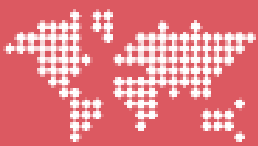


THEMATIC AUDIT

UN WOMEN AUDIT AND INTEGRITY REVIEW OF STAFF BENEFITS AND ENTITLEMENTS



INTERNAL AUDIT REPORT

UN WOMEN AUDIT AND
INTEGRITY REVIEW OF STAFF
BENEFITS AND ENTITLEMENTS



INDEPENDENT EVALUATION AND AUDIT SERVICES (IEAS)

Internal Audit Service (IAS)

UN WOMEN

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EXECUTIVE SUMMARY

Audit objective, scope, and background

The UN Women Internal Audit Service (IAS) of the Independent Evaluation and Audit Services (IEAS) conducted an internal audit of the UN Women staff benefits and entitlements that were administered from 1 January 2020 to 31 December 2022.

UN Women management is responsible for adequately designing and effectively maintaining governance, risk management and control processes to ensure that UN Women's objectives are achieved. IAS is responsible for independently assessing the adequacy and effectiveness of these systems and processes.

The audit covered the state of governance, risk management and internal controls based on a sample of benefits and entitlements received by UN Women staff members from January 2020 to December 2022. The sample covered transactions for operational controls for the same period. UN Women expenditure for the benefits and entitlements granted (excluding salaries and pensions) during the audit period consisted of US\$ 30 million; US\$ 31 million; and US\$ 33 million in 2020, 2021 and 2022, respectively.

The audit aimed to assess the compliance, effectiveness and adequacy of governance arrangements, risk management practices and control processes related to the administration of staff benefits and entitlements. The audit included an integrity review, whereby IAS identified potential red flags to determine significant gaps in internal controls and areas at risk of fraud taking place or not being detected in a timely manner. The audit also identified lessons learned based on its findings and identified good practices and recommendations to ensure that the risks involved in providing staff benefits and entitlements are addressed and appropriately managed.

Scope limits

As part of the audit, staff benefits and entitlements including Danger Pay, Home Leave Travel, Non-Family Service Allowance, Single Parent Allowance, UN Dependent Child Allowance, UN Secondary Dependent Allowance, UN Spouse Allowance and Rental

Subsidy were reviewed. Leave Management and Telecommuting were also reviewed.

Some high-value benefits and entitlements were excluded from the audit because they are considered lower risk due to well-established methodologies, which have been developed externally and have automated controls, such as gross salary, pension, post adjustment and staff assessment. The audit also excluded benefits and entitlements of which the material value was relatively small for UN Women, including UN Secondary Dependent Allowance and the Language Allowance.

IAS did not directly engage with the educational, financial and government institutions, leasing agents and medical professionals mentioned in supporting documentation to verify the information provided by UN Women staff members. The audit excluded all other non-staff personnel because of their ineligibility to receive staff benefits and entitlements.

The audit was conducted in conformance with the *International Standards for the Professional Practice of Internal Auditing* of The Institute of Internal Auditors.

Audit opinion and overall audit rating

UNDP Benefits and Entitlement Services (BES) in Copenhagen processes UN Women staff benefits and entitlement transactions and report to UNDP's Bureau for Management Services. IAS acknowledges the support of UNDP BES during the assignment and notes the following achievements and good practices related to staff benefits and entitlements:

- Automated processes for the Education Grant reduce the risk of manual interference.
- There appears to be little room for potential forgery of medical documents in connection to the Special Education Grant because the procedure for conducting medical checks and obtaining the related allowances is well-regulated.
- Some Country Offices keep accurate and detailed records of leave management

and R&R, which provide an accurate overview of how the related Hardship Duty Station Allowances are prorated.

- Based on the audited sample, the Non-Family Service Allowances were appropriately adjusted, where staff members move away from the eligible duty station.
- For the Dependent Child Allowance, a good practice is that UNDP systems (Atlas and Quantum) automatically prorate and discontinue the dependency allowance from the moment the child turns 21 years old.
- For the Dependent Child Allowance, UNDP BES uses the supporting documents that are submitted by the staff member for the purposes of the Education Grant. This is a good practice in cross-checking.
- There is good practice of recovery where the staff member reported that the earnings of their spouse exceeded the threshold for the Dependent Spouse Allowance.
- In all cases that formed part of the audit sample, it appears that the Dependent Spouse Allowance was properly adjusted for the year in which the staff member got married and the months for which they were not married were not considered in the calculation of the allowance.
- Overall, as a small team, UNDP BES effectively process a large number of benefits and entitlements transactions for UN Women staff members under the current arrangement.

IAS assessed the overall state of governance, risk management and internal controls in UN Women's management of staff benefits and entitlements as **Some Improvement Needed** meaning that "The assessed governance arrangements, risk management practices and controls were generally established and functioning but need some improvement. Issues identified by the audit do not significantly affect the achievement of the objectives of the audited entity/area." For the leave management and telecommuting, IAS assessed these areas as **Major Improvement Needed**.

The overall assessment of **Some Improvement Needed** was mainly due to improvements needed in the following areas:

- UN Women has not developed its own policies for managing staff benefits and entitlements but relies on UNDP policies that are incorporated by reference through the Conditions of Service Policy. Moreover, UN Women is relying on oversight and due diligence carried out by UNDP, as negotiated and agreed on in the MOU and service level agreements between the organizations. While there is limited control by UN Women over UNDP policy and processes, the management of UN Women's benefits and entitlements would benefit from closer oversight and monitoring by UN Women's HR function, as a contract manager of the MOU with UNDP, by enhancing the monitoring and reporting provisions with UNDP and as well HR oversight of the benefits and entitlements processing services.
- Various staff benefits and entitlements heavily rely on information provided by staff members, including self-reporting some benefits and entitlements with limited validation. Therefore, staff should be periodically reminded of their obligation to truthfully and timely report information required for their benefits and entitlements to reinforce a culture of integrity and accountability in the organization. Moreover, the organization should strengthen the preventive, detective and corrective controls, including periodic spot checks, exceptions reports, and recovery or adjustment of benefits if the supporting documents were not submitted in time.
- UNDP BES needs to ensure the proper signature and certification of the education grant claim form that details the admissible expenses in support of the Education Grant claim. These forms should also clearly indicate any grants or scholarships that could potentially affect the Education Grant benefit.
- Some Capital Assessment Fee claims (connected with the education grant benefit) were found to be quite excessive by IAS comparing with an overall trend. The policy framework permits the reimbursement of the Capital Assessment Fees when it is presented in the education grant claim as a separate line billed by institutions. UN Women does not have control over this Policy provision, however, could benefit from additional validation those cases where the fees appear excessive.
- Proof of travel submitted by staff members awarded Home Leave entitlements were not always timely and complete.

