

Background Note: Briefing to the Executive Board, First Regular Session 2022

Updated status of UN-Women management actions to address outstanding audit recommendations in the UN Secretary General’s Report on *‘Implementation of the recommendations of the Board of Auditors contained in its reports on the United Nations funds and programmes for the year ended 31 December 2020’* (A/76/307/Add.1 starting at paragraph 1224)

Note: The updates on the status as of 04 January 2022 of UN-Women actions for each audit recommendation is reflected in the green box.

The paragraph numbers of each recommendation and management response below are consistent with those in the report A/76/307/Add.1 to facilitate cross-referencing.

Summary of updated status of the Board’s outstanding recommendations

| Year Issued | Number of recs | Implemented | Closure requested* | Under implementation |
|--------------|----------------|-------------|--------------------|----------------------|
| 2020 | 23 | 8 | 7 | 8 |
| 2019 | 4 | 2 | 2 | 0 |
| 2018 | 1 | 1 | 0 | 0 |
| 2017 | 1 | 1 | 0 | 0 |
| Total | 29 | 12 | 9 | 8 |
| % | 100% | 41% | 31% | 28% |

* “Closure requested” means UN-Women has submitted evidence for completed management actions and awaits the Board’s assessment as “Implemented” to close.

A. Implementation of the recommendations contained in the report of the Board of Auditors for the year ended 31 December 2020

1226. In paragraph 31, the Board recommended that UN-Women structure the risk appetite in a statement that determines the types and quantity of risks, with the purpose of achieving its strategic objectives expressed in quantitative and/or qualitative terms.

Department(s) responsible: Strategy, Planning, Resources and Effectiveness
Division

Status: In progress

Priority: High

Target date: Fourth quarter of 2022

1227. UN-Women has commenced the process of undertaking a review of the organization’s risk profile based on its Corporate Risk Register. This involves the review of the current exposures to determine UN Women’s risk-taking capacity by grouping related risks. The outputs from this process will be used to engage with business process owners and feed into the risk appetite statement to be tabled with the Risk Management Committee for review and endorsement.

Recommendation action status update:

UN-Women incorporated the analysis of the current exposures and risk-taking capacity in key areas as part of the bottom-up risk assessment process which was completed in the fourth quarter of 2021. This analysis will supplement the top-down risk assessments to be carried out during first quarter of 2022. The outputs of both analyses will contribute to the Quarterly Business Review process and be used to facilitate discussions with Business Process Owners before the drafting of the organization’s Risk Appetite Statement, which will be presented to the Risk Management Committee for review and endorsement by the fourth quarter of 2022.

1228. In paragraph 32, the Board recommended that UN-Women set and incorporate the risk tolerance levels to guide the process of risk assessment, in order to include the risk tolerance at the moment of implementing additional mitigation measures to reduce the risk rating or severity to an acceptable level.

| | |
|-----------------------------------|---|
| <i>Department(s) responsible:</i> | Strategy, Planning, Resources and Effectiveness Division |
| <i>Status:</i> | In progress |
| <i>Priority:</i> | High |
| <i>Target date:</i> | Fourth quarter of 2022 |

1229. UN-Women has commenced the actions required to establish a standardized model to formulate, articulate and implement a risk appetite statement for key risk areas. This will be followed by the establishment of risk tolerance levels and ranges that will be incorporated and used to guide the process of risk assessment and ensure that these can also facilitate the process of implementing additional mitigation measures and adequate response plans.

Recommendation action status update:

Following the endorsement of the Risk Appetite Statement, training and socialization will be carried out to disseminate knowledge across the organization on how to measure and monitor underlying risks and what action to take when risks are outside of tolerance levels. The risk tolerance levels shall be embedded into risk monitoring approaches to support the identification of risks which exceed tolerance levels in the risk treatment and response plan template. These will be included as part of the risk escalation protocols and reporting templates.

1230. In paragraph 47, the Board recommended that UN-Women include mandatory training and increase frequency on enterprise risk management at different staff levels. This should start with the risk owners and risk focal points of each risk entity and subsequently, be rolled out to all staff and personnel who are responsible and accountable for annual work planning and performance reporting.

