

Independent Evaluation and Audit Services (IEAS)

INDEPENDENT EVALUATION AND AUDIT SERVICES (IEAS)
**ANNUAL REPORT ON INTERNAL AUDIT
AND INVESTIGATION**
EXECUTIVE BOARD INFORMAL SESSION

May 2023



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- Internal Audit Service (IAS) structure within UN Women
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- Status of internal audit recommendations
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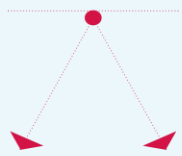
3. Investigation activities in 2022

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1 INTRODUCTION

UN WOMEN OVERSIGHT PROVIDERS

Independent Evaluation and Audit Services-IEAS



IES

IAS

Evaluation

Impact,
Sustainability
Relevance

Internal
Audit

Governance
Risks
Controls

Board of Auditors



External Auditors

Opinion on the
financial statements

Office of Internal Oversight Service



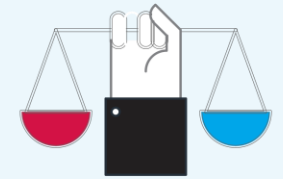
Investigation
of fraud and
misconduct

Joint Inspection Unit



Cross agencies
benchmarking
assessments

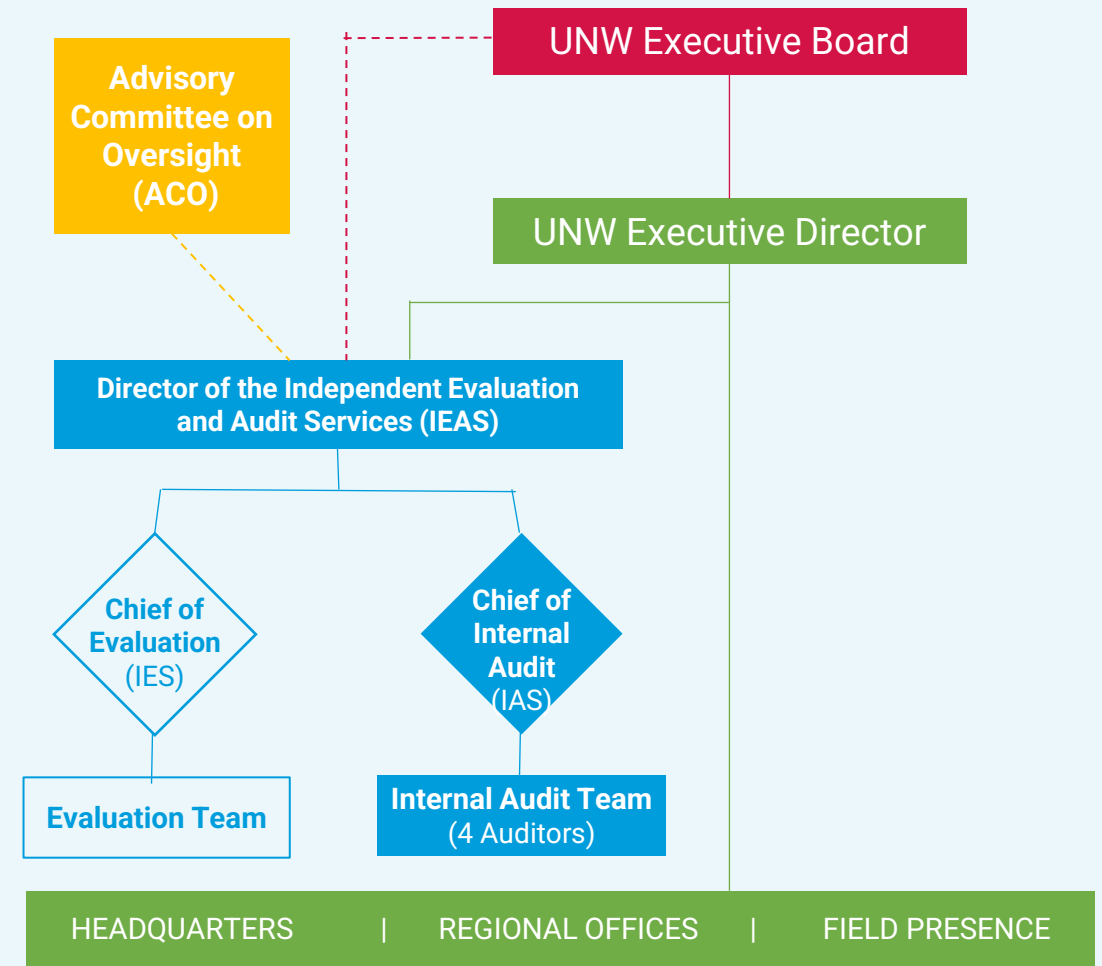
Ethics Office



Consult on ethical
issues, and
seek protection
against retaliation
for reporting
misconduct.

IAS STRUCTURE WITHIN UN WOMEN

- **MANDATE:** independent and objective assurance and advisory services to add value and improve the effectiveness and efficiency of UN-Women's work
- **INDEPENDENT:** Reports directly to the Executive Director. Protections of independence through ACO.
- **AUTHORITY:** full, free, and unrestricted access to any and all records, electronic data, physical properties, and personnel
- **GOVERNED:** Charter, ACO, International Professional Practices Framework (IPPF) of the Institute of Internal Auditors (IIA)
- **SCOPE:** Assurance & advisory on the effectiveness of governance, risk management, and internal controls



STATEMENT OF INDEPENDENCE

AND CONFORMANCE TO INTERNAL AUDIT STANDARDS

- IAS continues to maintain its **independence**
- IAS work conducted in conformity with the Institute of **Internal Auditors' (IIA) Standards and Code of Ethics.**
- IAS was required to undergo an external quality assessment and received the **highest rating from the Institute of Internal Auditors.**

Overall Conclusion

United Nations Entity for Gender Equality And the Empowerment of Women

Internal Audit Service Generally Conforms with the *International Standards for the Professional Practice of Internal Auditing* and the IIA Code of Ethics.