- IAS did not find that proof of payment was requested to support the rental subsidy claims submitted by staff members, mainly because there is no explicit requirement in the Rental Subsidy Policy.
- The application process and subsequent verification by UNDP does not always detect or correct the cases where staff member spouse earnings might have exceeded the threshold that make them ineligible for the Dependent Spouse Allowance.
- There were instances where staff members may not have consistently recorded leave, which raises risks of impropriety and could lead the carry forward of leave balance potentially being overstated.
- The absence from the duty station was not regularly recorded and monitored, which could impact other benefits such as danger pay and the Rest and Recuperation (R&R) cycle.
- At the end of April 2024, UN Women rolled out a new policy and system on flexible working arrangements. IAS has not reviewed the policy or its application for effectiveness. It will be important to ensure that the policy is reinforced and monitored, for oversight and accountability.

Recommendations

IAS made eight recommendations and one advisory note. Two recommendations were ranked as High priority and six as Medium priority. The recommendations are addressed to UN Women HR as the business process owner and as the functional counterpart to UNDP BES, recognizing that UN Women HR does not have full authority over the processes carried out by UNDP BES.

The High priority recommendations means that *“prompt action is required to ensure that UN Women is not exposed to high risks. Failure to take action could result in major negative consequences for UN Women.”* The recommendations are raised for:

Recommendation 7:

UN Women HR to:

- (a) Remind staff, leave monitors and supervisors to ensure that staff record their leave in the Quantum system and encourage staff to take at least half of their leave days a year; and,
- (b) Monitor compliance with the new Flexible Work Policy by staff members, including considering periodic spot checks of supporting documents (e.g. travel documents, proof of residence and building access records) and reporting possible non-compliance to the official channels.

Recommendation 8:

UN Women HR to coordinate with DMA in its role as coordinator of the Anti-Fraud Programme, as well as Risk Management, and IAS to promote a culture of integrity among staff members for their benefits and entitlements by regularly reminding staff members and managers about their duties and responsibilities in updating information affecting their eligibility of benefits and entitlements and any changes to it, as well as provide adequate and timely supporting documentation (including awareness for the potential consequences of not complying with these duties and responsibilities).

UN Women HR, with support of UNDP BES, to:

- (a) Include provisions on monitoring and regular reporting by UNDP BES in the revised MOU and SLA with UNDP.
- (b) Analyse exception-based reports from UNDP and conduct spot checks, enquiries and verifications (including cross-checking among systems) of a sample of processed payments to identify potential errors in the processing of payments, holding staff members accountable for not complying with the staff benefits and entitlements policy framework and holding their managers accountable for not enforcing the framework.

The six Medium (Important) priority recommendations mean that *“action is required to ensure that UN Women is not exposed to risks. Failure to take action could result in negative consequences for UN Women”*. These recommendations are related to: Recovering the Home Leave lump sum from payroll in cases where travel was not fully substantiated with supporting documents after 30 days upon return, and ensure that the complete audit trail is reviewed by UNDP BES and maintained in UNALL; Strengthening UNDP’s review and approval of requests for an alternate Home Leave

destination and reporting changes to home leave or alternative home leave to UN Women's HR; Improving the standards for reviewing and validating the lease agreements provided in support of Rental Subsidy applications; including proof of payment of rent as a condition for issuance of the Rental Subsidy and including explicit provisions for non-declaring subletting accommodation as a potential misconduct; Ensuring that education grant claim forms are certified and stamped, and contain all expense items and reminding staff about accurate self-reporting with supporting evidence for admissible expenses and grants/scholarships; For duty stations that are eligible for specific duty station benefits of Danger Pay and R&R, according to the International Civil Service Commission, UN Women HR to remind all the staff, leave monitors and supervisors to use Quantum to record official duty travel, annual leave, and R&R and GST to record, track and validate telecommuting outside the duty station; Verifying documentation for the Dependent Spouse Allowance and ensuring a recovery of any unduly paid amounts.

Management comments and action plan

Management comments have been considered in this report, where appropriate. Management agrees to most of the recommendations and provided its action plan. For Recommendation 7, UN Women HR is in partial agreement, given that HR can monitor the use and application of the Flexible Work policy; however, it is not possible to monitor the non-compliance unless these cases are directly reported to HR.

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Lisa Sutton, Director
Independent Evaluation and Audit Services

ACRONYMS AND ABBREVIATIONS

IAS	Internal Audit Service
IEAS	Independent Evaluation and Audit Services
HR	Human Resources
R&R	Rest and Recuperation
TRIPP	Travel Request Information Processing Portal
UNDP	United Nations Development Programme
UNDP BES	United Nations Development Programme Benefits and Entitlements Services
UNDSS	United Nations Department for Safety and Security
UN Women	United Nations Entity for Gender Equality and the Empowerment of Women

I. INTRODUCTION

In UN Women, the processing of staff benefits and entitlements is decentralized. The United Nations Development Programme Benefits and Entitlements Services (UNDP BES) provides services to UN Women, primarily through its Copenhagen-based team. The processing of staff benefits and entitlements also involves other actors such as the UNDP Global Payroll Services, UN Women Country Office Representatives, and UN Women managers, leave monitors and business units such as Operations and Finance.

UNDP BES in Copenhagen processes UN Women staff benefits and entitlement transactions and report to UNDP's Bureau for Management Services. The current contractual relationship between UN Women and UNDP is governed by a Memorandum of Understanding signed in 2014. UNDP provides support services to UN Women on a full cost-recovery basis. When assessing and potentially updating the contractual relationship between UN Women and UNDP, IAS noted in its [2021 Audit of Third-Party Risk Management for Outsourced Services](#) that to enhance the performance management of third-party service providers, business owners should *“Consider, in each significant business area of outsourced services, basic criteria and timelines for monitoring and periodic performance assessment of third-party providers; and, establish a basic corporate mechanism (e.g. a survey tool, categorized by each significant business area) to collect feedback from service clients (satisfaction, potential complaints) on organizational business processes and third-party providers; consider complaint resolution, where applicable; and use accumulated feedback in performance assessments and management decisions.”*

As service provider, UNDP BES processes all UN Women salaries, allowances and benefits and also reviews the supporting documentation submitted by staff members in Atlas (now Quantum) in support of claims. However, UNDP BES does not process telecommuting and flexible working arrangements, leave management, Danger Pay, and Rest and Recuperation (R&R). These entitlements are managed internally by UN Women and some are managed by the Country Offices. While leave management is registered in Atlas/Quantum, offices also use informal systems to record leave, telecommuting, Danger Pay and R&R.

II. BACKGROUND

As per the UN Women financial statements audited by the Board of Auditors, employee benefits made up 6 per cent of UN Women's expenses in 2020, 2021 and 2022, consistently and respectively. This is a significant portion of total expenses. These expenses do not consist of the staff salary component and pension component.

These benefits and entitlements (both monetary and non-monetary) are provided to eligible staff members, as detailed in:

- The Staff Regulations and Rules of the United Nations;
- The Conditions of Service Policy;
- The Administrative Instructions on Education Grant and related benefits, including the relevant policy guidance documents;
- The Home Leave Policy;
- The Administrative Instructions on Rental Subsidies and related deductions, including the Information Circular on reasonable maximum rent levels in New York;
- Rental Subsidy and Deductions Policy (UNDP);
- Danger Pay Policy (UNDP);
- Dependency Allowances Policy (UNDP);
- Language Allowance Policy (UNDP); and,
- Rest and Recuperation Policy (UNDP).

