women

OPENING REMARKS

- UN-Women is pleased to present highlights of our management response to the report on internal audit and investigation activities for the year ended 31 December 2015.
- UN-Women acknowledges the findings and recommendations of audits conducted. We are pleased that among the 6 audits, 5 were rated satisfactory and 1 partially satisfactory.
- UN-Women appreciates the recognition that the overall implementation rate of audit recommendations as at 31 December 2015 was **99 percent**.

UN WOMEN Institutional Oversight Arrangements



OVERSIGHT INCLUDES:

1. Independent oversight of all programme activities and organizational units
2. Results of oversight communicated to relevant and concerned parties
3. Management action taken to implement oversight recommendations

Assurance Coverage

Assurance coverage in 2015

Audit

- **OAI: 20% of total expenditures**
 - **6 field offices** (ROs: Arab States, Asia and the Pacific, COs: Afghanistan, Georgia, Tanzania, DRC)
 - **3 headquarters functions** (Training Centre, Procurement function, Travel management function)
 - **3 DIM projects** (Kazakhstan, Sudan, Senegal)
- **UNBoA:**
 - **6 field offices** (RO: Europe and Central Asia, COs: DRC, Mozambique, Nigeria, Pakistan, South Sudan)
 - **Headquarters**
- **Global Auditors: 45% of total 2015 NGO, Gov't, IGO project expenditures**
 - **Eighty-five** projects with **234** partners

Investigation

- **18 Cases**

Evaluation

- **2** corporate Joint Reviews and **12** UNDAF evaluations supported

UN-Women's Three Lines of Defense

Executive Board

Audit Advisory Committee

Senior Management

Control mechanisms

1st Line of Defense

Functions that own and manage risks and Framework to implement controls

- Internal control Framework,
- Delegation of Authority
- Programme and Operation Manual
- HQ, RO, CO line managers

2nd Line of Defense

Function and Framework that oversee risks and controls

- Results-based Management System (planning/budgeting processes)
- Enterprise Risk Management
- Safety and security
- Business Continuity Management

3rd Line of Defense

Functions providing independent assurance

- Internal Audit
- **OAI**
- External Audit of NIM/NGO Projects
- Investigations
- Independent Evaluation
- Ethics

Independent Assurance
(Internal)

UNBoA External Audit

Joint Inspection Unit

Independent Assurance
(External)



HEADQUARTERS AUDIT

- **Compliance audit of**
 - Travel management function
- **Follow-up audit of**
 - Procurement function, and;
 - Training Centre in the Dominican Republic
- **Long outstanding recommendations**
 - UN-Women Palestine Office Service Level Agreement
 - Grants Management System



Compliance Audit

Travel management function

Recommendations:

Implement policies for greenhouse gas emissions; improve oversight and monitoring of travel activities; ensure compliance with travel policies; and improve processes and controls of daily subsistence allowance payments

Actions:

- UN-Women adopted the **United Nations Greening the Blue Policy** to facilitate accurate computation and reporting on greenhouse gas emissions.
- UN-Women launched a **dashboard tool** to enhance oversight and monitoring of travel activities and outstanding claims.
- UN-Women is finalizing the **Duty Travel Chapter** revision of the POM on DSA payments to meeting participants.
- All travel for the purpose of attending training has to be **economy class** regardless of the duration of travel.

Follow up audits

Training Centre in Dominican Republic

Recommendations:

a) Perform a detailed analysis of the Centre's delivery ability, and b) maintain adequate funding for the Centre's resource mobilization activities.

Actions:

- UN-Women initiated a review of the Training Centre's operations and development of its global training strategy.
- Determination of the mission, mandate, location and role will follow after the completion of the review and analysis.

Follow up audits – cont'd

Procurement function

Recommendations:

Improve procurement and management of Special Service Agreements.

Actions:

- UN-Women adopted a new Individual Contract for services modality in replacement of the Special Service Agreements.
- The Human Resource Division has taken over the management of non-staff contracts centrally.
- UN-Women allocated additional staff resources to the review of policy and management of non-staff contracts.

Long outstanding recommendations

Palestine Office Service Level Agreement

Recommendations:

Sign a Service Level Agreement with UNDP to cover the operational support services.

Action:

- UN-Women signed a **Service Level Agreement** with UNDP Programme of Assistance to the Palestinian People effective February 2016 to cover the operations support services provided to UN-Women Palestine Office.

Long outstanding recommendations

Grants Management System

Recommendations:

Perform an independent post-implementation review of all the system modules.

Actions:

- UN-Women is addressing issues noted during the initial phase of implementation of the **Grants Management System (GMS)**. We will perform a final independent review after the completion of all additional enhancements to the existing modules.