This level of conformance is the top rating and demonstrates a clear intent and commitment to achieving the Core Principles for the Professional Practice of Internal Auditing and the Definition of Internal Auditing.

GOVERNANCE		STAFF		MANAGEMENT		PROCESS	
Standard	Rating	Standard	Rating	Standard	Rating	Standard	Rating
1000	GC	1200	GC	2000	GC	2200	GC
1100	GC			2100	GC	2300	GC
1300	GC			2450	GC	2400	GC
Code of Ethics	GC			2600	GC	2500	GC



Basil Woller

Basil Woller, CIA, CRMA
Team Leader
IIA Quality Services

Warren Hersh

Warren Hersh, CIA, CPA, CISA, CFE
Director, IIA Quality Services
IIA Quality Services

Team Member:

Cyndi Plamondon, CIA, CISA, QIAL, CCSA, CRMA, CGAP, CFSA

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INTERNAL AUDIT ACTIVITIES IN 2022

INTERNAL AUDIT SERVICE SUMMARY OF WORK IN 2022

SOURCES OF EVIDENCE FOR ANNUAL OVERALL OPINION



AUDIT PLAN

2022 risk-based audit plan and its implementation



AUDIT ENGAGEMENT

Individual audit and advisory engagement results and ratings



PROGRESS MADE BY MANAGEMENT

Actions addressing audit recommendations



UNBOA'S WORK

Work conducted by the United Nations Board of Auditors

ADVISORY ACTIVITIES

- Commenting on draft policies and procedures
- UN-RIAS regular meetings (IAS one of the co-chairs)
- Adviser on Senior Management Team and working groups
- Observer in ERP Project Board and Business Review Committee

COORDINATION WITH OTHER OVERSIGHT PROVIDERS

- Regular collaborations with Independent Evaluation Service
- Periodic coordination of work with UN Board of Auditors
- Ongoing support from the Advisory Committee on Oversight

EXCLUSIONS OF AUDIT OPINION

- Global and local HR management services outsourced to UNDP
- Payroll, payments, treasure and investment management
- ERP hosting and management
- Firewall, infrastructure maintenance and website hosting
- Other shared services provided by UN agencies

11

AUDIT AND ADVISORY REVIEWS COMPLETED

7 Individual office audits

2 Thematic audits and assessments

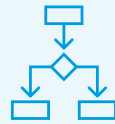
2 Advisory reports

IAS 2022 ANNUAL OVERALL OPINION

Overall Opinion:

- The Internal Audit Service overall opinion is that the Entity's governance, risk management and control processes were **generally established and functioning** but **needed some improvement**.
- IAS notes the positive efforts UN-Women has made to enhance governance and risk management in 2022 such as maturity of the **Business Review Committee**, new **strategic work planning** processes, and a system of comprehensive **Quarterly Business Reviews**.