UN Women relies on UNDP's established policies for various policy frameworks that govern specific staff benefits and entitlements. Following the COVID-19 pandemic, in 2021 UN Women's Human Resources developed a new approach to the Flexible Working Arrangements, including the development of a Flexible Working Arrangements Request Template, to better regulate flexible working arrangements. Since then, the guidance for working from home has been under continuous review and adjustment. This is important because telecommuting affects those staff entitlements and benefits that are dependent on the location of the staff member, for example the Post Adjustment, Rental Subsidy, Hardship Duty Station Allowances and

Home Leave Travel. These benefits are adjusted based on the location of the staff member.

Staff benefits and entitlements depend on the staff member's category (Professional and Higher, National Professional Officers, General Service); the type of appointment held (temporary, fixed-term, continuing or permanent); the grade and step of that appointment; and family status. Staff members, depending on their eligibility, may also be entitled to allowances and benefits including¹ but not limited to:

- **Dependency allowances:** Eligible staff members shall receive a Dependent Spouse or Dependent Child Allowance for each recognized dependant spouse or child, under conditions established by the Secretary-General. Parents and siblings of a staff member shall be considered as a secondary dependant if the staff member provides such a person with not less than half of their financial resources, and in any case with not less than twice the amount of the dependency allowance.
- **Education Grant:** Under certain conditions, an Education Grant is paid out to staff members who have children that are enrolled full-time in an educational institution and are of an eligible age.
- **Danger Pay:** Danger Pay is an allowance paid where conditions are particularly hazardous, stressful, and difficult. The current list of duty stations that are eligible for Danger Pay can be found on the International Civil Service Commission website.
- **Hardship Allowance:** At some duty stations, a Hardship Allowance is paid that is linked to living and working conditions based on local conditions of safety and security, health care, housing, climate, isolation and level of amenities/conveniences of life.
- **Non-Family Allowance:** Staff in Professional and higher categories, in the Field Service category and in the General Service category considered internationally recruited pursuant to staff rule 4.5(c) who are appointed or reassigned to a non-family duty station may be paid a non-pensionable Non-Family Service

Allowance. The amount and conditions under which the allowance will be paid shall be determined by the Secretary-General.

- **Single Parent Allowance:** A staff member in the Professional and higher categories and in the Field Service category recognized as a single parent shall receive a Single Parent Allowance in the amount of 6 per cent of their net base salary plus post adjustment in respect of the first dependent child, under conditions established by the Secretary-General.
- **Rental Subsidy Allowance:** Rental Subsidy is designed to provide equity in accommodation expenses among UN staff members in duty stations where rents vary considerably, and to alleviate hardship for staff members facing higher than average rental costs for reasonable, standard accommodation.
- **Home Leave Travel Allowance:** Eligible staff members shall be granted Home Leave once in every 24 months: the Home Leave Travel Allowance covers travel costs. However, the Secretary-General may grant Home Leave once in every 12 months to eligible staff members in the most difficult duty stations in terms of conditions of life and work under specific conditions, as approved by the General Assembly.

Of the benefits and entitlements that were audited, for the period 2020-2022, the Education Grant constituted 13% of the total amount paid in benefits and entitlements, followed by the Rental Subsidy, Hardship Allowance and UN Spouse Allowance, each making up 4% of the total. The UN Dependent Child Allowance amounted for 3% of the total benefits and entitlements, the Home Leave Travel constituted 2% and the Non-Family Service Allowance as well as the Single Parent Allowance each constituted 1% of the total amount paid in benefits and entitlements.

¹ Data has been obtained from the UN Staff Rules and Regulations <https://hr.un.org/handbook/index/8278>. Additional information was also obtained from the UN Women HR Intranet

<https://unwomen.sharepoint.com/management/Human-Resources/SitePages/New%20Pages/Salaries-%26-Allowances.aspx>

III. AUDIT OBJECTIVES, SCOPE AND METHODOLOGY

The audit aimed to assess the adequacy and effectiveness of the governance, risk management and control processes for staff benefits and entitlements. The main objectives of the audit and integrity review were to:

- Assess compliance, including the completeness of supporting documents with related regulations, policies, rules and procedures, and whether risks are covered by sufficient internal controls.
- Assess the effectiveness and adequacy of the monitoring, tools and systems used to support management of staff benefits and entitlements to ensure there is adequate governance with defined accountability, effectiveness of checks and balances, capacity, authority and reporting lines.
- Check if current policies and procedures require revision to avoid grey areas that could contribute to potential misconduct, and if these areas have been adequately considered in current policies and procedures.

As part of the audit, IAS identified potential red flags by assessing data to determine existing gaps in internal controls, areas at risk of fraud occurring or not being detected in a timely manner, and whether the policies and procedures in place are adequate for effective risk management. IAS also identified lessons learned and potential areas for improvement based on its findings and on the red flags and risks that were identified. IAS identified good practices and recommendations to ensure that the risks involved in providing staff benefits and entitlements are addressed and appropriately managed.

Scope

The scope of the audit covered different categories of staff benefits and entitlements administered from 1 January 2020 to 31 December 2022, as follows:

- The benefits and entitlements paid to UN Women staff members including Danger Pay, Home Leave Travel, Non-Family Service Allowance, Single Parent Allowance, UN Dependent Child Allowance, UN Secondary Dependent

Allowance, UN Spouse Allowance and Rental Subsidy.

- The legal and policy framework governing staff benefits and entitlements, including UNDP's methodology in determining the amount of the benefit or entitlement and the eligibility for a benefit or entitlement.
- The recording of leave, including different types of leave management, and its impact on staff benefits and entitlements.

Scope limits

IAS noted that some high-value allowances appear to be lower compliance risk because of well-established methodologies, which have been developed externally and have automated controls. IAS therefore excluded such allowances from its audit scope, e.g. gross salary, pension, post adjustment and staff assessment. The audit also excluded benefits and entitlements of which the total material value was relatively small for UN Women, including the UN Secondary Dependent Allowance and the Language Allowance.

From the data collected on various types of staff benefits and entitlements, IAS identified that Rental Subsidy, Home Leave and the Education Grant had elevated risks.

IAS conducted limited testing related to UN Women staff members who were receiving benefits and entitlements. As part of this audit, IAS worked closely with UNDP BES to obtain confidential access to files and information submitted by staff members. IAS did not directly engage with institutions such as educational, financial and government institutions, tenants and medical professionals mentioned in the supporting documentation to verify the information provided by UN Women staff members. When analysing supporting documentation for the Home Leave Allowance, it was not possible to test whether a combination of travel was undertaken by staff members. Specifically, IAS was unable to determine whether staff members who travelled to their Home Leave destination then travelled onwards from their Home Leave destination. Due to limited reports on leave type, IAS did not examine whether staff members combined duty travel with Home Leave Travel. However, this risk should be mitigated in the future due to the roll-out of the Quantum system and through automation of the process when reimbursing travel-related benefits based on supporting documentation.