FIELD OFFICES AUDIT

➤ High priority audit recommendations

- Programme delivery
- Regional Office functions
- Results-based management

➤ Corporate recommendations from field office audits

- Corporate tools and systems
- Non-standard clauses
- Gender mainstreaming
- Urgent and crisis-related projects

➤ Recurring recommendations

- Partner capacity assessment
- Long outstanding advances
- Donor reporting
- ICT standards compliance



High priority audit recommendations

Programme delivery

Recommendations:

Identify and implement measures to maximize total programme delivery.

Actions:

- UN-Women implemented a planning and monitoring policy. Programme and operations teams conduct programme delivery meetings regularly to agree on action points and discuss root causes and corrective actions for non-delivery.

High priority audit recommendations – cont'd

Regional Office functions

Recommendations:

Improve the ability of Regional Offices to efficiently and effectively function and strengthen the ability to meet its mandate.

Actions:

- UN-Women issued **Regional Support Services** document which clarifies the functions, oversight mechanisms and technical support provided by Regional Offices.
- UN-Women reviewed all job descriptions and updated standard job profiles.
- Regional Offices have identified and created key positions to improve the quality and timeliness of reporting.

High priority audit recommendations – cont'd

Results-based Management

Recommendations:

Develop a corporate systems that has an ability to produce standardized reports on activities and outputs in the Strategic Notes/Annual Work Plans.

Actions:

- UN-Women developed **Results Management System** to monitor the project activities against Strategic Plan.
- The system allows linkage and reporting of programme activities and results to the Strategic Notes/Annual Work Plan.
- UN-Women introduced the second phase of the system which includes a monitoring module and a corporate dashboard.

Corporate recommendations from field office audits

Corporate tools and systems

Recommendations:

Develop a corporate systems to support documentation, monitoring and reporting of programmatic activities and financial and advisory services to support decision-making process.

Actions:

- UN-Women launched a Procurement Dashboard on a two-phased approach to support monitoring and reporting of procurement activities. Phase one allows monitoring of the overall procurement activities and expenditures. Phase two focuses on forecasting, planning, sourcing and managing contracts.

Corporate recommendations from field office audits – cont'd

Non-standard clauses in donor agreements

Recommendations:

Implement a corporate process to track non-standard clauses in contribution agreements and adjust resources and activities to meet donor requirements.

Actions:

- UN-Women launched an online non-standard agreement system (**Lead Management System**) in 2016. It better supports the field offices throughout the negotiation and ensures that non-standard clauses are eliminated.
- UN-Women released **Donor Agreement Handbook** in 2016 intended to increase the understanding of donor agreement clauses.

Corporate recommendations from field office audits – cont'd

Gender mainstreaming

Recommendations:

Provide clear guidance to Country Representatives by aligning all documents guiding UN-Women on gender equality and women's empowerment.

Actions:

- UN-Women conducted a corporate formative evaluation of the implementation of its UN coordination mandate. The results will be presented to the Executive Board at its second regular session in 2016.

Corporate recommendations from field office audits – cont'd

Urgent and crisis related projects

Recommendations:

Develop and disseminate policies and procedures for engaging in activities on an 'urgent' basis or in a crisis environment.

Actions:

- UN-Women developed a **fast tracking concept note** and a **surge capacity roster** in response to emergency and crisis situations. The business processes review prioritizes the fast tracking procedures related to Peace and Security projects.

Recurring audit recommendations

Partner capacity assessment

Recommendations:

Improve the assessment of partner capacity and selection of implementing partners.

Actions:

- The revised POM will introduce a more rigor capacity assessment and selection process of implementing partners.
- UN-Women developed a partner training kit to ensure good understanding of management, monitoring and reporting procedures of implementing partners.

Recurring audit recommendations – cont'd

Long outstanding partner advances

Recommendations:

Comply with the 'Programme and Operations Manual' procedures relating to the liquidation of partners' advances.

Actions:

- UN-Women developed and launched a globally accessible online system to monitor the project advances in 2016.

Recurring audit recommendations – cont'd

Donor Agreement Management System (DAMS)

Recommendations:

Improve the process of reporting to donors.

Actions:

- UN-Women launched a database in 2016 for all donor agreements, references and revenue trenches.
- Additional human resources will ensure the quality and timeliness of donor reporting.

Recurring audit recommendations – cont'd

Information Communication Technology

Recommendations:

Comply with the data centre/server room standards by ensuring that all critical data is backed up; Comply with the 'Minimum Standards for ICT Infrastructure and Telecommunications' regarding raised floors, fire protection and flood protection.

Actions:

- The pertinent UN-Women offices have installed required equipment and made necessary arrangements.

Audit of Projects under Directly Implementation Modality (DIM)

Unqualified opinions on DIM projects

- UN-Women is pleased to receive **unqualified opinions** with **no recommendations** on all audit reports issued in 2015.

Investigations

- Senior Management is committed to following through all investigation cases and to ensuring timely and decisive action in that regard.
- Senior management will continue to work closely with the Office of Audit and Investigations to ensure timely reports and relevant management action in all cases.

Thank You!

Q&A