Overall risks that require management attention:



ENHANCED SECOND LINE OF DEFENSE

- Further enhance management's 'second line of defense' for corporate business process owners and regional offices to have the authority and capacity for effective management monitoring and oversight.



RESOURCES TO IMPLEMENT RECOMMENDATIONS

- Management continues to emphasize that its ability to implement some oversight recommendations is contingent on adequate resources being made available.



STRENGTHEN FIELD CAPACITY

- Advance management vision of 'pivot to the field' by strengthening capacity, particularly in the field.



ANNUAL STATEMENT OF INTERNAL CONTROL

- Prioritizing an annual Statement of Internal Controls process to demonstrate accountability and sound risk management.

IAS INDIVIDUAL ENGAGEMENT AUDIT OPINIONS- 2022

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Assurance reviews

2

Satisfactory

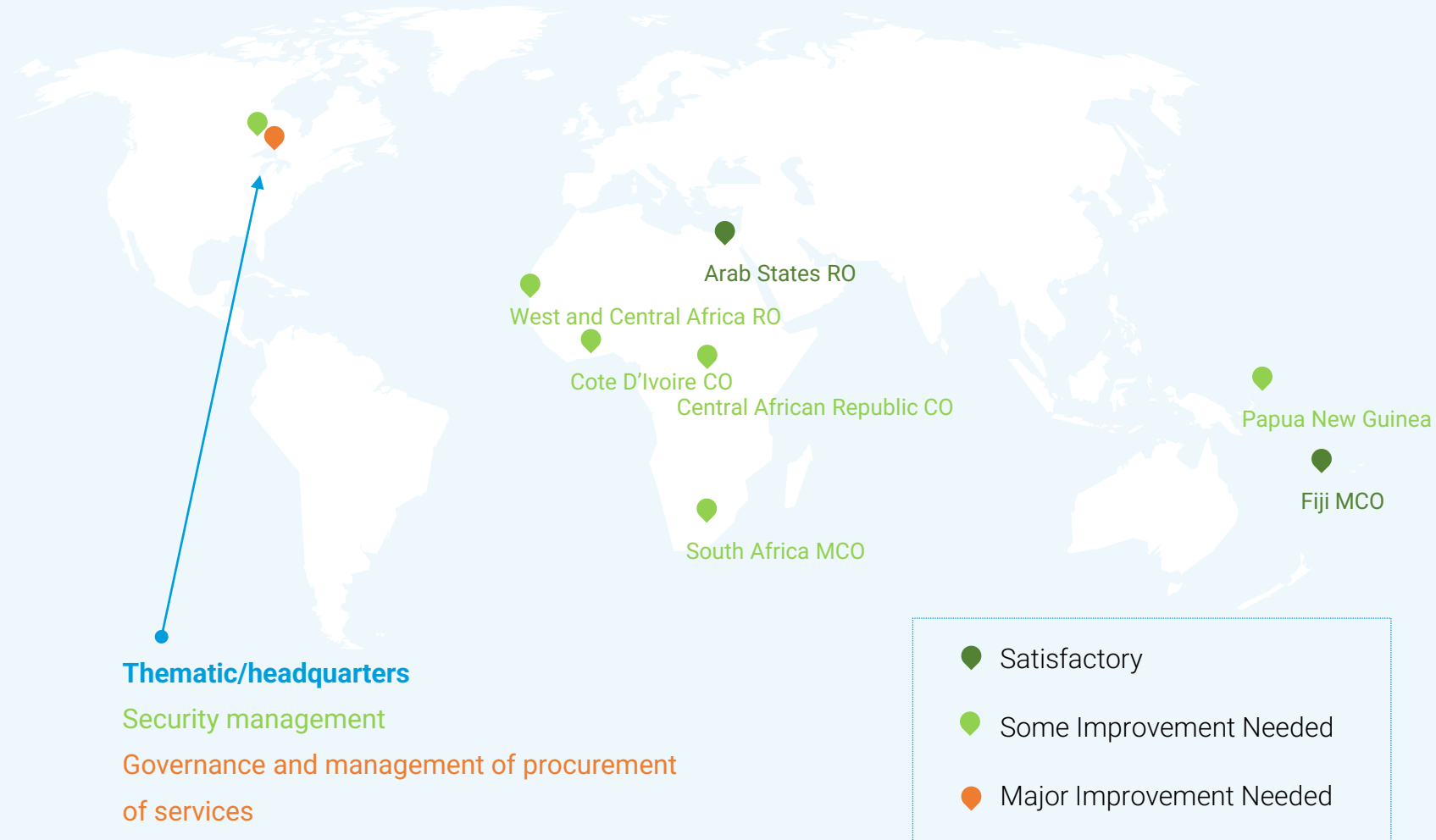
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Some Improvement Needed

