

HEADQUARTERS SECTION AUDIT

INTERNAL AUDIT REPORT

PEACE, SECURITY AND

HUMANITARIAN SECTION:

GOVERNANCE, RISKS AND CONTROLS



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EXECUTIVE SUMMARY

Audit objective and scope

The UN Women Internal Audit Service (IAS) of the Independent Evaluation and Audit Services (IEAS) conducted an internal audit of the UN Women headquarters Peace, Security and Humanitarian Section (PSHS) in the Policy, Programme and Intergovernmental Division (PPID), from March 2020 to August 2020.

The internal audit objectives were to assess the adequacy and effectiveness of the governance arrangements, risk management and control processes relating to the following areas and subareas:

- **Governance:** Organizational role, structure and authority, strategic theme coordination, working priorities, performance assessment and resource mobilization.
- **Programme and project management:** Portfolio management, project development, programme and project implementation, and use of programme partners.
- **Performance and risk management:** Continuous risk assessment, working environment, systems data entry, business continuity, knowledge management and actions taken to address prior audit recommendations.
- **Operations:** Delegation of Authority and Internal Control Framework, procurement, human resources (HR), finance and budget, and travel.

The internal audit covered the state of governance, risk management and internal controls, based on a sample of PSHS activities from 1 January 2018 to 29 February 2020. Atlas-recorded expenditure for the Section totalled US\$ 33.2 million during this period.

Currently, the Independent Evaluation Service (IES) is finalizing an evaluation of UN Women support to National Action Plans on Women, Peace and Security. IAS shared the findings of this audit with IES.

IAS followed the *International Standards for the Professional Practice of Internal Auditing* in conducting this audit.

Audit opinion and overall audit rating

With its unique and relevant mandate, IAS notes that PSHS is well-placed within UN Women and received positive recognition from the stakeholders interviewed. PSHS' working priorities had a broad appeal to donors. At least 20 donors supported PSHS activities during the period under review. Moreover, the use of the Global Facility Programme to coordinate activities in the multi-year Peace and Security programme was an attractive mechanism for donors to support Section activities without creating complete projects. This global programme is in line with recommendations to develop programmes rather than a series of individual projects. During the audit period, the Global Facility Programme included 39 donor agreements.

In addition, thanks to other long-term programmes funded by donors such as the Swedish International Development Cooperation Agency (SIDA), PSHS' largest programme supported a global network of regional humanitarian, peace and security advisers to advance PSHS issues at the field level. The programme covered the full or partial cost of 27 posts in 20 field offices.

The PSHS team is committed to its mandate and working priorities and implemented various initiatives, such as the PSHS Community of Practice, an effective vehicle for knowledge sharing and management with more than 280 subscribers.

The ongoing corporate Change Management exercise and merger between the Peace and Security Section and Humanitarian Affairs and Crisis Response Office, represent opportunities for the PSHS team and other offices in the organization to further enhance their strategic priorities to achieve a wider impact from programmes and interventions.

IAS assessed the overall state of governance, risk management and internal controls in the Section 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."*

The overall assessment and related recommended improvements are based on the root causes of the findings, **several of which reflect corporate issues beyond the full direct control of PSHS**. For example, the lack of a framework for assigning accountability for global thematic coherence and cascading such enhanced and widened accountability through the result-based performance management system did not create an enabling environment for technical policy sections to operate as effectively as they could. IAS notes that the October 2019 Change Management process and the Headquarters Functional Analysis Report (HQFA) highlighted recommended improvements, such as the need for global thematic coherence; a matrix management structure; and enhanced performance assessment. As a result, to ensure immediate effectiveness, IAS recommend actions addressed to PSHS that could be also extended to PPID or as corporate actions.

Other findings in this report indicate areas that require PSHS management attention to adapt to the new merger, or to improve programme management and operations, e.g. the need to define the Section's role and responsibilities; create an effective organizational structure; and refine programme management practices.

In some cases, the audit ratings reflect shared responsibilities for actions. Thirteen recommendations require attention by PSHS, while three recommendations are directed to other UN Women offices.

IAS concluded that the following areas needed some improvement.

Governance

Actions needed to be taken at the corporate level to devise an accountability framework for global coherence relating to UN Women's Strategic Plan themes. This is also in line with the direction of the Change Management process.

