

Executive Board First Regular Session 2019

Background note on Independent Evaluation and Audit Services

Purpose

1. This paper provides background on the UN-Women Evaluation Strategy in response to the request from the Second Regular Session of the UN-Women Executive Board in 2018 for an update at its First Regular Session in 2019. It also provides background on the strategy of the Internal Audit Service (IAS), the development of the Independent Evaluation and Audit Services (IEAS) plan, and key changes that will enable more cost-effective and value-adding internal audit services. Annual reports of the independent evaluation and internal audit and investigation function activities in 2018 will be presented at the Annual Session of the Executive Board in June 2019.

UN-Women Evaluation Strategy, 2018-2021

2. The UN-Women Global Evaluation Strategy, 2018-2021 ('the Strategy') sets the direction of the Independent Evaluation Service (IES) to support UN-Women's efforts to achieve gender equality and the empowerment of women. Through corporate evaluations, activities to support decentralized evaluations, support to UN-system wide co-ordination, and national capacity building the IES aims to achieve the improved use of gender-responsive evaluation, by UN-Women and its partners, for learning, strategic decision-making, policy and programme development. To support the achievement of this outcome, the Strategy highlights innovation, acting as a 'knowledge hub', and partnerships as key drivers of change to underpin evaluation activities in UN-Women. The Strategy also elevates focus on the use of evaluation, to generate accountability and to ensure the effectiveness of evaluation activities.
3. To implement the Strategy, since 2018 IES has completed three corporate evaluation activities and two major works on methodological development. IES has also supported 20 decentralized evaluations with technical and managerial support. In the area of promoting UN co-ordination on gender-responsive evaluation, IES co-chairs two United Nations Evaluation Group (UNEG) working groups, has supported several UNDAF evaluations/reviews, and has developed and promulgated guidance on institutional gender mainstreaming. Interventions have also been undertaken to support national capacity building for gender-responsive evaluation.
4. To ensure that evaluation activities translate into impact, in the context of ongoing reform processes, and to leverage potential synergies brought through the co-location of IAS with IES, a review of the Strategy will be initiated in 2019. The UN-Women Evaluation Policy will also be reviewed in 2019 to ensure that it meets the Entity's needs and is aligned with good practice.

Strategy of the Internal Audit Service

5. The IAS provides an independent and objective assurance and advisory service to add value and improve the effectiveness and efficiency of UN-Women's operations. IAS follows the International Professional Practices Framework of the Institute of Internal Auditors. As a new in-house function, IAS has developed a rolling three-year strategy and plan to deliver relevant, professional, integrated and cost-effective internal audit and advisory services. Longer-term assurance mapping will help to contribute to a vision of combined assurance in UN-Women.

Independent Evaluation and Audit Services Annual Plan

6. To implement its evaluation and audit strategy, IEAS developed its 2019 work plan. In accordance with good practice, the plan will be kept under review and updated as new priorities and risks arise. The plan includes activities related to: corporate evaluations, support to decentralized evaluations, UN co-ordination and national capacity building on gender-responsive evaluation, internal audits of a selection of country and regional offices, and internal audit and advisory services related to a selection of thematic areas. Regular collaboration and specific joint work will help to leverage the synergies between evaluation and internal audit.

Key changes to Internal Audit Services

7. In line with professional standards and modern practices, internal audits carried out by the IAS will provide assurance on key risks to the achievement of UN-Women's objectives. To do so they will sharpen their focus on assessing governance, risk management, controls, and value-for-money. Appraisal of the performance of the internal audit function should therefore focus beyond financial coverage only, as the value of assessing some key risk areas cannot be easily quantified (e.g. information security, ethics and integrity, and project management). Internal audits will continue to review compliance with policy, but its updated focus will bring greater value in terms of helping to ensure UN-Women delivers results effectively and efficiently.
8. Further to this approach, IAS will discontinue outsourced audits of projects implemented under the Direct Implementation Modality (DIM). The value of engaging external contractors to audit a selection of DIM projects each year was limited as their focus was primarily on rendering an opinion on the accuracy of DIM expenditures and fixed assets. Instead, IAS will provide assurance on the overall governance, risk management and control processes covering DIM and other projects through its comprehensive country office audits. This will mean fewer audit reports, but effectively greater assurance coverage for DIM projects. It will also mean better value-for-money in the use of internal audit resources.
9. Finally, IAS will update its practice for calculating implementation rates of audit recommendations. Implementation will continue to be tracked against agreed timelines, but the practice of awarding bonus points for early implementation will be discontinued.