1

Major Improvement Needed

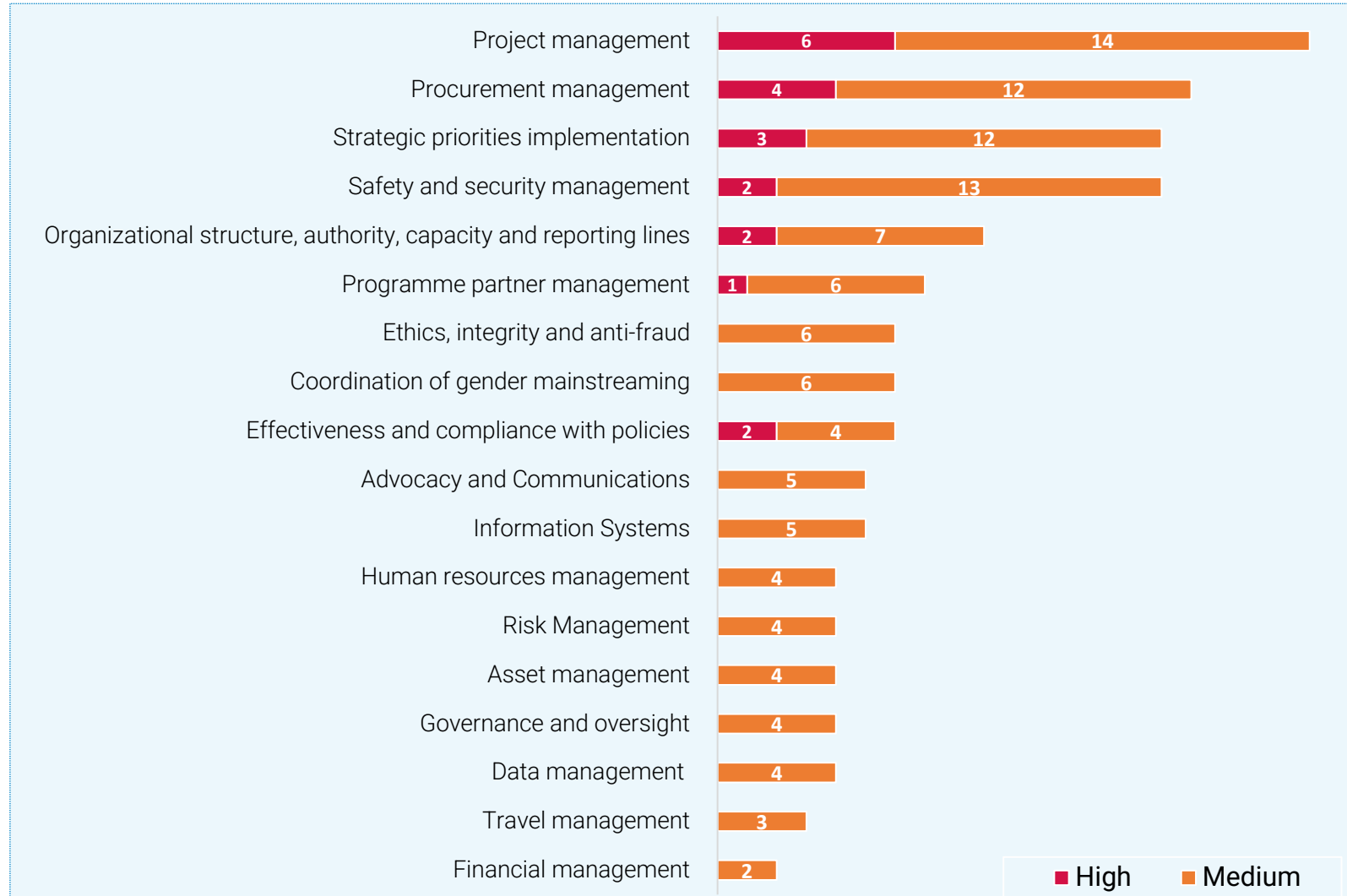
Distribution of audit ratings by region and thematic area