Department(s) responsible: Strategy, Planning, Resources and Effectiveness
Division

Status: In progress

Priority: Medium

Target date: Fourth quarter of 2022

1231. UN-Women has increased the frequency enterprise risk management training for staff at different levels, initially targeted at personnel responsible and accountable for annual work planning and performance reporting. Further discussions have been started with relevant stakeholders to consider the implications for mandatory training at an organization wide level to determine if practicable within available resources.

Recommendation action status update:

UN-Women has increased the frequency of risk management trainings through the launch of the ERM Learning Cafés which are open to all personnel. Two topics were covered in the fourth quarter of 2021 and additional sessions for first and second quarters of 2022 are under development. The Learning Cafés conducted during the fourth quarter 2021 covered topics on: 1) conducting entry-level risk assessments (for Strategic Notes and Workplans) and 2) using the ERM OneApp system.

Further, discussions are ongoing with the Human Resources Division to assess the options for practicable approaches to introduce a mandatory ERM training for key personnel, such as Risk Owners and Risk Focal Points. The proposed approach will be presented to the Risk Management Committee for consideration in the first half of 2022, as part of ongoing work to further enhance UN-Women’s Risk Management maturity. Implementation of this recommendation will be monitored through the Risk Management Assurance Framework, which includes the need for ongoing training as a metric of risk maturity.

1232. In paragraph 48 of its report, the Board recommended that UN-Women evaluate whether the training on enterprise risk management should apply to staff and/or personnel in specific grades.

Department(s) responsible: Strategy, Planning, Resources and Effectiveness
Division

Status: In progress

Priority: Medium

Target date: Fourth quarter of 2022

1233. UN-Women has begun the process of evaluating whether the training on enterprise risk management should apply to staff and/or personnel in specific grades. The outputs from this process are expected to be completed once consultation with various stakeholders has been completed for a well-informed decision.

Recommendation action status update:

UN-Women is in progress of discussing, assessing, and evaluating the feasibility of providing a mandatory ERM training for specific grades of staff or for all personnel. UN-Women expects to deliver the feasibility assessment results within 2022.

1234. In paragraph 61, the Board recommended that UN-Women update the established guidelines on risk assessment, including the standards and requirements for all the risk entities when any of the 24 risks are not applicable.

| | |
|-----------------------------------|---|
| <i>Department(s) responsible:</i> | Strategy, Planning, Resources and Effectiveness Division |
| <i>Status:</i> | Implemented |
| <i>Priority:</i> | Medium |
| <i>Target date:</i> | Not applicable |

1235. The UN-Women Risk Management Procedure and Risk Management guidance has been updated. The need for risk units to assess / evaluate all the 24 standardized risks for relevance as part of the risk assessment process is clearly articulated in the updated guidance. Included in the guidance is the instruction to provide justification where any of these risks is deemed to be not applicable. UN-Women considers this recommendation to have been implemented and requests its closure by the Board.

Recommendation action status update:

“Implemented” per the Board’s assessment.

1236. In paragraph 62, the Board recommended that all risk entities of UN-Women evaluate all 24 risks using the standardized risk register template before creating the risks in the enterprise risk management OneApp.

| | |
|-----------------------------------|---|
| <i>Department(s) responsible:</i> | Strategy, Planning, Resources and Effectiveness Division |
| <i>Status:</i> | Closure requested |
| <i>Priority:</i> | Medium |
| <i>Target date:</i> | Not applicable |

1237. The UN-Women risk management procedure and risk management guidance has been updated. The need for risk entities to assess and evaluate all of the 24 standardized risks for relevance as part of the risk assessment process and to reflect the evaluation in the standardized risk register template before uploading in the OneApp system is clearly articulated in the updated guidance. Included in the guidance is the instruction to provide justification where any of the risks is deemed to be not applicable. UN-Women considers this recommendation to have been implemented and requests its closure by the Board.

Recommendation action status update:

The UN-Women Risk Management Function has provided all risk entities with updated guidance to ensure that all risks are evaluated. The Standardized Risk Register Template was revised to include two mandatory fields: 1) applicability of risk and 2) justification on why a risk is not applicable.

Furthermore, one of the seven quality assurance criteria assessed by the headquarters Risk Management Function and Regional Risk Focal Points on the risk registers focuses on ensuring that all risks were assessed for applicability and where risks were deemed not applicable, sufficient justification was provided to support the assessment. UN-Women has completed all actions and requests UNBoA’s assessment and closure of this recommendation.