Moreover, the COVID-19 pandemic occurred during the audit period and may have influenced some of the findings in this report given that not all staff members worked from their duty stations.

Another limitation in scope is telecommuting. IAS was not able to obtain a comprehensive overview of staff members who telecommute intermittently, meaning that they are working from their duty station as well as from locations outside of their duty station. This is because these arrangements were not systematically recorded in the system but are managed manually between managers and staff members; therefore, it was not always possible to track such arrangements.

Methodology

The audit was conducted in accordance with the International Standards for the Professional Practice of Internal Auditing and the IAS audit programme. The audit team used the Teammate Plus automated audit tool.

The audit work consisted of reviews of documents and systems, discussions with UNDP BES and UN Women staff at the headquarters level.

The audit also reviewed samples of documents that UN Women staff members submitted to UNDP BES in support of their application for benefits and entitlements; root causes of non-compliance; and areas for improvement in internal controls. IAS directly requested additional documents from UN Women staff to verify the benefits and entitlements received for Home Leave, Education Grant and Rental Subsidy.

IV. AUDIT RESULTS

Observation 1: Completeness, accuracy and reliability of supporting documentation submitted in support of Home Leave Travel

UNDP BES requests proof of travel from staff members to process the Home Leave entitlement which “may include used airline tickets and boarding passes, in hard copy or electronic form, or national passport containing the dates of arrival and departure from the country to which a particular home leave travel was authorized [..].”² These documents must be submitted within 30 days upon return from Home Leave.

Out of the sample of 14 staff members, UNDP BES was initially not able to provide IAS with a complete set of documents for 10 staff members as proof of travel, while it was expected that the files should contain the proof of travel as a staff member is required to submit supporting documentation within the 30-day time frame following the travel dates to demonstrate that the Home Leave entitlement was actually undertaken. Upon IAS follow up discussion, UNDP BES supplied additional documents that from their achieved emails on which they relied for proof of travel for 13 out of the 14 staff members, including electronic boarding passes and ticket stubs.

To complete its validation testing, IAS requested proof of travel from the same sample in the form of used boarding passes, ticket stubs or passport stamps, to ensure that the sampled staff members took the travel for which the lump sum was received. For this sample, IAS did not receive complete set of documents for 3 staff members. In particular:

- For one staff member, UNDP BES never received proof of travel in support of the Home Leave claim in which UNDP BES paid US\$ 10,111.
- For one staff member in the sample, UNDP BES did not receive proof of travel for one leg of the journey yet did not recover the corresponding amount from the lump

² Home Leave Policy paragraph 62.

sum. In this case, a total of US\$ 15,820 was paid, of which approximately half was not supported by documentation.

In Atlas, when applying for Home Leave, staff members certified that they would retain the documents supporting the receipt of their entitlement for a period of 24 months. IAS found that most sampled staff members retained proof of travel documentation for two years for auditing purposes as per the requirement in the Home Leave Policy. Based on the verification exercise by IAS, one staff member was unable to retrieve the documents relating to a 2021 Home Leave entitlement; and two other staff members did not respond to IAS’ multiple requests for supporting documentation, despite having received lump-sum amounts of US\$ 2,089 and US\$ 2,749 respectively.

UNDP BES indicated that in Atlas there was an option for staff members to confirm that supporting documentation was complete and uploaded and this would complete the certification of the travel requirement. In the new Quantum system staff members cannot self-certify, so the control is enhanced as UNDP must now certify that the documents are complete after the staff member uploads them. ***IAS does not raise a recommendation for audit trail completeness due to enhanced control in Quantum.***

Recommendation 1 (Medium):

UN Women HR to remind UNDP BES to recover the Home Leave lump sum from payroll in cases where travel was not fully substantiated after 30 days upon return; and ensure that the complete audit trail is reviewed by UNDP BES and maintained in UNAI.

Observation 2: Purpose and intention of the Home Leave Policy

The purpose of the Home Leave Policy is “to allow eligible internationally recruited staff members periodic visits to their home country to renew and strengthen cultural and family ties.”³ For the purposes of the Policy, the Home Leave destination is where “(a) The staff member continues to have close family, cultural or personal ties in that country at the time of appointment; and (b) The staff member established residence in that

³ Paragraph 1 of Home Leave Policy.

country for a prolonged period (minimum of five years) preceding the staff member's appointment [..]."

In certain cases and for justified reasons, the Home Leave destination can be changed temporarily for the staff member and their dependents (within the appropriate cost ceilings applied to the original Home Leave destination recorded for that staff member). However, this must be justified and documented and the requirement that all members of a family should undertake the same travel should be upheld in such cases. While it appears that an alternate Home Leave destination also requires family or personal ties, the application does not always seem as rigorous. Moreover, while a one-time permanent change to the Home Leave destination of a staff member may be made and is subject to exceptions, the Home Leave Policy does not limit how often an alternate Home Leave destination may be changed.

There is a risk that staff members could misuse Home Leave entitlements to travel for to alternative destinations without close ties. In the audit sample, one staff member requested to replace their main Home Leave destination with an alternate destination to which they had no cultural or family connection. As this occurred during pandemic, UNDP BES approved the alternative Home Leave destination and issued the lump sum for travel (which was lower than their main Home Leave destination), in an amount of US\$ 10,111 because of lockdown restrictions preventing the staff member to travel to their main Home Leave destination.

Recommendation 2 (Medium):

UN Women HR to consult with UNDP about how to strengthen their review and approval of the requests for an alternate Home Leave destination. Moreover, any change requested to alternative home leave destination would need to be reported to UN Women's HR.

Observation 3: Completeness, accuracy and reliability of supporting documentation submitted in support of Rental Subsidy

A number of lease agreements provided in support of a Rental Subsidy claim by staff

members were difficult to verify for authenticity, as Lease Agreements are not submitted in a particular format, vary per country, and do not all include the same formal elements such as signatures, names or stamps. Further, UNDP does not require proof of payment of rent to pay the Rental Subsidy amounts, whereas for other benefits (such as the Education Grant) such proof of payment is required.

When a lease agreement or the rental amount changes, the staff member has to self-report any changes to rent and provide the new lease agreement, which UNDP BES will review and certify before awarding the new amount of Rental Subsidy. As there is a reliance on self-reporting about a new lease agreement or on changes during the existing lease agreement, there is a risk of staff members underreporting any reduction in rent to obtain a maximum benefit of Rental Subsidy

It is not always clear from the lease agreement what cost items are included in the rental amount, creating a risk that the claim for Rental Subsidy includes items that are not eligible for receipt of the allowance. This is difficult to trace due to simplistic lease agreements.

Upon being requested to submit supporting documents, one staff member indicated that they had continued to receive Rental Subsidy despite moving duty stations resulting in a three-month overpayment of US\$ 2,056. This would not have come to light if IAS had not included the staff member in its sample and the staff member had not self-reported this discovery. While a staff member has an obligation to report any changes in status that may impact the entitlements and benefits, the staff member assumed that Rental Subsidy payments would cease automatically when moving duty stations. While UNDP BES was notified of the move of duty station, the Rental Subsidy payments for the old duty station continued. This case is currently under review and the amounts will be recovered by UNDP BES.