KEY ISSUES

- **Programme and project management:** project oversight, quality assurance, risk management, monitoring, beneficiary management and reporting
- **Procurement:** capacity, strategy to fit business needs, control environment and culture, procurement systems, exception-based monitoring
- **Strategic priorities:** results definition, data validation and results-focused reporting, monitoring resource mobilization, technical support for field offices.
- **Safety and Security:** security policy and strategy to respond to field needs, accountability for security management, support to field offices
- **Capacity, structure and skills:** fit-for-purpose staffing and structure, sustainable funding sources, expectations from non-resident agency and multi-country office typology

Key audit observations identified in 2022 by functional area, by number of recommendations

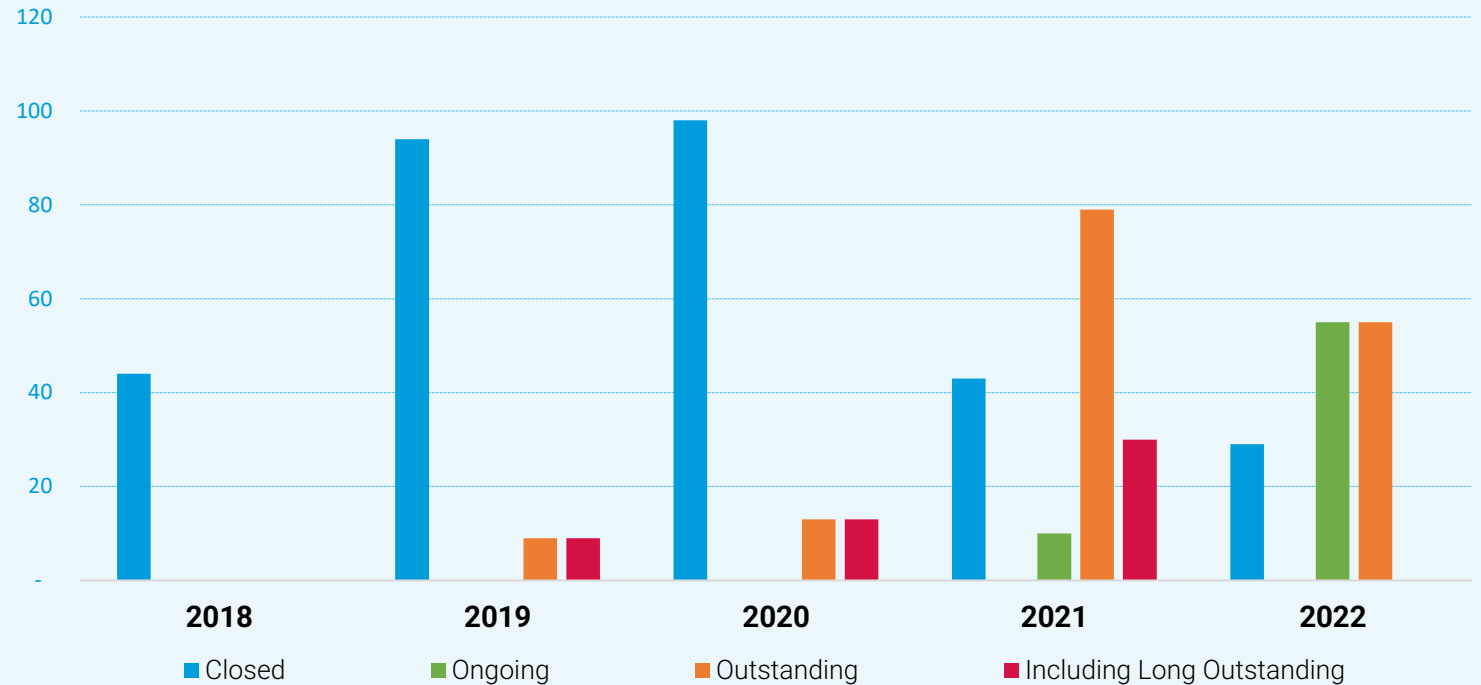


INTERNAL AUDIT RECOMMENDATION STATUS

AS OF 24 FEBRUARY 2023 (Annual Report date)

- Implementation of audit recommendations has **slowed in some instances**.
- Likely due to the **increase in number of corporate and thematic recommendations which are complex**, require work across different divisions, and require significant change efforts (time) and additional resources to implement.
- IAS is aware of **management's efforts** in tracking and seeking to implement recommendations.
- IAS is following up with management to encourage actions are taken to **address audit recommendations within agreed timeframes**.

Recommendation status by year based on original agreed timeframe



→ Met corporate target of 15% for long outstanding recommendations (more than 12 months from its agreed implementation timeframe)

→ 17 long outstanding recommendations were high risk, 35 long outstanding recommendations were medium risk

→ 9 long outstanding from 2019, 13 recommendations from 2020 and 30 recommendations from 2021

IAS AUDIT PLAN FOR 2023



Carry forward from 2022 audits

- Resource allocation and budget cycle
- Business Operations Strategy
- Staff Entitlements and Benefits



Corporate audit and advisory

- ERP phased audits of post-live implementation issues and controls
- UN Women's support to digital technology interventions



Audit of country offices in crisis and emergency settings

- Audits of country offices managing crisis and emergencies with meta-synthesis analysis