1238. **In paragraph 63, the Board recommended that all risk entities of UN-Women keep the latest and updated standardized risk register template, which should include all the changes resulting from the risk assessment process.**

Department(s) responsible: Strategy, Planning, Resources and Effectiveness
Division

Status: Closure requested

Priority: Medium

Target date: Not applicable

1239. The updated UN-Women risk management procedure and risk management guidance now specifies that the most up-to-date standardized risk register template should be used and should reflect all the changes resulting from the risk assessment process. The completed standardized risk register template must be kept and maintained by the risk entity. UN-Women considers this recommendation to have been implemented and requests its closure by the Board.

Recommendation action status update:

UN-Women’s Risk Management Function has provided all risk entities with guidance to document any changes resulting from the quality assurance process, and a field to record feedback in this regard is now included on the quality assurance templates.

The risk assessment process, performed alongside the work planning process, was completed in December 2021. As part of the oversight and quality assurance mechanism for the work planning process, the Regional Risk Focal Points and the headquarters Risk Management Function provided further reminders to ensure that all risk entities complete the standardized risk registers and that any changes resulting from the review process are documented and maintained in accordance with the guidance.

1240. **In paragraph 75, the Board recommended that UN-Women update the correct designation of risk focal points and risk owners, ensuring that no risk entity has one or both roles undesignated, or designated to separated personnel in order to avoid the misplacement of responsibilities.**

Department(s) responsible: Strategy, Planning, Resources and Effectiveness
Division

Status: Closure requested

Priority: Medium

Target date: Fourth quarter of 2021

1241. UN-Women has put in place a process to regularly update the correct designation of risk focal points and risk owners in the risk management system in OneApp and ensure that no risk entity has one or both roles undesignated or designated to separated personnel.

Recommendation action status update:

UN-Women conducts a quarterly review of Risk Owner and Risk Focal Point roles to ensure that the correct designation of the roles is in the system and that no risk entity has one or both roles undesignated. The review also verifies that separated personnel are properly removed and do not hold any roles. UN-Women confirms that in line with the new “ICT Access Control Management Procedure”

effective on 14 June 2021, all separated personnel no longer have access to any applications in OneApp system, including the ERM system, within 10 days of the contract end date. This system control strengthens the procedure around user accounts management. UN-Women has completed all actions and requests UNBoA for assessment and closure of this recommendation.

1242. In paragraph 76, the Board recommended that UN-Women perform reviews on a regular basis of the users assigned in the platform for the roles of risk focal point and risk owner, increasing the current frequency of these reviews with the purpose of keeping updated information.

Department(s) responsible: Strategy, Planning, Resources and Effectiveness
Division

Status: **Implemented**

Priority: Medium

Target date: Not applicable

1243. UN-Women has taken steps to perform regular reviews of users assigned in the risk management system in OneApp and to ensure that risk focal points and risk owners are correctly designated with appropriate rights. UN-Women considers this recommendation to have been implemented and requests its closure by the Board.

Recommendation action status update:

“Implemented” per the Board’s assessment.

1244. In paragraph 77, the Board recommended that UN-Women enhance its risk management system for the optimal inclusion of all evaluated risks in the enterprise risk management OneApp platform in order to improve the visibility of all risks and facilitate the quality assurance process.

Department(s) responsible: Strategy, Planning, Resources and Effectiveness
Division

Status: In progress

Priority: Medium

Target date: Fourth quarter of 2023

1245. UN-Women has begun the process of considering several options to enhance or overhaul its risk management system for the optimal inclusion of evaluated risks in the enterprise risk management system in OneApp. The aim of this process is to support better reporting and performance monitoring, improve the visibility of critical risks and enhance the performance of the quality assurance processes. The wider context of the system requirements for UN-Women to meet its organizational needs in an integrated manner will be one of the considerations.

Recommendation action status update:

UN-Women continued to assess the feasibility and options to overhaul its risk management system, particularly considering recent developments related to the Quantum ERP project. Further ERM system enhancements are linked to the decisions on the planning and results reporting workstreams, noting the inherent linkages between risk management and strategic planning. UN-Women will draft a business

case for ERM system enhancements which will be aligned with the proposed approach for planning and results monitoring system.