PSHS would benefit from defining the Section's functional role, responsibilities and reporting lines as outlined in the Change Management process, and the roles and reporting lines of regional policy advisers in the quality assurance of global thematic coherence. The structure and authority of the newly created Section needs to reflect its span of control, thematic organization and reporting lines. Resource mobilization planning for dual humanitarian and peace and security funding streams and balanced funding from multiple donor sources would enhance longer-term priority planning.

Programme and project management

Programme and project management required the following improvements: (a) strengthening Global Facility Programme design to enable coordinated monitoring and management; (b) enhancing programme portfolio management and oversight to help identify and address implementation issues; (c) streamlining project planning and design to build clarity on transformative change and the sustainability of benefits; and (d) improving oversight and coordination of programme partner management in the Section's programmes, including country components, for partner selection, monitoring and prudent financial management.

Performance and risk management

Knowledge management to facilitate programme and project planning would benefit from further enhancement. The Section's monitoring and reporting function needs to generate and validate data and information for performance assessment, continuous risk assessment and risk management processes for stronger programme planning. An accessible, shared programme document repository is needed to ensure complete records and required significant improvement.

Operations

The HR policy on Corporate Flexible Working Arrangements needs to address post adjustment calculations.

Delegation of Authority and the Internal Control Framework needs to ensure integrity of controls in the Section with regular updates. Mandatory staff training, for areas such as ethics, needs to be fully complied with.

Recommendations

IAS made 16 recommendations for actions by the Section Chief, PSHS; Director, Strategy, Planning, Resources, and Effectiveness Division (SPRED); Director, PPID; and Director, HR. Five recommendations were ranked as High priority and 11 as Medium priority.

The five High (Critical) priority recommendations mean 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."* These recommendations include:

- Following the Change Management and Headquarters Functional Analysis Report recommendation, the Director, PPID, with support from SPRED, to confirm the time frame for designing a policy accountability framework and process for providing quality assurance on the coherence of its Strategic Plan theme on peace, security, and

humanitarian action throughout the Entity, including the reporting lines for regional advisers. (Recommendation 2).

- The Chief, PSHS, in consultation with PPID, HR and SPRED to: (a) Perform a functional analysis of resource requirements for PSHS' normative, programme and global thematic coherence activities based on current funding streams, committed funds and funding gaps. (b) Design a Section organization chart based on analysis of chain of command, functional responsibilities, span of control, capacity, skill set and reporting lines, including matching mandated work to type of funding. (Recommendation 4).
- The Chief, PSHS, to formalize resource mobilization plans for each unit based on an analysis of the resource requirements for the Section's strategic priorities; the funds available; and funding gaps. The plans should be dynamic, continuously tracking requirements, funding and gaps. (Recommendation 6).
- If PPID decides not to create a division-wide monitoring and reporting function, then the Chief, PSHS to develop a dedicated monitoring and reporting function for the Section. The Section could consider the model of monitoring and reporting functions in regional offices. (Recommendation 11).
- To enhance risk-informed decisions and effective risk mitigating actions, the Chief, PSHS, to strengthen risk management in projects; increase discussions with project managers; and monitor and report on the effectiveness of mitigating actions. (Recommendation 12).

The 11 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 address findings relating to: a functional statement for the Section; the role of regional policy advisers; the Section Chief's role in crisis response situations; elements of programme design and performance management; enhanced oversight over programme partner management; records management; expanded capacity of the knowledge management function; updating the Section's Delegation of Authority and Internal Control Framework; post adjustment calculations in the Flexible Working Arrangements Policy; and compliance with mandatory staff training requirements.

Low (Desirable) priority recommendations were discussed directly with the Chief, PSHS and were not included in the final audit report; actions have been initiated to address them.

Management comments and action plan

The Section Chief, PSHS; Director, SPRED; Director, PPID; and Director, HR accepted the above recommendations and provided an action plan which is included in this report. Several of the recommendations were already under implementation.

Management comments have been considered in this report, where appropriate.