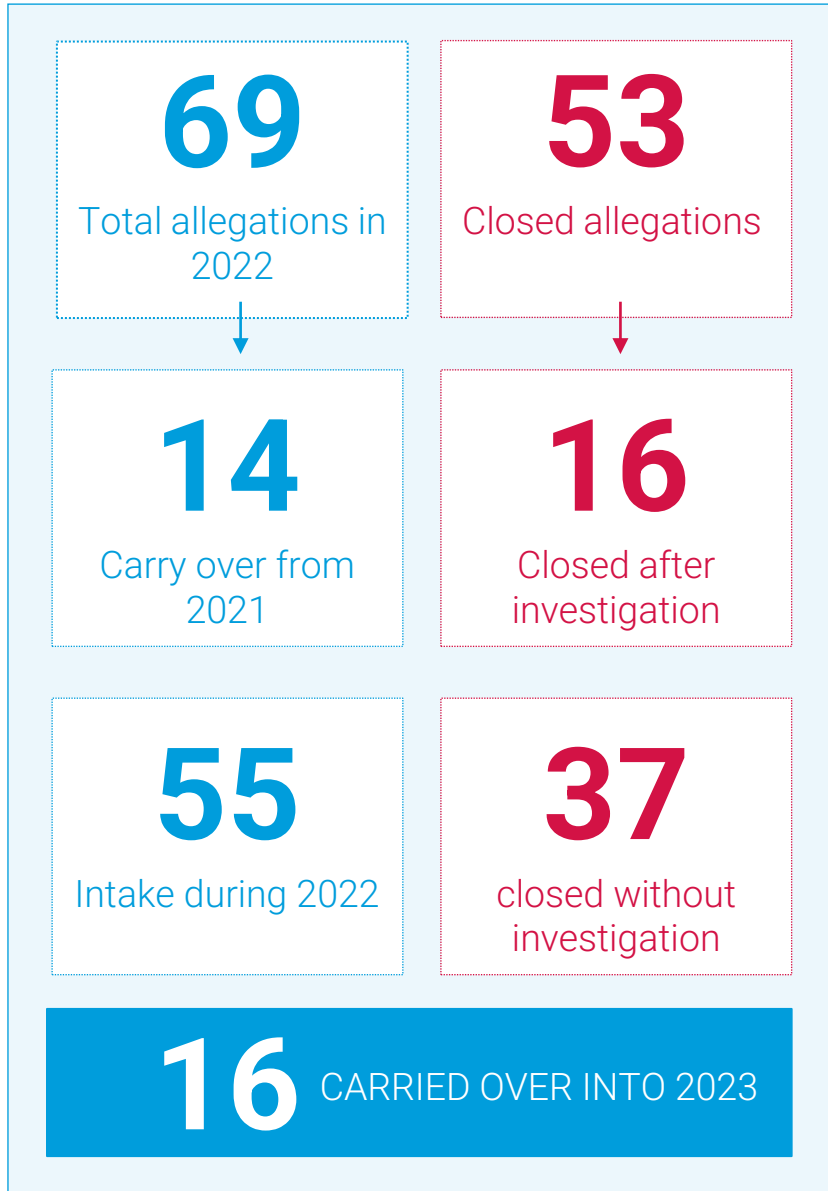
Field audits

- Audits of two regional offices in addition to selected country offices with meta-synthesis analysis