

Management response to the report of the Board of Auditors on the financial statements for the year ended 31 December 2016

IPSAS Financial Statements

2016 Statement of Financial Position

- Assets \$457.5m (2015: \$449.2m)
 - Includes Cash, Investments, Receivables, Advances, Other assets, Inventory and Property, plant and equipment, Intangible assets and Other assets

- Liabilities \$109.8m (2015: \$90.7m)
 - Includes Accounts payables, Employee benefits and Other liabilities

- Net Assets \$347.7m (2015: \$358.5m)

IPSAS Financial Statements

2016 Statement of Financial Performance

- Revenue \$334.6m (2015: \$319m)
 - Includes Voluntary contributions, Assessed contributions, Investment income, Other revenue and Exchange revenue

- Expenditures \$340m (2015: \$314.9m)
 - Includes Employee benefits, Contractual services, Grants and other transfers, Supplies and maintenance, Operating costs, Travel costs, Depreciation, Finance costs and Other expenses

- Deficit for the year \$5.5m (2015: surplus \$4m)

IPSAS Financial Statements

Comparison of Budget vs. Actual amounts (millions of USD)

Activities	Budget	Actual Expenditure	Variance
Regular budget activities	7.7	8.7	(1.0)
Development activities:	383.2	343.8	39.4
<i>Programme</i>	<i>290.0</i>	<i>265.1</i>	<i>24.9</i>
<i>Institutional budget</i>	<i>93.2</i>	<i>78.7</i>	<i>14.5</i>
Total	\$390.9	\$352.5	38.4

Sixth Unqualified Audit Opinion (2011 – 2016)

Audit opinion issued by the UN Board of Auditors:

“In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of UN-Women as at 31 December 2016, and its financial performance and its cash flows for the year then ended in accordance with IPSAS.”

“Furthermore, in our opinion, the transactions of the UN-Women that have come to our notice or that we have tested as part of our audit have, in all significant respects, been in accordance with the Financial Regulations and Rules of the UN-Women and legislative authority.”

Prior Years' Audit Recommendations

- Implemented **83%** (or 25 recommendations) of the 30 prior years' recommendations issued as at 31 December, 2015
- Significant 51 percentage points increase in implementation rate (2015 32%)
- On-track on the implementation of the remaining 5 recommendations issued in years 2014 and 2015

Three Key Audit Findings out of 20 Issued in 2016

Key Finding #1:

Need follow-up plans on risk mitigation actions

UN-Women Actions:

- Established procedure and design of controls to ensure follow-up of risk mitigating actions
- Additional OneApp upgrade for a task management module to facilitate follow-up on risk mitigation actions
- ERM OneApp System upgrades done to include:
 - ✓ Mitigation actions due date
 - ✓ Mitigation actions owner

Three Key Audit Findings out of 20 Issued in 2016

Key Finding #2:

Need policy on establishment of programme and field presence

UN-Women Actions:

- Corporate evaluation on regional architecture completed
- Country presence assessment tool being developed to define criteria for establishment
- Policy and guidance on establishment of programme presence to be rolled out together with the tool

Three Key Audit Findings out of 20 Issued in 2016

Key Finding #3:

- a) Improve management of ICT user access
- b) Improve ICT gateway protections

UN-Women Actions:

- Built formal processes for managing user access rights
- Reviewing and enhancing ICT Section's Infrastructure team to provide stronger advisory services to field offices and ensure compliance to ICT standards, including gateway protections

Other Audit Recommendations Issued in 2016

Areas of findings:

- Financial Management
 - * Staff advances
- Governance, accountability and business transformation
 - * Standard Basic Assistance Agreement (2 field offices)
 - * Policies and procedures for operating in crises conditions (rapid response procedures for HR deployed; for procurement and finance completed ready for deployment)
 - * Assessment of UNDP services under the Service Level Agreements (6 field offices)

Other Audit Recommendations Issued in 2016

Areas of findings:

- Programme and project management
 - * Assessment and selection of implementing partners (6 field offices)
 - * Implementing partners support costs (6 field offices)
 - * Monitoring, Evaluation and Research Plans (6 field offices)
 - * Donor reporting
 - * Closure of projects
 - * Advances to implementing partners
 - * System support for NGO /NIM project audit activities

Other Audit Recommendations Issued in 2016

Areas of findings:

- Asset management
 - * Asset handling, controls and disposal (6 field offices)

- Human resources
 - * Leave requests submission (6 field offices)
 - * Staff performance assessment (6 field offices)

Other Audit Recommendations Issued in 2016

Areas of findings:

- Travel management [UN-Women assessed as “Implemented” by July 2017]
- Information communication and technology
 - * Need to update job descriptions of IST staff to ensure proper segregation of duties;
 - * Weaknesses in ICT asset disposal process [UN-Women assessed as “Implemented” by July 2017]

5 Remaining Prior Years' Audit Recommendations

issued in 2014 and 2015

Topics of 5 remaining prior years' audit recommendations, on track with implementation:

1. Results Based Management (2014)
2. Assets management (2015) [UN-Women assessed as “Implemented” by July 2017]
3. Need guidance on project documents (2015)
4. Accuracy in Atlas project status data (2015)
5. Enhance results based budgeting in line with harmonization requirements with other UN Agencies (2015) [UN-Women assessed as “Implemented” by July 2017]

Thank You