Lisa Sutton

Lisa Sutton, Director
Independent Evaluation and Audit Services

ACRONYMS AND ABBREVIATIONS

AWP	Annual Work Plan
CoP	Community of Practice
DAMS	Donor Agreement Management System
DoA	Delegation of Authority
DRF	Development Results Framework
ERM	Enterprise Risk Management
GS	General Service
HACRO	Humanitarian Affairs and Crisis Response Office
HQFA	Headquarters Functional Analysis Report
HR	Human Resources
IAS	Internal Audit Service
IB	Institutional Budget
ICF	Internal Control Framework
ICT	Information and Communication Technology
IEAS	Independent Evaluation and Audit Services
M&E	Monitoring and Evaluation
MERP	Monitoring, Evaluation and Research Plan
OEEF	Organizational Effectiveness and Efficiency Framework
PAC	Programme Appraisal Committee
PGAMS	Partner and Grant Agreement Management System
PP	Programme Partner
PPID	Policy, Programme and Intergovernmental Division
PSHS	Peace, Security and Humanitarian Section
PSMU	Programme Support Management Unit
PSS	Peace and Security Section
RMS	Resource Management System
SN	Strategic Note
SP	Strategic Plan
SPRED	Strategy, Planning, Resources, and Effectiveness Division
ToR	Terms of Reference
UNIFEM	United Nations Development Fund for Women
UN Women	United Nations Entity for Gender Equality and the Empowerment of Women
US\$	United States Dollar
WPS	Women, Peace and Security

I. INTRODUCTION

The Peace, Security and Humanitarian Section (PSHS) was formed in January 2020 with the merger of the Peace and Security Section and the Humanitarian Assistance and Crisis Response Office (HACRO). PSHS provides policy guidance and technical support on peace, security and humanitarian issues throughout the Entity. During its 2019 annual risk assessment, the Internal Audit Service (IAS) identified the following issues related to PSHS and therefore included this audit in the IAS annual workplan:

- The new Section was the largest component of the new Policy, Programme and Intergovernmental Division (PPID), formed in late 2019, with high financial and strategic importance for meeting UN Women's mandate.
- The merger of HACRO and Peace and Security Section required extensive governance, strategic and programming changes.
- Although IAS had not previously audited Peace and Security Section or HACRO, the Independent Evaluation Service (IES) issued an evaluation of UN Women's humanitarian assistance work in 2019.¹

II. BACKGROUND

In July 2010, UN Women was established by the UN General Assembly with resolution A/RES/64/289. As set out in the Secretary-General's report on *A Comprehensive Proposal for the New Entity*, UN Women was expected to work towards the achievement of equality between women and men as partners and beneficiaries of development, human rights, humanitarian action, and peace and security.² It was decided that the existing mandates and functions of the Office of the Special Adviser on Gender Issues (OSAGI) and the other entities be consolidated and transferred to UN Women. As part of its ten resolutions on Women, Peace and Security, the Security Council assigned tasks and mandates to UN Women, i.e. the normative and operational inter-governmental processes referred to in A/RES/64/289. These mandates and functions included servicing the Security Council and chairing the Inter-Agency Task Force on Women, Peace and Security (now

¹ The Corporate Thematic Evaluation: UN Women's Contribution to Humanitarian Action made four recommendations. Management accepted three recommendations and partially accepted one recommendation. Of the 12 key actions agreed to by management,

a Standing Committee), as well as related UNIFEM's work at the country, regional and global level.

Peace and Security Section was created in 2011, as a section of the former Policy Division, and HACRO was established as a separate office in 2017 under the former Policy and Programme Bureau Directorate, in recognition of the expanding humanitarian portfolio, replacing the Humanitarian Unit established in October 2012. Peace and Security Section and HACRO were each headed by UN Women staff members at the D1 level.

The 2019 UN Women Change Management exercise recommended that HACRO merge with Peace and Security Section as part of an effort to integrate various areas of work and enhance programmatic focus. HACRO, with offices in New York and Geneva, focused on strengthening humanitarian coordination for effective gender mainstreaming in humanitarian action response; shorter-term crisis prevention; and crisis response to deliver economic recovery and stabilization for women displaced by conflict and disaster. Peace and Security Section, located at UN Women headquarters in New York, promoted the role of women in peace and security, in accordance with the mandate designated by Security Council resolutions and related processes. As part of the merger, the Change Management exercise also recommended that the new Section reposition and repurpose its interventions and provision of services in humanitarian contexts; identify its comparative advantage and niche; and consider scale up of its interventions in partnership with larger humanitarian agencies, while continuing to strengthen and increase its normative and coordination work. Several other Change Management recommendations, such as the reorganization of PPID, of which the new Section is a component, had potential impacts on governance, strategic and programming arrangements.