of regional offices

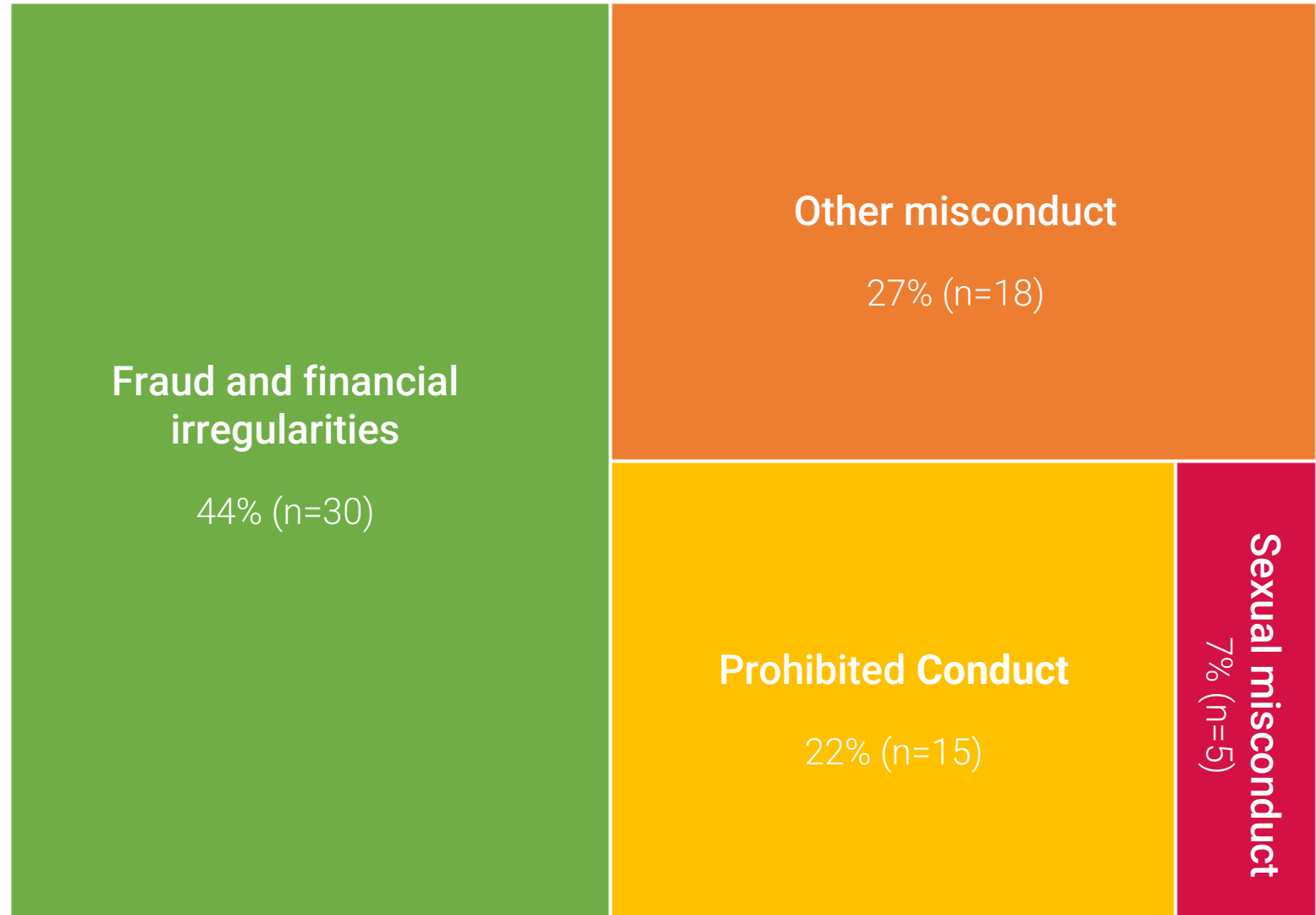
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INVESTIGATION ACTIVITIES IN 2022

