

## **Management response to the report of the Advisory Committee on Oversight for the period from 1 January to 31 December 2019**

1. The management of UN-Women welcomes the eighth report of the Advisory Committee on Oversight (ACO) and expresses its appreciation to the distinguished members of the Committee for their support and dedication to the organization's mandate.

### **I. Advisory Committee Review and Advice: Oversight Functions**

2. UN-Women appreciates and shares the Committee's view that the joint office of Independent Audit and Evaluation Service (IEAS) is adding value to UN-Women's internal governance, programming and operations.

#### **A. Internal Audit: The Internal Audit Service**

3. UN-Women management acknowledges receipt of the two cross-cutting thematic internal audits referenced by the Committee, namely on Implementing Partner Management and Travel Management. UN-Women is pleased to note that these internal audits were helpful in raising recommendations to strengthen UN-Women's governance, risk management and controls in these areas. UN-Women would like to inform the Committee that management is actively working on measures to strengthen governance, risk management and controls in both areas.

4. The Internal Audit Service (IAS) takes note of the Committee's request for further information on the mapping of risk areas to its independent audit planning, as well as on its plans to attain adequate assurance coverage of low and high-risk offices. IAS will gladly provide this information to the Committee at one of its upcoming meetings.

5. IAS takes note of the Committee's advice on maintaining a balanced workplan between the number of advisory assignments and other audit engagements. IAS would like to note that its advisory work is driven by its independent planning process. Advisory assignments are normally undertaken when a process or office is not yet fully mature for a complete audit review. The IAS' 2020 workplan has a heavier emphasis on assurance than advisory in response to the COVID-19 crisis, looking at ways to maintain assurance coverage whilst many UN-Women offices are working remotely. At the same time, IAS is also responding to emerging organizational risks and challenges that may lend themselves to advisory reviews. Advisory reviews culminate in a report, issued to UN-Women management, the Committee, and the UN Board of Audit (UNBoA). Following recommendation implementation is tracked, and summaries of advisory products are provided in IAS' annual report.

6. UN-Women acknowledges the Committee's reference to the lack of clear accountability centres, business owners and/or risk managers for key operations in the Organization, as emerged from IAS' observations. UN-Women is actively working on identifying and clarifying accountabilities.

7. UN-Women would like to convey its appreciation of the value that the Committee places on IAS' thematic audits and it assures the Committee that it will continue to carry out these types of reviews.

## **B. Evaluation function: Independent Evaluation Service**

8. UN-Women appreciates the Committee's encouragement to continue the practice it initiated of carrying out Country Portfolio Evaluations using its in-house staff where possible.

9. The Independent Evaluation Service (IES) takes note of the Committee's interest in further information about how it sets standards and provides quality assessment on decentralized evaluations, as well as how it plans and captures lessons learned from all UN-Women evaluations. IES will be pleased to provide further information at a future meeting with the Committee.

10. IES continues to focus its evaluations towards the examination of outcomes rather than outputs. However, this also requires enhanced monitoring and data collection systems on outcomes. The joint IEAS project cycle review completed in 2019 provided useful benchmarks for UN-Women in this area.

11. IES is pleased that the Committee continues to find its meta-synthesis of evaluation findings a useful tool and will continue to produce such analysis.

12. IES takes note of the Committee's interest in learning more about the various corporate systems for evaluation quality assurance and accountability. It will be pleased to provide further briefing on these items at a future meeting with the Committee.

13. UN-Women takes note of the Committee's advice that the key performance indicator - prescribing three per cent of UN-Women's total plan/programme budget for evaluation activities – should be eliminated or modified to reflect a possible range of expenditures. UN-Women would like to inform the Committee that as part of the revision of the Evaluation Policy in 2020, the target for evaluation budget allocation has been adapted to a range between two and three per cent. UN-Women acknowledges that other factors, beside direct spending on evaluation, can indicate whether sufficient attention is being given to evaluation for accountability and learning purposes. UN-Women will continue to monitor and ensure that the right evaluations take place at the right time.

## **C. Investigations Function**

14. UN-Women agrees with the Committee on affirming the key role that the Director IEAS plays as the responsible official in UN-Women for interactions with the Office of Internal Oversight Services (OIOS) and would like to confirm that this arrangement will continue in the future.

15. UN-Women welcomes the Committee's encouragement to continue providing training in communications and conflict resolution for all staff on a regular basis. UN-Women would like to reiterate its commitment to ensuring that all personnel are provided training in communications and conflict resolution internally and through the Ombudsman office. In addition to their in-person training, the Ombudsman office has just launched an online course "Managing Conflict in the United Nations Workplace", which will be made available to all UN-Women personnel.

## **D. Ethics**

16. UN-Women would like to inform the Committee that the Workplace Relations Advisor together with the Director of Human Resources remains the primary liaison with the UN Ethics Office. They report back directly to the Executive Director and her Deputies on key issues related to ethics and conflict of interest. UN-Women also takes note of the Committee's advice of having a dedicated internal ethics function/officer and will give it due consideration, subject to availability of adequate resources.