After presentation of the final Change Management recommendations in October 2019, senior management initiated the formal merger of the two sections in December 2019, delegating the detailed merger process – joint strategy, operational planning and implementation – to Peace and Security Section and HACRO management. The strategic design, operational planning and implementation of the two business units into the Peace, Security and Humanitarian Section (PSHS)

5 were Ongoing, 5 were Overdue-Initiated, and 2 were Overdue-Not Initiated, according to the GATE system as of September 2020.
² United Nations (2010). "General Assembly Resolution." A/RES/64/289. <https://www.securitycouncilreport.org/undocuments/document/wps-a-res-64-289.php>

was in the initial stages at the time of audit. In February 2020, the new Section held an all-hands, global retreat to consider how to implement the merger of the two business units, with three agreed outcomes:

- i. A task force of staff at all levels to review and suggest governance, operations and programming arrangements for the new Section, such as management structure and programme integration.
- ii. A parallel effort to review how to refocus humanitarian work on normative and coordination activities.
- iii. The Section to continue to operate as two separate business units for financial resources and priority planning purposes until the end of 2021, although new governance arrangements may take place earlier.

The new Section had a D1 Chief (former Peace and Security Section Chief), supported by a P5 Deputy Chief for Peace and Security and two P5 Heads of Humanitarian units (the D1 humanitarian post was abolished). The three P5 posts were not fully staffed from 2019 as the incumbents went on extended leave or were on loan.

At the end of June 2020, HR data identified 39 active peace and security staff and 12 active humanitarian staff, not including consultants, interns and vacant staff posts. Most personnel were based in New York (40) or Geneva (18), while another 20 personnel were in nine other locations or were home-based consultants.

Atlas-recorded expenditure for Peace and Security Section and HACRO for the audit period from January 2018 to February 2020 totalled US\$ 33.2 million (US\$ 25.4 million and US\$ 7.9 million, respectively). The top five expenditure categories were staff costs (52 per cent); consultant costs (14 per cent); travel (12 per cent); facilities and administration (7 per cent); and other operating costs (3 per cent). Liquidation of advances or reimbursements to programme partners comprised 8.4 per cent of the total expenditure.

IAS' review of 2018–2020 projects from the Atlas Project Delivery Report, found 31 peace and security project codes and 14 humanitarian project codes in Atlas. Thirty-nine of the 45 projects were active. The largest funding source was non-core (88 per cent). The portfolio included funding from two Trust Funds,³ of which the Section hosted the Secretariats and received funds from multiple donors, as well as the Section's global programmes.

³ IAS reviewed UN Women Trust Fund management in a separate audit.

Many projects (at least 10) had multiple donors.

Table 1: PSHS projects 2018–2020, US\$

Type of Atlas project	#	HACRO	PSS	Budget (US\$)
Strategic Partnership Framework II	2	1	1	18,713,025
Global Facility Programme	4	0	4	15,771,683
Trust Funds	4	0	4	8,886,725
Core funds	5	1	4	4,315,227
Institutional Budget funds	3	1	2	3,798,735
Second Chance Education	7	7	0	7,585,339
Multilateral donor-funded project	1	0	1	1,503,588
Other	19	4	15	5,293,430
TOTAL	45	14	31	65,867,751

Source: Atlas project delivery report data, 2018–2020 (as of February 2020)

Table 2 presents the total budget and delivery for Peace and Security Section (PSS) and HACRO for 2018 and 2019, prior to the merger.

Table 2: PSHS budget and delivery 2018–2019, US\$

US\$	2018		2019	
	PSS	HACRO	PSS	HACRO
DRF budget target	13,671,320	6,708,484	14,342,360	5,089,210
DRF budget actual	12,060,273	6,104,106	12,339,172	4,933,245
Resource mobilization rate	88%	91%	86%	97%
DRF expenditure	10,793,922	2,848,005	12,507,409	4,251,502
Delivery rate	89%	47%	101%	86%
OEEF budget target	769,889	1,737,244	1,660,405	1,660,405
OEEF budget actual	1,041,154	1,721,193	1,360,926	1,520,373
Resource mobilization rate	135%	99%	82%	92%
OEEF expenditure	683,011	1,597,113	967,449	1,132,195
Delivery rate	66%	93%	71%	74%

Source: Results Management System and Executive Dashboard data

III. AUDIT OBJECTIVES, SCOPE AND METHODOLOGY

The main objective of the audit was to assess if PSHS had effective governance, programme and project management, risk management and operations arrangements in place. In conjunction with the audit objective, IAS identified key operational risks and lessons learned for Section management from its past and current interventions to consider in designing a new governance structure.