1246. In paragraph 85, the Board recommended that UN-Women establish that the Chief Risk Officer, working with the risk management function, determine the guidelines of those cross-cutting risks in UN-Women, and implement a review at the central level through the headquarters risk management function and the regional office risk management functions, analysing and determining to which risks UN-Women is exposed.

| | |
|-----------------------------------|---|
| <i>Department(s) responsible:</i> | Strategy, Planning, Resources and Effectiveness Division |
| <i>Status:</i> | Closure requested |
| <i>Priority:</i> | Medium |
| <i>Target date:</i> | Fourth quarter of 2021 |

1247. UN-Women has established a process that ensures that the Chief Risk Officer, working with the risk management function, determines the guidelines to ensure that a review is undertaken of those cross-cutting risks in UN-Women. The aim of this process is to facilitate the review and analysis, at the central level through the headquarters risk management function and the regional office risk management functions, in determining which risks UN-Women is exposed to. These reviews have commenced and continues as an ongoing process.

Recommendation action status update:

In first quarter of 2021, UN-Women promulgated the Risk Management Committee Terms of Reference, which sets out that the Risk Management Committee, together with the Chief Risk Officer and the headquarters Risk Management function, will: a) support senior management to identify and respond to cross-cutting and emerging risks, and; b) review any unexpected emerging risks that are urgently escalated to the Risk Management Committee and that may impact organizational performance and the delivery of UN-Women’s mandate.

Under the established procedure, the Chief Risk Officer regularly reports on cross-cutting risks in the context of the corporate and regional risk profiles presented to the Risk Management Committee (RMC). The RMC ensures that the corporate and regional risk profiles accurately capture cross-cutting risks. The bottom-up aggregation, analysis and reporting of unit-level risks was completed for 2021. UN-Women has completed all actions and requested UNBoA’s closure of this recommendation.

1248. In paragraph 86, the Board recommended that UN-Women ensure that the risk owners and risk focal points examine the procedures regarding how the controls or mitigation actions for risks are identified, to ensure that they include clear, measurable, quantifiable and time-bound actions to guarantee that the likelihood and/or the impact of the risk identified can be sufficiently reduced or mitigated.

| | |
|-----------------------------------|---|
| <i>Department(s) responsible:</i> | Strategy, Planning, Resources and Effectiveness Division |
| <i>Status:</i> | Closure requested |
| <i>Priority:</i> | Medium |

Target date: Fourth quarter of 2023

1249. UN-Women has put in place the process to ensure that risk owners and risk focal points examine the procedures regarding how the controls or mitigation actions for risks are identified. The process requires that risk entities include clear, measurable, quantifiable and time-bound actions, thereby guaranteeing that the likelihood and/or the impact of the risk identified can be sufficiently reduced or mitigated.

Recommendation action status update:

UN-Women has revised the Risk Management Procedure to provide more explicit instruction and guidance on the formulation of mitigating actions, taking into consideration the feedback from webinars conducted with Risk Focal Points. The Standardized Risk Register Template includes key fields related to Risk Treatment (mitigating actions) and Risk Monitoring and Review.

One of the seven criteria assessed by the headquarters Risk Management Function and Regional Risk Focal Points as part of the quality assurance of risk registers focuses on the Risk Treatment (mitigating actions). These include whether the mitigating actions are measurable, time-bound, specific, and assigned to a mitigating action owner.

1250. **In paragraph 103, the Board recommended that UN-Women implement a review process on the information reported to the Secretariat to ensure that it is consistent with the signed donor's agreements.**

Department(s) responsible: Management and Administration Division
Status: Closure requested
Priority: Medium
Target date: Not applicable

1251. UN-Women revised the existing standard operating procedure on the 1 per cent coordination levy in December 2020. Improvements to the process include: (a) the addition of comments to the reports to specify the reason for repeating agreements in different quarterly reports; (b) the requirement of approval of the agreement in the donor agreement management system before its inclusion in the reports; and (c) a verification step before the submission of the reports to the Secretariat. UN-Women considers this recommendation to have been implemented and requests its closure by the Board.

Recommendation action status update:

UN-Women completed actions and submitted first, second and third quarters Levy Reports for 2021, the revised UNDCO Levy Guidance, revised UN SOP Guidance and additional clarification documents have been submitted for UNBoA's assessment and closure of this recommendation.

