Management Response
to the Report of the
Board of Auditors

For the year ended 31 December 2019

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Strategy, Planning, Resources and Effectiveness Division
1. Context and overview
2. 2019 UNBoA audit: key findings and recommendations
3. Status of implementing audit recommendations
4. Actions for prior years’ audit recommendations
5. Response to Executive Board Decision 2020/2
CONTEXT AND OVERVIEW

Through implementation of UNBoA’s recommendations, UN-Women:

- Reaffirms commitment to reinforce **internal governance and accountability** by strengthening uptake mechanisms for audit and assessment findings

- Enhance effective framework of **Governance, Risk management and Internal Controls** into our Strategic Plan 2022-2025 and business model to support the vision of UN Women 2.0
2019 UNBOA AUDIT: KEY FINDINGS AND RECOMMENDATIONS
as of 31 December 2019

9th consecutive unqualified audit opinion

HQ NY
Fiji MCO
Turkey CO

11 recommendations issued

68% prior years’ recommendation implementation rate (15 out of 22)

Positive impacts of implementation

Improved internal governance
• Formalized categorization of field offices to guide global footprint for achievement of results

Strengthened partner management and oversight
• Timely receipt, review and processing for liquidation of partner project expenditures
STATUS OF IMPLEMENTING AUDIT RECOMMENDATIONS
as of 31 December 2020

2019 Audit Recommendations
(11 audit recommendations)

- 45% assessed as implemented by UNBoA (5 recommendations)
- 28% actions completed by UN Women (3 recommendations)
- 27% UN Women actions in progress (3 recommendations)

Prior Years’ (2016 – 2018) Audit Recommendations
(6 audit recommendations)

- 33% assessed as implemented by UNBoA (2 recommendations)
- 67% UN Women actions in progress (4 recommendations)
UNBOA assessed as implemented

- Presence Governance Framework promulgated
- Month-end closure and internal controls enhanced through stronger compliance with month-end closure processes

UN Women actions in progress

- Review capacity of Audit Coordination Unit
- Improve linkages and data flow between Results Management System and Enterprise Resource Planning
- Revise policies for project management and accounting with respect to ineligible partner project expenditures
- Mainstream project procurement plan across project management documents
EXECUTIVE BOARD DECISION 2020/2
Key Improvements to UN-Women’s Governance, Risk Management, Internal Control and Accountability

Governance & Accountability
• Promulgated Presence Governance Framework to guide global footprint for achievement of results
• Strengthened internal governance through creation of the Business Review Committee and Strategy, Planning, Resources and Effectiveness Division

Risk Management
• Established Risk Management Committee to oversee the monitoring of risk management
• Improved ERM Policy to sharpen focus on strengthening risk management across UN-Women

Internal Control
• Updated the Internal Control Policy for stronger control around procurement approvals
• Strengthened the Second Line of Defense as a key workstream to support improved financial and human resources management
EXECUTIVE BOARD DECISION 2020/2
Positive impact from implementing audit recommendations issued in 2018

Procurement
- Added new system-based control to improve segregation of duties in purchasing
- Strengthened procurement plan monitoring with enhanced dashboard
- Timely closure and review of Purchase Orders with completed payments

Asset Management
- Improved monitoring and timely recording of capital assets through the use of electronic tagging system
- Established reliable and up-to-date non-capital asset lists with reinforced compliance to procedures

Partner Management
- Improved transparency in sample selection of project expenditures through updated Policy
- Increase partners’ financial management capacity through training