17. UN-Women would like to reiterate its commitment to implementing the Leadership Dialogue initiative of the UN Ethics Office throughout the organization. UN-Women launched the 2019 Leadership Dialogue on Conflict of Interest with an initial session for senior management, facilitated by the Director of the UN Ethics office. Additional Leadership Dialogue sessions took place across a number of country offices. UN-Women will also evaluate the usefulness and complementarity of these Dialogues with other trainings currently offered to UN-Women personnel.

## **E. Board of Auditors**

18. UN-Women welcomes and takes note of the Committee's advice to include in the report to the Committee an assessment by UN-Women of the root causes of the UNBoA findings, together with the concrete actions or steps to be taken in response to the UNBoA audit recommendations.

19. UN-Women accepts the Committee's recommendation to include a discussion of the chain of command and/or identification of the responsible official for the oversight of those procedures, where lack of compliance emerged as an audit issue. This should follow an approved mapping of clearly defined ownership of basic processes and oversight accountabilities.

## **II. Advisory Committee Review and Advice: Internal Control and Accountability, including Governance, and Ethical Standards, Risk Management and Control Systems**

### **A. Change Management and Organizational Realignment**

20. UN-Women takes note of the Committee's observation that the scope of changes in field footprint could be even greater and remains committed to aligning its field presence with a realistic level of resources, while maximizing the support it provides to Member States in line with its universal mandate. UN-Women sees the opportunities arising from UN reform for new, less resource-intensive modes of delivery as a way to ensure that Member States requests for support are fulfilled, whilst keeping UN-Women's footprint in line with realistic resource estimates. In addition to full-fledged country offices, these include: i) support to the UN Country Team from UN-Women's Regional Offices; ii) provision of dedicated support/capacity to the Resident Coordinator's Office; and iii) implementation through another UN agency, whilst providing support with knowledge and expertise by UN-Women. UN-Women continues its work on defining a clearer country typology with associated services that can be provided by the Entity, depending on the type of presence. In this way, the Organization can

ensure that offices of all sizes have greater clarity on their roles and responsibilities and are set up with the office structure required to discharge them.

21. UN-Women would also like to inform the Committee that change management efforts are financed for 2020 and 2021. The change management budget has been used to maintain a minimum organizational capacity for change management in UN-Women, which drives the overall change vision of UN-Women forward. This organizational capacity includes tracking, managing and aligning UN-Women's corporate change management portfolio and in few instances, also supporting change initiatives directly. The change management budget is also currently being used to provide career counselling services to staff affected by the change process.

22. UN-Women would also like to highlight to the Committee efforts undertaken regarding the rationalization of similar tasks performed across the organization. A number of structural changes have taken place to combine efforts in similar areas, such as the creation of the Multi-Stakeholder Partnerships and Engagement Section under the Strategic Partnerships Division, which brings together initiatives involving the private sector. UN-Women is also looking at becoming a more matrixed organization to reduce duplication of efforts and improve knowledge management across the Entity.

23. UN-Women has reviewed its internal management group structures, including the creation of a Business Review Committee (BRC) to support more streamlined and effective decision-making. The Committee will make decisions to strengthen operational performance; monitor corporate operational performance; and undertake the Quarterly Business Review to improve adherence to strategic priorities; recommend corrective measures to address at-risk and under-performing areas; and review performance issues and trends.

24. UN-Women acknowledges that the Headquarters realignments are not complete and would like to highlight that in particular the process of realignments related to the Policy, Programme and Intergovernmental Division and the Strategy, Planning, Resources and Effectiveness Division is anticipated to start in the second quarter of 2020 and to be completed by the end of the year.

25. UN-Women appreciates the Committee's advice regarding the functions that should be sited in and clarified for these new accountability bodies. As regards to the role of Chief Risk Officer, the revised risk management policy clearly articulates that this role will be assumed by the Director, Strategy, Planning, Resources and Effectiveness.

## **B. Organizing for Accountability**

26. UN-Women would like to inform the Committee that the pilot phase of the portfolio reviews began in the fourth quarter of 2019 and continued into the first quarter of 2020. The preliminary findings have been presented to senior management. UN-Women intends to fully roll out the portfolio reviews across all regions during 2020. Through stronger portfolio management, UN-Women will:

- a. Engage in interventions that allow UN-Women to maximize results and impact, as well as demonstrate competitive advantages;

- b. Align activities to strategic priorities and country needs;
- c. Break HQ and field silos and increase cooperation across UN-Women to improve performance; and
- d. Create a feedback loop between HQ and the field to ensure policies, procedures and processes enabling UN-Women to deliver on time and on budget.