At the time of planning the audit, the entire UN system in New York and many other locations suspended in-person office operations and directed staff to work from home because of the global COVID-19 health security threat. All communications were managed remotely, including the audit.

The audit covered the planning, business processes and transactions for the two business units primarily for the period from 1 January 2018 to 28 February 2020.

Scope

IAS examined performance, effectiveness and efficiency in the following areas.

Governance arrangements: including a shared vision; the new Section's structure and capacity; clear working priorities; a global accountability framework for the Women, Peace and Security and Humanitarian Action thematic areas; a performance results system anchored by monitoring procedures; and a resource mobilization plan to sustain programme benefits.

Programme and project management: including programme and project design; management of programme partners; and business continuity.

Performance and risk management: including portfolio oversight; risk assessment practices; and knowledge management.

Operational controls: in areas such as Delegation of Authority and Internal Control Framework; procurement; financial management; and HR, that are intended to facilitate operations at minimal risk.

IAS could not perform the full scope of work it had planned and outlined in its Audit Planning Memo. During the audit, IAS learned that many documents concerning implementation, such as selection of programme partners and supporting records for FACE form⁴ review, were held in the field offices where activities were conducted. The audit addressed these limitations as findings and recommended corrective actions.

IAS followed the *International Standards for the Professional Practice of Internal Auditing* in conducting this audit.

Methodology

The audit work consisted of: review of documents and systems; interviews with UN Women personnel at headquarters, regional and country offices, and with donor representatives; review of documented procedures, project records and planning documents; and an analytical review of records and samples, based on professional judgement and focusing on key risks and state of internal controls.

Annex 1 provides explanatory information on the audit ratings.

⁴ Financial progress reports submitted by programme partners.

IV. AUDIT RESULTS

A. GOVERNANCE ARRANGEMENTS

In the last half of 2019, UN Women announced the merger of Peace and Security Section and HACRO as part of organizational change actions recommended by the Headquarters Functional Analysis Report and the Change Management process. The resultant new Section – PSHS – was the largest component unit of PPID and combined two distinct policy and programme areas. Other important Headquarters Functional Analysis recommendations, such as transformation of PSHS’ parent division, the new PPID; the headquarters decentralization of policy posts; and the creation of a thematic matrix management structure, are likely to affect PSHS but may not be implemented in the immediate future.

The thematic scope of PSHS was global. Its largest programmes covered Women, Peace and Security and humanitarian policy, and programme posts in headquarters as well as regional advisers in field offices. PSHS programmes were also aligned with Strategic Plan Impact Area – Peace, Security and Humanitarian Action. The Section expected to maintain separate business units for 2020 and 2021.

In June 2020, HR data showed 40 active staff in Peace and Security Section and 12 active staff in HACRO, excluding 7 budgeted but vacant posts. Peace and Security Section staff included 5 Regular Budget posts, 2 Institutional Budget-funded posts, 6.7 core-funded posts and 25.3 posts supported by non-core or other funds. HACRO personnel included 3 Institutional Budget-funded posts, 0 core-funded posts, and 9 non-core-funded posts.

IAS assessed that PSHS’ development of realistic working priorities to support its strategic objectives was **satisfactory**. For example, many Peace and Security Section priorities were tied directly to mandated work requirements set in UN Security Council resolutions. Similarly, several humanitarian priorities, such as support to the Inter-Agency Standing Committee, were in line with strategic objectives. In addition, the development of the regional adviser network was a significant positive step that positions PSHS to ensure thematic coherence of peace, security and humanitarian actions.

IAS identified several areas that needed improvement in governance arrangements to help PSHS to even better achieve results, some requiring significant efforts, that stem from organization-wide gaps, such as clarifying accountability and authority for Strategic Plan themes; enhancing a performance management system for headquarters offices; and requiring close coordination with other offices, such as developing resource mobilization plans for the two units within a matrix management environment.