For the approval of a rental subsidy lump sum that would require payment of a rental amount in one advance, the staff member must fill out a rental advance request form that needs to be signed by the Head of Office. This provides an extra control that mitigates risk when there is a reliance on lump sums for the staff member. It is important to have such additional controls in place for advances of entitlements due to the risks associated with providing staff members with a lump sum amount because it could be misused as a loan by the staff member, rather than for rental payment. IAS observed

good practice in one case of its sample where the staff member requested a rental advance lump sum to pay the rent in one instalment as required by the local context. As required in this case, the salary advance form was signed by the Head of Office and the Finance Officer. The staff member provided proof of rental payment as indicated in the Lease Agreement. For the purposes of granting the Rental Subsidy, UNDP BES accurately calculated the monthly rental amount and subsequently paid out the monthly amounts while simultaneously recovering the advance in a separate process. The Rental Subsidy scheme will apply to the staff member's rent separately and is calculated on the basis of the full lump sum indicated in the Lease Agreement, divided by the number of months indicated in the agreement.

The current Rental Subsidy Policy does not explicitly provide that the Rental Subsidy will be suspended for sub-letting. From the eligibility clauses, there is no explicit limitation on the payment of Rental Subsidy when sub-letting. However, the 2013 Administrative Instruction (ST/AI/2013/2) includes a provision that stipulates only a portion of Rental Subsidy shall be paid if the staff member “[..]shares the rent of the dwelling with someone other than the spouse or dependent children[..]”. While none of the staff members in the sample indicated they had sub-let their dwellings during any point of the audit period, it is very difficult to verify this information because sub-letting is often an informal arrangement. This is an inherent risk that relies heavily on self-reporting. IAS is aware of one potential allegation received about staff member receiving rental subsidy and subletting but not declaring it.

Recommendation 3 (Medium):

UN Women HR and UNDP BES to discuss:

(a) Improving the proper review and validation of lease agreements provided in support of Rental Subsidy applications, ensuring that all documents are properly dated and signed and, where possible;

(b) Including sample proof of payment of rent as a condition for issuance of the Rental Subsidy; and,

(c) Including explicit provisions for non-declaring subletting their accommodation. as potential misconduct.

Observation 4: Completeness, accuracy and reliability of supporting documentation submitted in support of the Education Grant

Staff members submit the P41 form as part of proof of payment of the tuition fee for which they are requesting reimbursement. The educational institution signs this form to certify that the staff member has made all payments to the institution. Therefore, the P41 form provides a reasonable amount of assurance that tuition payments were made and should therefore be reimbursed. While the use of this form is a good practice, IAS found that not all P41 forms met the standards expected of supporting documents. In one case from the sample, the P41 form did not contain a signature or an official stamp. As such, it was difficult for IAS to verify the authenticity of the document. Similarly, tuition fees are not always provided in an official format, i.e. tuition fees are noted in a word document that is not officially certified or stamped/signed. Therefore, it is difficult to verify whether the tuition fee is not potentially inflated by ineligible costs to receive a larger Education Grant.

According to the Education Grant Policy, mandatory enrolment-related fees, tuition and a few other tuition-related costs may be reimbursed.⁴ IAS reviewed the supporting documents submitted by a sample of staff members in support of their Education Grant applications and found that staff members attempted to claim additional expenses for reimbursement that are ineligible under the UN Staff Rules and Regulations on the Education Grant. For example, items such as transportation, textbooks that are not part of the tuition, and mother tongue tuition for a language other than the registered mother tongue were billed by staff members. Moreover, documentation provided by educational institutions does not always distinguish between various elements in their billing, thereby causing the staff member to submit the full amount for reimbursement. In the Atlas/Quantum systems, the selection of benefits that are eligible for reimbursement are automatically selected which provides an effective control to ensure

⁴ For a full overview, see Education Grant policy paragraph 3.1

only eligible expenses are reimbursed by UNDP BES. However, there is some room for human error or manipulation because the system can be manually overridden.

According to the ST/AI/2018/1 on the Education Grant, “All scholarships, bursaries or similar grants received by or for the child shall be deducted first from those expenses that are not admissible[...] and the balance, if any, from the admissible educational expenses [...] before the amount of the grant is computed [...]”.⁵ IAS found that not all staff members provided supporting documentation to inform UNDP BES that their child received grants or scholarships. This leads to overreliance on the reporting of grants or scholarships by educational institutions, which is a risk when grants or scholarships come from other outside sources. Staff members and educational institutions did not indicate grants or scholarships in a separate line item on the P41 forms; and, instead, the scholarships were immediately deducted from the tuition amount. This requires diligence on the part of UNDP BES to ensure that the tuition is appropriately reduced for any scholarships to reduce the risk of overpayment of the Education Grant entitlement in these cases.

IAS found that effective controls are in place for administration of the Special Education Grant. This process is largely automated and provides little room for manual manipulation or error because it relies on medical certificates. For Special Education Grant claims, 100 per cent of the tuition is covered, which is greater than the reimbursement for the regular Education Grant. When medical proof has not yet been submitted or is not complete, a regular Education Grant can be granted by UNDP BES and adjusted when proof is received. Therefore, it appears that UNDP has an effective and diligent automated procedure in place for administering the Special Education Grant, coordinated with UN Medical Services, to ensure that the child in question is entitled to this benefit.

As part of the Education Grant Policy, staff members may claim payment of any Capital Assessment Fees. *“Capital assessment fees are mandatory non-refundable fees levied by educational institutions to fund the construction, upgrade, refurbishment, and maintenance of buildings. Such fees [...] may be levied: (a) as a one-time payment for a*

first-time enrolling child; (b) every year; or (c) as needed.”

IAS reviewed supporting documents from a sample of staff members claiming Capital Assessment Fees and found that, in various cases, it was unclear how educational institutions establish the capital fee and what elements they include. Therefore, IAS was not able to assess the reasonableness of the amount of the fees levied. In several cases, the Capital Assessment Fee was found to be relatively high, ranging between US\$ 6,565 and US\$ 16,000 per child annually. In its samples IAS found that some higher Capital Assessment Fees were levied in some duty stations, such as India (US\$7,780 per student in 2021), Egypt (US\$13,170-\$13,700 for students in 2020), Panama (US\$12,327-US\$16,000 per student per year in 2020 and 2021 respectively for two different educational institutions), Thailand (US\$ 10,220- US\$10,627 per student for 2019 and 2020 respectively) and Turkey (US\$6,565 per student in 2019 and 2020). Comparingly, US-based schools like UNIS claims \$900 as annual capital assessment fee.

In one instance, UNDP BES processed a US\$ 18,596 Capital Assessment Fee as a payment when it was actually a non-payable deposit and the amount was not recovered. The manual nature of Capital Assessment Fee processing may have caused such an error to occur. However, this error was not detected until the audit when several payments were sampled and verified.

Recommendation 4 (Medium):

UN Women HR to request UNDP BES to:

- (a) Ensure that education grant claim forms are certified and stamped, and contain all expense items, including a separate indication of any grants or scholarships that could potentially affect the Education Grant benefit; and
- (b) Remind staff about accurate self-reporting with supporting evidence for admissible expenses and grants/scholarships.