27. UN-Women would also like to inform the Committee that the revised risk management policy further clarifies that the BRC will assume the role of Risk Management Committee. Duties will include:

- a. Regularly monitor the Corporate Risk Register and the related mitigating measures.
- b. Review any unexpected emerging risks, that are urgently flagged or escalated to them, and that may have a serious or grave impact on the performance of UN-Women's mandate. In such circumstances, mitigating actions will be put in place.
- c. Set and review the overall risk appetite for the Organization.

28. UN-Women appreciates the Committee's encouragement for the completion of an assurance mapping. The Statement of Internal Control (SIC) project has been delayed due to capacity issues and staff movements, the impending appointment of a Chief Risk Officer, and the level of the risk management maturity to bring this project forward. In relation to the 2019 Financial Statements, the SIC is not mandatory. The Inter-Agency IPSAS Taskforce informs that SIC has not been consistently implemented across UN entities. WFP, UNICEF and UNDP with more mature risk management frameworks than UN-Women, are still implementing.

### **C. Ethics and Integrity**

29. UN-Women takes note of the Committee's interest in the policy and the implementation of the recommendations from the Independent Review of UN-Women's policies and procedures for tackling Sexual Exploitation and Abuse, (SEA) and Sexual Harassment which is ongoing. The related update will be presented to the Executive Board's annual session.

30. UN-Women would also like to inform the Committee that the updated policy on Prevention of Harassment, Sexual Harassment, Discrimination and Abuse of Authority has been promulgated and it includes new and more detailed provisions on roles and responsibilities and clarifies the reporting mechanisms. The formal process is also explained with greater details and linked to UN-Women Legal policy. Furthermore, UN-Women has produced role-specific guidance on sexual harassment for supervisors, affected persons, and alleged perpetrators.

31. UN-Women welcomes and takes note of the Committee's advice on having a corporate Code of Conduct. UN-Women will continue its efforts to provide training on ethics related matters including on conflict of interest. In this regard, UN-Women has customized the guides and presentation of the 2019 Leadership Dialogue on conflict of interest to better accommodate UN-Women personnel and make them look and feel familiar to the internal use and facilitation. For better accessibility and reach, the presentations have been translated and are available in Spanish and French.

## **D. Funding framework and resource mobilization**

32. UN-Women appreciates the Committee's advice to communicate a Resource Mobilization strategy throughout the organization, in order to ensure buy-in of the strategy and overall understanding of funding goals. UN-Women would like to inform the Committee that the corporate Resource Mobilization and Partnership Strategy 2018-2021 was approved and rolled out globally in July 2018 and presented to the UN-Women Executive Board in September 2018. More recently as an elaboration of the Strategy, partner-specific engagement strategies have been developed. These Strategies are shared through the intranet on the partner intelligence hub.

33. The development of a private sector strategy began in September 2018. It is foreseen that it will be finalised under the lead of the incoming Chief of the Multi-Stakeholder Partnership and Engagement Section.

34. A policy on resource mobilization and partnerships, outlining roles and responsibilities, is in the final stages of approval. The Policy is accompanied by a guidance document, which includes a toolkit.

35. With regard to communicating the Strategy and resource mobilization goals, in addition to presenting the strategy to the Executive Board, UN-Women continues to engage with the Board in the context of the Structured Dialogue on Financing, and the annual report which considers not only goals but strategies and analysis. Beyond the Executive Board, the Strategy and its goals and progress have been presented in many different meetings and communications (primarily internal) to bolster awareness and offer guidance to both field and HQ colleagues.

36. The Resource Mobilization and Partnerships Community of Practice, established in 2017, co-hosts regular webinars on specific topics of interest or relevance, with internal and external partners, and aimed at personnel engaged in fundraising and partnerships work, but open to the whole organization. These webinars are also disseminated through the intranet, along with other useful tools and resources.

37. The Community also manages a knowledge platform on Yammer and engages with the informal global Resource Mobilization Network of personnel designated by heads of offices as focal points. The platform disseminates existing information and creates original content such as short videos with tips on fundraising. It is a multi-purpose vehicle, conveying tools and resources, as well as opportunities for learning and funding, and providing a space for peer-to-peer guidance.

38. In addition, since 2018, there has been an effort to identify for each region dedicated partnerships/resource mobilization specialists, to facilitate better communication and coordination with HQ and offering expertise and guidance to the field.

39. Lastly, a global donor intelligence hub is available to staff across the organisation with tools, resources, videos, templates, and other relevant materials. This information is shared periodically on demand and proactively.

## **E. Financial statements and financial systems**

40. UN-Women would like to express its gratitude to the Committee for its commendation on the eighth unqualified audit. It acknowledges the extensive work of the Organization as a whole, throughout the financial year, through the month-end closure and year-end closure instructions, along with regular general reconciliations that culminated in this strong financial management result.

## **F. Information and Communication Technology**

41. UN-Women appreciates and takes note of the Committee's comments on Information and Communication and Technology (ICT) matters and looks forward to continuing briefing the Committee on these issues in 2020.