KEY ISSUES AND CONCLUSIONS

Issue 1: PSHS should take the initiative to identify its role and responsibilities in the changing management and development environment

UN Women’s decision to merge Peace and Security Section and HACRO did not include details about the expected roles and responsibilities of the new Section, or a clear vision of how PSHS fits into UN Women’s organizational structure (i.e. a functional statement or its proxy). This occurred in part because other recommendations of Change Management that could influence the function had not yet been implemented. Implementation of these recommendations was expected to take place at least until the end of 2022 and will involve a consultative process.

In early 2020, as the PSHS merger unfolded, the emergence of a global pandemic due to a novel coronavirus (COVID-19) changed the global development environment as well as the immediate working environment. One impact of the COVID-19 pandemic is a potential risk of reduced funding, both Institutional Budget/core and non-core. PSHS was also addressing recommendations to change the humanitarian function to focus

more on normative and coordination activities and less on small-scale humanitarian actions.

PSHS had taken initial steps to meet these challenges. The Section was revising its peace and security strategy and was developing a new humanitarian strategic plan. One output of the February 2020 global retreat was to form a task force to plan the steps for the merger and to provide ideas for the new structure, including: how to implement the merger, such as shared work planning; shared business processes; central support for project management and operations; and logistical arrangements.

At the same time, PPID and the Change Management Team were also planning how to implement other Headquarters Functional Analysis Report recommendations, such as the transformation of PPID and coordination of resource mobilization, as well as business and programme continuity. The Change Management process had not identified which recommendations would be prioritized for implementation, their dependencies or sequence in the schedule for implementation. PSHS was participating in multiple discussions about these recommendations. The extent to which PSHS can influence these discussions will depend on how well prepared it is to present its own vision, resource requirements and structure. If PSHS cannot present and advocate for its vision and role during the Change Management

discussions, there is a risk that other offices will decide PSHS' role.

Recommendation 1 (Medium):

The Chief, PSHS, to:

(a) Develop, share and advocate for PSHS' vision and a substantive functional statement for the new Section in consultations with PPID and the Change Management Team.

(b) Identify PSHS' plan for dealing with changes in the development environment, including the evaluation recommendations for humanitarian action and the impact of the COVID-19 pandemic.

Issue 2: PSHS needs to better position itself to play an important role in global accountability for the coherence of UN Women's Strategic Plan themes

Accountability and ownership of coherence for the Strategic Plan themes (policy owner concept)

UN Women's Strategic Plan 2018–2021 identifies thematic impact areas that correspond, in name, to technical programme and policy sections. However, at the time of the audit, UN Women had not assigned responsibility to these sections, PSHS among them, to ensure that global programmes and projects throughout the global architecture demonstrate coherence with the thematic areas or their theories of change. Moreover, the Entity did not yet have a well-developed technical quality assurance framework to assess and manage global coherence for the themes, i.e. a concept of policy owners had not yet been clearly defined and key elements of effective governance such as accountability, authority and capacity for 'owning' the Strategic Plan themes had not been fully clarified. The issue of accountability for Strategic Plan impact areas had corporate-wide relevance among all policy and programme units and was highlighted in the Headquarters Functional Analysis Report. The Strategy, Planning, Resources and Effectiveness Division (SPRED) and the Programme Support Management Unit of PPID (PSMU) agreed that this gap in accountability must be addressed, and expressed interest in building an accountability framework.

The breadth of the impact areas and the need for coherence were significant. The Donor Agreement Management System (DAMS), which records individual donor agreements and project documents, illustrates the risk related to the lack of assigned responsibilities for thematic coherence. Each donor agreement in DAMS was linked to at least one Strategic Plan impact area. An April 2020 search of DAMS for the Strategic Plan Impact Area "Peace and Security and Humanitarian Actions" found 192 project agreements approved as new, amended or extended since January 2018, 163 of which were agreements managed by

country or regional offices. In addition, the 2019–2020 Corporate Portfolio Review Process pilot exercise in the Asia and the Pacific region, as recommended by the Headquarters Functional Analysis Report, found that 53 per cent of the 40 tested projects were not fully aligned with Strategic Notes and 57 per cent were not fully aligned with the UN Women Strategic Plan.

Without corporate action to assign responsibility and create a framework for implementation, neither PSHS nor any other technical programme and policy section would be in a position to ensure coherence and lead quality assurance of its strategic thematic area. As a result, there is a risk of designing programmes and projects that would not fully support or possibly would not be aligned with the principles and theory of change of the Peace, Security and Humanitarian Action thematic impact area.