INVESTIGATIONS - 2022



ALLEGATIONS INTAKE BY CATEGORY DURING 2022



INVESTIGATIONS - 2022



SOURCE OF ALLEGATIONS

- In 2022, the 55 new allegations were received by OIOS via the hotline (71 per cent), by email (25 per cent) or through other means (4 per cent).
- Sources of allegations were either UN personnel (34 per cent), anonymous (33 per cent), referrals from other UN entities (22 per cent) or external parties (11 per cent).

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CASES CLOSED WITHOUT INVESTIGATION

- OIOS referred 21 of the cases (subject to consent by the complainant, where applicable) for management consideration and potential action by UN-Women (compared to 11 cases referred in 2021)

16

CASES INVESTIGATED & CLOSED IN 2022

- eight cases presented findings that were indicative of misconduct (compared to 15 in 2021)
- eight cases concluded that the available evidence did not substantiate the reported misconduct

8

CASES SUBSTANTIATED IN 2022

- False information in micro-purchasing | Forgery and falsification of documents
- Unauthorized withdrawal of project funds by partner's staff | Unsupported expenditures by partner's staff
- Internal control deficiencies, financial and project management deficiencies by partner
- Vendor collusion
- Threats, insults and attempted assaults

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CASES CARRIED OVER TO 2023

- As at 31 March 2023, one of these cases had been closed, 12 cases remained under investigation and three cases under preliminary assessment
- The closed case was closed after preliminary assessment (referred for management consideration and potential action by UN-Women)

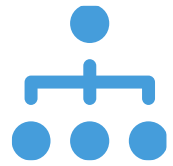


INTERNAL AUDIT SERVICE'S ANTI-FRAUD AND ANTI-CORRUPTION ACTIVITIES

- Annual anti-corruption campaign on International Anti-Corruption Day (9 December)
- Memoranda published following limited review of on recruitment practices and the partner audit findings in several country offices. In accordance with UN Women Policy on Cash Advances and Other Cash Transfers to Partners Policy, IEAS also conducted limited review on two write-off cases related programme partners advances.

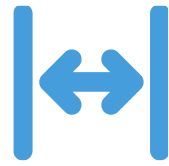
4 RESOURCES AND STRENGTHENING OVERSIGHT

RESOURCES AND STRENGTHENING OVERSIGHT



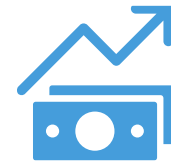
IAS staffing fully funded

Five approved posts complemented by expert consultants on an as needed basis



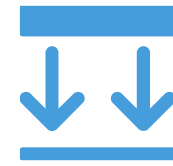
High Risk Coverage

Current budget provides coverage of high-risk offices and targets every two to five years



Investigation funding

Current workload, its nature and complexity requires more resourcing for UN-OIOS and UN Women



Investigation support

Absorbed by IAS and IEAS budget and not sustainable, IEAS has presented a way forward for enhanced capacity

THANK YOU

www.unwomen.org/en/about-us/accountability/audit