1252. **In paragraph 115, the Board recommended UN-Women continue to refine its accounting policies and revise its contribution recognition procedures, specifically multiyear donor agreements, and add receivables and revenues where necessary, establishing an enhanced criterion for decision-making on recognizing non-exchange transactions in line with IPSAS.**

Department(s) responsible: Management and Administration Division

Status: In progress
Priority: High
Target date: Fourth quarter of 2023

1253. UN-Women has retroactively amended its revenue recognition policy, which had the impact of revising its 2020 Financial Statements and restating the 2019 and 2018 comparatives.

1254. UN Women notes that the IPSAS Board, that promulgates and issues IPSAS standards, has been working very closely with the UN Inter-Agency IPSAS Taskforce on Accounting Standards for the past two years on the revision of the current IPSAS 23 to promote clarity and minimize differences in the interpretation of the standard. A recent survey of the UN Inter-Agency IPSAS Task Force on Accounting Standards informed that there were up to four different revenue recognition policies in use across UN Entities endorsed by their respective auditors. The current IPSAS 23 standard is expected to be replaced by one or two revised standards in December 2021, which may again require a change in the revenue recognition policy of UN-Women.

Recommendation action status update:

UN-Women has promulgated the revised Revenue Management Policy, in line with the IPSASB issuance of new Accounting Standard on revenue recognition.

At the Inter-Agency Task Force on Accounting Standards meeting on 14 October 2021, the IPSASB informed that they were still working on principles for the Standard. IPSASB further informed that a representative of the UN Inter-Agency Task Force has been appointed to the IPSASB's Drafting Committee and that they anticipate the new Accounting Standard will be issued in June 2022.

1255. In paragraph 127, the Board recommended that UN-Women identify and take the necessary measures in order to perform the deprovisioning and updating of user accounts and the monitoring in all UN-Women systems in a timely manner.

Department(s) responsible: Management and Administration Division
Status: Closure requested
Priority: Medium
Target date: Not applicable

1256. UN-Women promulgated a new ICT access control management procedure in June 2021, which has strengthened the procedure around user accounts. Following the promulgation of the new procedure, UN-Women has made adjustments in the system implementing certain deprovisioning processes.

1257. In addition, the UN-Women Information Systems and Telecommunications Section has organized a monthly meeting to review user accounts. The meeting has representation from the applications team, the platform team (operations) and the information security team. In the meetings, the following activities are carried out: (a) account discrepancies and critical user tickets are reviewed; (b) possible procedural or system automations or improvements are discussed; and (c) any additional action items are proposed. UN-Women considers this recommendation to have been implemented and requests its closure by the Board.

Recommendation action status update:

UN-Women submitted the available meeting minutes to UNBoA as additional documentation for assessment of implementation. The review meetings take place monthly focusing on addressing special issues and clean up requirements, if any, and minutes are only prepared when necessary. The process has been in place and is running smoothly and there have been less issues for any need of taking minutes of each meeting.

UN-Women's focus has been on ensuring that accounts are timely deprovisioned at the recorded end date of personnel's contract. This is to ensure proper implementation of the policy with a strengthened provisioning and deprovisioning system of user accounts. UN-Women completed all actions for this recommendation and is awaiting UNBoA's assessment and closure of this recommendation.

1258. In paragraph 142, the Board recommended that UN-Women carry out and formalize the end-to-end programme partner policies and procedures, especially to strengthening the monitoring mechanisms applied to programme's partners in situations of crisis when no mandatory on-site monitoring activities are possible, in order to ensure that they are effectively undertaken.

Department(s) responsible: Policy, Programme and Intergovernmental
Division

Status: In progress

Priority: Medium

Target date: First quarter of 2023

1259. UN-Women is progressing and on-target with its work to formalize the end-to-end programme partner management policy and procedures. The policy and procedures will include the strengthening of monitoring mechanisms applied to programme partners in situations of crisis when no mandatory on-site monitoring activities are possible to ensure that programme implementation are effectively undertaken.