⁵ Para 3.5 of ST/AI/2018/1/Rev.1

Advisory Note 1:

HR to request BES to recover the amount of a non-payable deposit.

Observation 5: Duty station specific allowances

Hardship allowance is paid on the basis of local conditions of safety and security, health care, housing, climate, isolation and level of amenities/conveniences of life. Danger Pay is paid “for all the days that the staff member is physically present in the designated Danger Pay duty station, regardless of whether the staff member is required to report to duty at a UN office.”⁶ Danger Pay is still paid for official missions outside the duty station as long as it is less than seven days.

Unlike most benefits and entitlements which are processed by UNDP BES, UN Women processes the Danger Pay entitlement. A decentralized method is used whereby Country Offices record the staff member’s presence at the hardship duty station in order to be entitled to the allowance. Moreover, the Danger Pay recording and monitoring is totally manual exercise which is based on staff member’s self-reporting of absence from the hardship duty station, and validation by leave monitors and supervisors of those self-reported records. Some absence like teleworking outside of duty station was not reported in Quantum until recently. At times, it is difficult to establish whether certain staff members were indeed present in the country for which the Danger Pay was in effect because the absence tracking systems were not maintained and monitored adequately. Moreover, R&R and telecommuting are not consistently recorded in Atlas/Quantum because staff members were not requested to record it there so controls were manual and varied from office to office. The Danger Pay benefit therefore had the most deficient control weakness that IAS identified, compared to the more centrally managed benefits undertaken by UNDP BES.

Good practice was identified in the UN Women Ukraine Country Office which could be replicated by HR to others. In the Ukraine Country Office the R&R form needs to be

⁶ Paragraph 5 of the UNDP Danger Pay Policy.

approved and subsequently validated with supporting documents and then approved in Quantum. HR will review the evidence and then the R&R lumpsum can be processed. Moreover, HR monitors the entry on duty dates from R&R and leave and if these are not aligned with planned leave, the Danger Pay would be adjusted to remove the new leave days. HR also monitors remote working arrangements approved in advance vs the actual duration to ensure that a staff member is not paid the Danger Pay while working outside of the country (remote working arrangements are not part of the Quantum leave recording module and monitoring has to be manual).

Recommendation 5 (Medium):

For duty stations that are eligible for specific duty station benefits of Danger Pay and R&R, according to the International Civil Service Commission, UN Women HR to remind all the staff, leave monitors and supervisors to use Quantum to record official duty travel, annual leave, and R&R and GST to record, track and validate telecommuting outside the duty station. Best practices from field offices could be used for instilling better process.

Observation 6: Verification for Dependent Spouse Allowance

UNDP BES requests that staff members provide the dependency status and any updates or changes to their dependants on an annual basis, including their spouse’s gross annual earnings for the upcoming year. However, IAS was not able to validate the self-reporting because UNDP BES did not file proof of earnings, in the form of bank statements, employment contracts or otherwise. Therefore, information on the spouse’s earnings fully relies on the staff member’s self-reporting. On the P84 form, staff members have to include their spouse’s earnings and certify that the earnings do not meet the threshold as established per the Dependency Status and Allowances Policy (G2/1 New York gross salary). Proof of earnings should be attached to this submission.

Due to limited verification of the dependent spouse’s proof of earnings and the

overreliance on self-reporting, IAS found there is a risk of overpayment for this allowance, including in the following examples:

- For one staff member in the sample, in 2021, it was not indicated how much the employed spouse was earning. In this case, the income for 2020 was provided as below the threshold but for 2021 it was stated “it is difficult to say” because the spouse was employed as a consultant on a month-to-month basis rather than having full-time employment. The staff member was supposed to report whether the threshold had been met at the end of the year but never did. The staff member received US\$ 6,900 for 2021 as Dependent Spouse Allowance. UNDP BES did not follow up to request the information on the earnings of the staff member’s spouse to make recoveries, if the ceiling subsequently exceeded.
- For another staff member in the sample, no proof of income was provided for 2020 and 2021 while US\$ 10,173 and US\$ 10,695 respectively was received as the allowance. This staff member indicated that there were difficulties in supplying the proof of income, while not providing a clear reason for why this was the case. No dependency declarations were provided by the staff member. Despite this gap in supporting documentation, UNDP paid the Dependent Spouse Allowance to this staff member for 2020 and 2021.
- For two other staff members in the sample, no dependency reporting was received for 2021 despite the allowance being paid for that year for a total amount of US\$ 13,846.
- For one staff member in the sample, a Dependent Spouse Allowance payment was made for 2020 in the amount of US\$ 10,705 even though the staff member indicated that their spouse was working.
- For one staff member in the sample, the spouse earned an amount above the threshold established for 2021 yet US\$ 12,045 of the allowance was paid. The amount was recovered in the following year.

Recommendation 6 (Medium):

UN Women HR to discuss with UNDP BES to:

- (a) Validate proof of earnings as part of the P84 dependency questionnaire to ensure that the spouse earns an amount lower than the threshold of eligibility for the Dependent Spouse Allowance.
- (b) Issue the allowance only when the P84 dependency questionnaire indicates that staff member’s spouse is earning below the threshold amount and that this is verified.
- (c) Ensure that an assessment is made whether the threshold of earnings was met by the end of that same year. If the threshold is met, any ineligible amounts should be recovered as appropriate.
- (d) Make efforts to recover amounts that were unduly paid to staff members for the Dependent Spouse Allowance.

Observation 7: System for leave and telecommuting recording

IAS reviewed the absence record cards of 10 staff members to determine whether the staff members had taken leave and whether this leave was properly recorded in the system. IAS found that one of the 10 sampled staff members did not record any annual leave for two years, while five other staff members recorded very little annual leave, ranging from three to nine days for the entire year. Moreover, two staff members registered amounts of Home Leave days that did not meet the required threshold of seven days for the Home Leave entitlement to be granted as per the Home Leave Policy.

Lack of leave reporting could be caused by overreliance on self-reporting and by a lack of supervision or verification by supervisors of the leave actually taken and formally registered by staff members. The retroactive recording of leave, or not fully recording the amount of leave taken, as well as not accurately and completely recording annual leave could potentially lead to staff taking too many (unregistered) days off or eventually paid for days not taken (staff can choose to be compensated with financial benefits for any accumulated leave days not used upon separation).

Table 4 below is an overview of the compensation accrued for the staff members during the audit period in lieu of taking annual leave days.

Table 4. Commutation of accrued annual leave upon separation

2020	2021	2022
US\$ 566,581	US\$ 819,310	US\$ 803,126

Source: UN Women payroll reports 2020-2022

Due to the pandemic during 2020, the recording of annual leave was found to be quite low because many staff members telecommuted and were restricted in their movements.