Recommendation action status update:

UN-Women is finalizing the draft Procedure for Monitoring of Programme Partners which includes monitoring mechanisms applied to programme partners in situations of crisis when no mandatory on-site monitoring activities are possible. This is to ensure that feasible effective monitoring of programme partners remains in place even in situations of crisis. This procedure will be finalized with the overarching Partner Management Policy and other associated procedures in the second quarter of 2022. UN Women will also incorporate these monitoring mechanisms in the fast-track procedures for programme that deal with crisis situations

1260. In paragraph 150, the Board recommended the UN-Women West and Central Africa Regional Office, notwithstanding the COVID-19 pandemic context, ensure compliance with the policy on cash advances and other cash transfers to partners, in order to reflect the periodicity of implementing partner and/or responsible party reports within the terms established therein.

Department(s) responsible: West and Central Africa Regional Office

Status: In progress

Priority: Medium

Target date: Fourth quarter of 2021

1261. UN-Women West and Central Africa Regional Office is on target with addressing the issue noted by the Board. Programme managers have been reminded to strengthen the monitoring of implementing partners and ensure the compliance of implementing partners with the quarterly reporting requirements of UN-Women. The Regional Office is putting in place a tracking system for effective monitoring.

Recommendation action status update:

UN-Women West and Central Africa Regional Office have continuously reminded project managers on the need for compliance with the reporting policy and close follow-up with the implementing partners for timely submission of reports. The corporate Programme and Grants Agreement Management System (PGAMS) provides automated regular reminders on the upcoming date of reporting related to cash advances paid.
A virtual training module for implementing partners related to UN-Women’s cash advances to partners procedures will be carried out to improve capacity of partners.

1262. In paragraph 161, the Board recommended that UN-Women ensure compliance with the delivery of the letter of confirmation for certification of expenditure, evidencing the proper percentages assigned for the documented review of expenditures for liquidation of partner advance in accordance with the current policy.

Department(s) responsible: DMA/Policy, Programme and Intergovernmental Division
Status: Implemented
Priority: High
Target date: Fourth quarter of 2022

1263. UN Women has taken actions to communicate globally on the important need for ensuring compliance to submit the letter of confirmation for certification of expenditure as evidence for the proper percentages assigned and documented review of expenditures for liquidation of partner advance in accordance with the current policy.

Recommendation action status update:

“Implemented” per the Board’s assessment.

1264. In paragraph 169, the Board recommended that UN-Women make the final evaluations to the partners so that their performance is considered in new projects.

Department(s) responsible: Policy, Programme and Intergovernmental Division
Status: Implemented
Priority: High
Target date: Not applicable

1265. UN-Women has included the programme partner final performance evaluation in the policy, procedures and guidance framework. This final performance evaluation is required at the end of all programme partner agreements with government, intergovernmental and civil society organizations. The partner and grant agreement management system has been modified to include this evaluation as part of the closure process of the partner agreement. The partner selection procedure has been revised to include the

final performance evaluation as one of the observation criteria in the partner evaluation process. UN-Women considers this recommendation to have been implemented and requests its closure by the Board.

Recommendation action status update:

“Implemented” per the Board’s assessment.

1266. In paragraph 170, the Board recommended that UN-Women register and share positive or negative results obtained by the partners between UN-Women offices.

Department(s) responsible: Policy, Programme and Intergovernmental Division

Status: **Implemented**

Priority: High

Target date: Not applicable

1267. UN-Women has included the programme partner final performance evaluation in the policy, procedures and guidance framework. This final performance evaluation is required at the end of all programme partner agreements with government, intergovernmental and civil society organizations. The partner and grant agreement management system has been modified to include this evaluation as part of the closure process of the partner agreement. This evaluation is available to all UN-Women offices and staff through the partner and grant agreement management system. UN-Women considers this recommendation to have been implemented and requests its closure by the Board.

Recommendation action status update:

“Implemented” per the Board’s assessment.

1268. In paragraph 178, the Board recommended that UN-Women update its preparation of donor reports procedure in order to reflect the actual process that should be performed by all offices during the preparation and review for quality assurance of donor’s reports.

Department(s) responsible: Policy, Programme and Intergovernmental Division
and Management and Administration Division

Status: **Implemented**

Priority: High

Target date: Second quarter of 2022

1269. UN-Women is finalizing the review and promulgation of the procedure for the preparation and submission of donor reports. The procedure also includes updated donor reporting narrative templates to make the reports more standardized and results-oriented. The updated procedure has been reviewed by all relevant divisions and is ready for promulgation.

Recommendation action status update:

“Implemented” per the Board’s assessment.

1270. In paragraph 191, the Board recommended that UN-Women comply with the deadline stipulated in UN-Women financial regulations and rules and Division of Management Administration

finance manual and standard operating procedure (extract for field offices) for operational and financial closings, considering the project agreements dates.

Department(s) responsible: Management and Administration Division
Status: **Implemented**
Priority: Medium
Target date: Second quarter of 2022

1271. UN-Women had 12 projects that were not financially closed as at 31 December 2020 and continues to support compliance with month-end closure instructions and follow-up by the oversight team. The accounting actions that occur after financial closure and reporting to the donor that are due to limitations of the Atlas enterprise resource planning system may be overcome with the implementation of the new Oracle enterprise resource planning system, which is due to be rolled out in early 2022.

Recommendation action status update:

“Implemented” per the Board’s assessment.

1272. In paragraph 192, the Board recommended that UN-Women clarify the existing procedures regarding closure steps specifically for project reopening.

Department(s) responsible: Management and Administration Division
Status: **Implemented**
Priority: Medium
Target date: Third quarter of 2021

1273. UN-Women has revised its finance manual and standard operating procedures to enhance clarity around the process and the circumstances under which the reopening of closed projects may be required.

Recommendation action status update:

“Implemented” per the Board’s assessment.

B. Implementation of the recommendations contained in the report of the Board of Auditors for prior financial periods

Report of the Board for the year ended 31 December 2017

1276. **In paragraph 44, the Board recommended that UN-Women: (a) ensure conclusive assessment of prior year’s qualified audit report financial findings is conducted to determine the causes and prevent recurrence of the identified weakness; and (b) consider introducing policies to address weaknesses in project management that lead to ineligible expenditure and to guide the administration on the proper accounting for prior years ineligible expenditure to avoid potential misstatements in the financial statements.**

Department(s) responsible: Management and Administration Division and Policy, Programme and Intergovernmental Division

Status: **Implemented**
Priority: High
Target date: Fourth quarter of 2020

1277. Part (a) of the recommendation has been determined by the Board as implemented. With regard to part (b) of the recommendation, UN-Women submitted further explanations to the Board on 8 June 2021 regarding two points raised from its earlier assessment, which included: (a) the steps and actions taken by UN-Women and the external auditors to determine whether the financial findings in the audit reports identified ineligible expenditure that required journal entries; (b) the decision tree workflow process circulated with the new procedure to facilitate understanding and compliance by UN-Women staff; and (c) the necessary accounting entries in the new procedure.

1278. UN-Women has worked extensively on the revision of the procedure for the resolution of audit recommendations arising from project partner audits. The original procedure was revised from March 2018 through October 2020 following discussions with stakeholders, namely the Programme Support and Management Unit, the Financial Management Section, the Legal Office, the Risk Management Unit, the Audit Coordination Unit, the Internal Audit Service and the Advisory Committee on Oversight, and with consultation with the Quality Management Unit in the Division for Management Services of UNFPA. New areas that were revised and/or added are: (a) roles and responsibilities; (b) a risk assurance matrix for addressing audit findings; (c) timing for completion of the actions in the action plans by 31 December of the year in which the audit was completed; (d) the accounting steps to be taken after the assessment of financial findings; and (e) a decision tree for ease of use by UN-Women offices and sections.

Recommendation action status update:

“Implemented” per the Board’s assessment.

Report of the Board for the year ended 31 December 2018

1279. In paragraph 21, the Board recommended that UN-Women consider establishing, at the programme formulation stage, obligatory reporting on the procurement plans of projects that are executed under programmes

Department(s) responsible: Policy, Programme and Intergovernmental Division
Status: **Implemented**
Priority: High
Target date: Not applicable

1280. UN-Women promulgated the appraisal and approval of project documents and the preparatory assistance procedure in May 2021, which includes guidance on project procurement plans that are required to be included at the programme formulation stage. UN-Women considers this recommendation to have been implemented and requests its closure by the Board.

Recommendation action status update:

“Implemented” per the Board’s assessment.