Telecommuting outside the duty station was a scope limitation during this audit and there is a risk that staff members' benefits and entitlements were affected by telecommuting outside the duty station. Until April 2024, telecommuting was not recorded in the system and there was no consolidated report on how many the staff members telecommuting outside the duty station. Moreover, there was no system to record telecommuting and the form for recording any prolonged telecommuting by a staff member was monitored outside of any formalized systems, between the supervisor and the staff member. These informal arrangements were not always communicated to UNDP BES and not consistently recorded against the personnel records of the staff member, which made it difficult to monitor the expiration of the telecommuting arrangements. Telecommuting outside the duty station affected several staff entitlements and benefits that were dependent on the location of the staff member, for example the Post Adjustment, Rental Subsidy, Hardship Allowances (depending on the duty station) and Home Leave Travel.

As of 19 April 2024, UN Women issued a new policy on Flexible Work that requires to record the requests in the Global Service Tracker to be approved by managers. Given the timing of this, the application of the new policy was not included in this audit scope.

Recommendation 7 (High):

UN Women HR to:

- (a) Remind the staff, leave monitors and supervisors to ensure that staff record their leave in the Quantum system and encourage staff to take at least 15 leave days a year; and,

- (b) Monitor the compliance with the new Flexible Work Policy by staff members, including spot checks of supporting documents (e.g. travel documents, proof of residence and building access records) and report possible non-compliance to the official channels including telecommuting outside of the duty station for more than allowed by policy without necessary approvals and revisions to the eligible staff entitlement.

Observation 8: Oversight and monitoring of benefits and entitlements and follow up with staff members to recover funds

UN Women does not systematically provide management oversight and monitoring of the processing of benefits and entitlements, despite their materiality and decentralized nature. During the audit, IAS identified issues that could be addressed by strengthening the approach to management oversight and monitoring of benefit and entitlement processing. This includes regular monitoring of overall trends in the amounts of benefits and entitlements claimed; conducting a limited sample review and spot checks of samples of individual transactions; and verifying supporting documents of transactions.

UN Women should establish a reasonable level of management oversight to address some of the issues highlighted during the audit, particularly as most benefits and entitlements heavily rely on self-reporting and future conditionalities, as well as manual processing by UNDP BES and UN Women offices. Better automation, consistent risk-focused controls, exception-based reporting shared by UNDP with UN Women, corporate dashboards and routine checks of a limited sample will provide a more effective tool to identify anomalies in the processing of benefits. Monitoring and follow-up is pivotal when UNDP BES grants benefits and entitlements based on future conditionalities, e.g. Home Leave, the Dependent Spouse Allowance, Rental Subsidy and the Education Grant (including Capital Assessment Fees) to ensure that amounts are appropriately recovered.

Moreover, based on its regular audits, IAS notes that for some processes such as leave monitoring and telecommuting it appears that the enforcement of policies is still weak, and the systems are not always used (for leave) or in place (for telecommuting). The culture of compliance of self-reporting by staff and oversight by their supervisors needs

to be strengthened.

IAS found that greater management oversight by UN Women could have resolved some of the issues identified during the audit more promptly and effectively, including erroneous payments, computation errors and lack of recovery of advances (this was based on a limited audit sample but the actual number of errors in the overall population might be higher). Errors in processing benefits, as occurred with Capital Assessment Fees (see Issue above) may be prevented if UNDP BES were to automate non-reimbursable temporary deposits for reminding it to recover deposits when the deposits expire and could allow UNDP BES to promptly recover erroneously processed advances. Similarly, at the time of audit, UNDP BES had not made recoveries for the Home Leave travels that were not supported by proof of travel or the erroneous payment of the Dependent Spouse Allowance. To mitigate the risk that the need for recoveries is not discovered, or recoveries are not promptly made, UN Women HR should increase oversight efforts by regularly report and their analysis for exceptions, reviewing a sample of transactions and supporting documentation to follow up on recoveries of amounts by UNDP for which the staff member was not entitled.

IAS recognizes the good practice within the UNDP system of automatic proration and discontinuation for the Dependent Child Allowance, which provides adequate assurance that this allowance is not paid out to children over the age of 21 years old. For this allowance, UNDP BES relies on the supporting documents that are submitted in support of the Education Grant. This is a good practice of cross-checking that could be adopted by UN Women and consolidation could be extended to other benefits and entitlements to minimize the risks of misreporting as well as deficiencies in supporting documentation. IAS consulted practices of other agencies and found that some include better automation and spot checks practices.

Recommendation 8 (High):

UN Women HR to coordinate with DMA in its role as coordinator of the Anti-Fraud Programme, as well as Risk Management, and IAS to further promote a culture of integrity among staff members for their benefits and entitlements by regularly reminding staff members and managers about their duties and responsibilities in updating information affecting their eligibility of benefits and entitlements and any

changes to it, as well as provide adequate and timely supporting documentation (including awareness for the potential consequences of not complying with these duties and responsibilities).

UN Women HR, with support of UNDP BES, to:

- (a) Include provisions on monitoring and regularly reporting by UNDP BES in the revised MOU and SLA with UNDP.
- (b) Analyse exception-based reports from UNDP and conduct spot checks, enquiries and verifications (including cross-checking among systems) of a sample of processed payments to identify any potential errors in the processing of payments, holding staff members accountable for not complying with the staff benefits and entitlements policy framework and holding their managers accountable for not enforcing the framework.

V. RECOMMENDATIONS AND MANAGEMENT ACTION PLAN

Observation	Recommendation	Responsible Unit	Priority	Agree Yes/No	Action Plan	Implementation date
Observation 1 Completeness, accuracy and reliability of supporting documentation submitted in support of Home Leave Travel	Recommendation 1 UN Women HR to remind UNDP BES to recover the Home Leave lump sum from payroll in cases where travel was not fully substantiated after 30 days upon return; and ensure that the complete audit trail is reviewed by UNDP BES and maintained in UNAll.	UN Women HR	Medium	Yes	UN Women HR will address this with UNDP BES.	30/11/2025
Observation 2 Purpose and intention of the Home Leave Policy	Recommendation 2 UN Women HR to consult with UNDP about how to strengthen their review and approval of the requests for an alternate Home Leave destination. Moreover, any change requested to alternative home leave destination would need to be reported to UN Women's HR.	UN Women HR	Medium	Yes	The definition of alternate location is already provided in the policy; and the change of location is subject to review and approval. UN Women HR will address with UNDP BES the approval process and the need for diligent review and approval of requests.	30/11/2025
Observation 3 Completeness, accuracy and reliability of supporting documentation in support of Rental Subsidy	Recommendation 3 UN Women HR and UNDP BES to discuss: (a) Improving the proper review and validation of lease agreements provided in support of Rental Subsidy applications, ensuring that all documents are properly dated and signed and, where possible; (b) Including proof of payment of rent as a condition for issuance of the Rental Subsidy; and, (c) Including explicit provisions for non-declaring subletting their accommodation as potential misconduct.	UN Women HR	Medium	Yes	UN Women will discuss with UNDP the recommendation and seek agreement on improving the rental subsidy approval process.	30/11/2025
Observation 4 Completeness, accuracy and reliability of supporting documentation in support of the Education Grant	Recommendation 4 UN Women HR to request UNDP BES to: (a) Ensure that education grant claim forms are certified and stamped, and contain all expense items, including a separate indication of any grants or scholarships that could potentially affect the Education Grant benefit; and (b) Remind staff about accurate self-reporting with supporting evidence for admissible expenses and grants/scholarships.	UN Women HR	Medium	Yes	UN Women will discuss with UNDP BES and explore ways of improving the Education Grant review process; including requesting them to send out additional reminders on admissible expenses.	30/11/2025
Observation 5 Duty station specific allowances	Recommendation 5 For duty stations that are eligible for specific duty station benefits of Danger Pay and R&R, according to the International Civil Service Commission, UN Women HR to remind all the staff, leave monitors and supervisors to use Quantum to record official duty travel, annual leave, and R&R and GST to record, track and validate telecommuting outside the duty station. Best practices from field offices could be used for instilling better process.	UN Women HR	Medium	Yes	UN Women HR will remind personnel of their obligations related to proper use and administration of benefits and entitlements.	30/11/2025
Observation 6 Verification for Dependent Spouse Allowance	Recommendation 6 UN Women HR to discuss with UNDP BES to: (a) Validate proof of earnings as part of the P84 dependency questionnaire to ensure that the spouse earns an amount lower than the threshold of eligibility for the Dependent Spouse Allowance. (b) Issue the allowance only when the P84 dependency questionnaire indicates that staff member's spouse is earning below the threshold amount and that this is verified. (c) Ensure that an assessment is made whether the threshold of earnings was met by the end of that same year. If the threshold is met, any ineligible amounts should be recovered as appropriate. (d) Make efforts to recover amounts that were unduly paid to staff members for the Dependent Spouse Allowance.	UN Women HR	Medium	Yes	UN Women will discuss this with UNDP BES and seek improvements to the process of review and approval of dependent spouse allowance.	30/11/2025
Observation 7 System for leave and telecommuting recording	Recommendation 7 UN Women HR to: (a) Remind the staff, leave monitors and supervisors to ensure that staff record their leave in the Quantum system and encourage staff to take at least 15 leave days a year; and, (b) Monitor the compliance with the new Flexible Work Policy by staff members, including spot checks of supporting documents (e.g. passport stamps, travel documents, proof of residence and building access records) and reporting possible non-compliance to the official channels including telecommuting outside of the duty station for more than allowed by policy without necessary approvals and revisions to the eligible staff entitlement.	UN Women HR	High	Partially – new system already implemented to track FW.	a) HR will remind staff and supervisors about the obligation to record and approve the leave records in a timely manner; including clarify the role and responsibility of leave monitors. b) HR can monitor the use and application of the Flexible Work policy; however, it is not possible to monitor the non-compliance unless these cases are directly reported to HR.	30/11/2025

Observation	Recommendation	Responsible Unit	Priority	Agree Yes/No	Action Plan	Implementation date
<p>Observation 8</p> <p>Oversight and monitoring of benefits and entitlements and follow up with staff members to recover funds</p>	<p>Recommendation 8</p> <p>UN Women HR to coordinate with DMA in its role as coordinator of the Anti-Fraud Programme, as well as Risk Management, and IAS to further promote a culture of integrity among staff members for their benefits and entitlements by regularly reminding staff members and managers about their duties and responsibilities in updating information affecting their eligibility of benefits and entitlements and any changes to it, as well as provide adequate and timely supporting documentation (incl. awareness for the potential consequences of not complying with these duties and responsibilities).</p> <p>UN Women HR, with support of UNDP BES, to:</p> <p>(a) Include provisions on monitoring and regularly reporting by UNDP BES in the revised MOU and SLA with UNDP.</p> <p>(b) Analyse exception-based reports from UNDP and conduct spot checks, enquiries and verifications (including cross-checking among systems) of a sample of processed payments to identify any potential errors in the processing of payments, holding staff members accountable for not complying with the staff benefits and entitlements policy framework and holding their managers accountable for not enforcing the framework.</p>	<p>UN Women HR</p> <p>DMA</p>	High	Yes	<p>UN Women HR will liaise with DMA to incorporate elements of staff benefits & entitlements as part of their overall outreach on anti-fraud programme & activities.</p> <p>UN Women HR will participate in the review of UNDP SLAs for outsourced services and seek to address the recommendations raised to the extent possible. Considering the fully outsourced model for the administration and management of benefits and entitlements UN Women does not have the technical capacity to conduct review of accuracy of these processes or related payments and investing in hiring such resources will result in a much higher cost to the organization. Therefore, we will seek to address this through UNDP to the extent possible.</p>	30/11/2025

ANNEX 1: DEFINITIONS OF AUDIT TERMS, RATINGS AND PRIORITIES

A. AUDIT RATINGS

Satisfactory	The assessed governance arrangements, risk management practices and controls were adequately established and functioning well. Issues identified by the audit, if any, are unlikely to affect the achievement of the objectives of the audited entity/area.
Some Improvement Needed	The assessed governance arrangements, risk management practices and controls were generally established and functioning, but need some improvement. Issues identified by the audit do not significantly affect the achievement of the objectives of the audited entity/area.
Major Improvement Needed	The assessed governance arrangements, risk management practices and controls were established and functioning, but need major improvement. Issues identified by the audit could significantly affect the achievement of the objectives of the audited entity/area.
Unsatisfactory	The assessed governance arrangements, risk management practices and controls were either not adequately established or not functioning well. Issues identified by the audit could seriously compromise the achievement of the objectives of the audited entity/area.

B. PRIORITIES OF AUDIT RECOMMENDATIONS

High (Critical)	Prompt action is required to ensure that UN Women is not exposed to high risks. Failure to take action could result in major negative consequences for UN Women.
Medium (Important)	Action is required to ensure that UN Women is not exposed to risks. Failure to take action could result in negative consequences for UN Women.
Low	Action is desirable and should result in enhanced control or better value for money. Low priority recommendations, if any, are dealt with by the audit team directly with the management, either during the exit meeting or through a separate memo subsequent to the fieldwork. Therefore, low priority recommendations are not included in this report.

UN WOMEN IS THE UN ORGANIZATION
DEDICATED TO GENDER EQUALITY
AND THE EMPOWERMENT OF WOMEN.
A GLOBAL CHAMPION FOR WOMEN
AND GIRLS, UN WOMEN WAS
ESTABLISHED TO ACCELERATE
PROGRESS ON MEETING THEIR NEEDS
WORLDWIDE.

UN Women supports UN Member States as they set global standards for achieving gender equality, and works with governments and civil society to design laws, policies, programmes and services needed to ensure that the standards are effectively implemented and truly benefit women and girls worldwide. It works globally to make the vision of the Sustainable Development Goals a reality for women and girls and stands behind women's equal participation in all aspects of life, focusing on four strategic priorities: Women lead, participate in and benefit equally from governance systems; Women have income security, decent work and economic autonomy; All women and girls live a life free from all forms of violence; Women and girls contribute to and have greater influence in building sustainable peace and resilience, and benefit equally from the prevention of natural disasters and conflicts and humanitarian action. UN Women also coordinates and promotes the UN system's work in advancing gender equality.



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