Report of the Board for the year ended 31 December 2019

1281. In paragraph 22, the Board recommended that UN-Women formalize the categorization of its offices, establishing the definition of the functional setup of each presence type, including minimum functions, positions and resources for both resident and non-resident modalities as well as the different types of services to be provided. An accurate and updated registry of all offices should also be maintained.

Department(s) responsible: Office of Deputy Executive Director for Resource Management, Sustainability and Partnerships

Status: Implemented

Priority: High

Target date: Fourth quarter of 2021

1282. The Board determined that UN-Women had implemented its recommendation to formalize the categorization of its offices, establishing the definition of the functional set-up of each presence type, including minimum functions, positions and resources for both resident and non-resident modalities, as well as the different types of services to be provided. To ensure that the registry of all offices is accurate and up-to-date, the enterprise data management system, the Entity's single source of information relating to its country presence, has undergone a clean-up and will be migrated to the new Oracle cloud enterprise resource planning system before integration with other Information Systems and Telecommunications Section systems.

Recommendation action status update:

"Implemented" per the Board's assessment.

1283. In paragraph 58, the Board recommended that UN-Women multi-country office in Fiji monitor the implementing partners or responsible parties closely, so that funding authorization and certificate expenditure forms are timely, and project expenditures appropriately recorded and the monitoring role in their activities fulfilled.

Department(s) responsible: Fiji Multi-Country Office

Status: Closure requested

Priority: High

Target date: Fourth quarter of 2021

1284. The Fiji multi-country office has considerably improved the monitoring and tracking of partner advances, including the timely recording of project expenditures. Project managers are working closely with partners to strengthen their capacities in preparing and submitting funding authorization and certificate of expenditure financial reports in accordance with corporate requirements.

Recommendation action status update:

UN-Women Fiji multi-country office continued to improve its system to track and monitor timely submission of financial reports by partners through the corporate monthly notification system and an office specific online partner tracking tool.

Furthermore, Fiji multi-country office has organized trainings with partners and staff on UN-Women Financial requirements for reporting of partner expenditures.

Despite the challenges under the COVID-19 pandemic and political instabilities, project managers are closely working with partners to ensure timely submission and recording of partner project expenditures. UN-Women has completed all actions and is awaiting UNBoA's closure of this recommendation.

1285. In paragraph 69, the Board recommended that UN-Women multi-country office in Fiji ensure in the review process of supporting documentation from projects in execution, that proper authorizations and reliable information regarding the support receipts for the liquidation of an advance are made in a timely manner.

Department(s) responsible: Fiji Multi-Country Office
Status: Closure requested
Priority: Medium
Target date: Not applicable

1286. The Fiji multi-country office considers that actions to address this recommendation have been completed. The potential delays observed between the time a partner submits a funding authorization and certificate of expenditure form and the reflection in the UN-Women accounting records are primarily a result of the iterative quality assurance review control and due diligence process exercised by the Fiji multi-country office following the initial submission by the partner of the funding authorization and certificate of expenditure form for advance liquidation together with the supporting documents. This is in line with the corporate cash advance policy and generic partner agreement provisions, which state that the project manager shall accept only eligible expenditures that are identifiable and verifiable. Furthermore, in 2021, the Fiji multi-country office has developed and started to use a generic template for expenditure listing by partners. This has further improved the timeliness of the review, approval and recording of expenditures in the UN-Women accounting system. UN-Women considers this recommendation to have been implemented and requests its closure by the Board.

Recommendation action status update:

UN-Women submitted a sample of FACE forms for UNBoA's assessment of completed management actions.

1287. In paragraph 75, the Board recommended that UN-Women ensure and reflect the risk factor of implementing partners in the sampling process review of expenditures through the funding authorization and certificate of expenditure form.

Department(s) responsible: Management and Administration Division
Status: Implemented
Priority: Medium
Target date: Not applicable

1288. The policy on cash advances and other cash transfers to partners includes a requirement to ensure that the risk factor of implementing partners is reflected in the process of reviewing a sample of expenditures through the funding authorization and certificate of expenditure forms. A reminder email has been sent to all

country offices and headquarters sections to promote compliance with the policy. UN-Women considers this recommendation to have been implemented and requests its closure by the Board.

Recommendation action status update:

“Implemented” per the Board’s assessment.