Corporate action to assign and facilitate accountability

The lacuna in global accountability for coherence of Strategic Plan themes and Flagship Initiatives throughout all levels of UN Women was recognized by the internal stakeholders interviewed by IAS. These stakeholders believed that UN Women reporting lines did not provide PSHS with sufficient authority to influence peace, security and humanitarian actions at a regional or country level or to supervise the regional policy advisers. IAS agrees this is a risk that affects all UN Women's policy sections, not only PSHS. This was also supported by conclusions in the Headquarters Functional Analysis Report, which noted the need to create a dotted line between policy chiefs and regional offices to enable policy chiefs to provide thematic guidance through the regional policy advisers. Moreover, ongoing revisions to the project cycle will reportedly incorporate a quality assurance process, an issue IEAS raised in its 2019 advisory review – *Project Cycle Gap Analysis*.

This gap would impact on a framework for providing quality assurance of thematic coherence. The Change Management process recommended creation of thematic matrix management networks among offices to develop new working relationships and programme processes to improve coherence of Strategic Plan themes. Some stakeholders observed that the current controls – annual reviews of Strategic Notes/Annual Work Plans and regional Programme Appraisal Committee reviews – might be adequate if regional advisers were better equipped with thematic knowledge; accountable for technical coherence to the policy sections; and were given more time to participate in risk management processes. PPID was considering how to design and implement these networks at the time of the audit.

However, the capacity of the regional advisers to support a matrix management network was unclear. The Terms of Reference for the regional advisers (Peace and Security and Humanitarian), funded by PSHS, did not explicitly create a link with the Strategic Plan thematic area or policy section in headquarters. IAS observed that regional office managers were

the primary supervisors of the regional advisers, without a clear reporting relationship to PSHS as the Peace, Security and Humanitarian Assistance policy owner. The regional advisers also had multiple responsibilities that limited their ability to review Strategic Notes and project proposals in detail. The regional advisers interviewed by IAS believed that stronger interaction and communication with headquarters policy offices would allow them to inform new projects on field working conditions and feasibility, a characteristic they felt was missing or unrealized in global projects. This relationship appeared to confirm a finding in the '2019 Evaluation Summary: Corporate Evaluations Findings and Recommendations of UN-Women's Thematic Priorities and Policy Functions, 2008-2018' that there was no "dotted line" in the policy architecture to link policy sections with regional advisers.⁵

PSHS opportunities to provide quality assurance for policy and programmes

Assigning accountability for quality assurance and ownership for thematic coherence to technical policy units entails providing sufficient authority and resources and clear reporting lines to be able to execute the responsibility. While PSHS managers accepted responsibility for quality assurance of their PSHS projects, the Section could not be held accountable for global coherence of the Peace, Security and Humanitarian Strategic Plan themes without proper corporate assignment of ownership (adequate Delegation of Authority); a framework for exercising the responsibility (mapping roles of involved and contributing offices); and resources to discharge the responsibility (adequate capacity).

Nevertheless, PSHS had opportunities to prepare for new quality assurance responsibilities, some of which were partially underway. At the time of audit, the Section had actively engaged the regional advisers in training opportunities and its Community of Practice, bringing the regional advisers into different thematic dialogues. However, while PSHS projects funded several regional policy adviser posts at the request of regional offices, the Section had not yet put conditions on the use of such funding to build coordination frameworks with regional offices to provide the policy advisory linkages suggested by the Headquarters Functional Analysis Report. In addition, the Section had not yet anticipated the level of effort required to manage a global quality assurance responsibility. For example, a model for quality assurance could be designed as a non-core-funded programme, which would need to be addressed in a resource mobilization plan, or as an Institutional Budget-funded function. This would require a specific allocation in addition to the current Institutional Budget-funded posts in the Section. Further consideration is required to identify the critical elements of the Section's normative work that would form the basis of its quality

assurance. The output of this work would identify staff requirements; staff skill sets; normative criteria for quality assurance; and potential models for assuring coherence. Having this information would assist the Section in providing meaningful input during the matrix structure and quality assurance discussions.

Recommendation 2 (High):

Following the Change Management and Headquarters Functional Analysis Report recommendation, the Director, PPID, with support from SPRED, to confirm the time frame for designing a policy accountability framework and process for providing quality assurance on the coherence of its Strategic Plan theme on peace, security, and humanitarian action throughout the Entity, including the reporting lines for regional advisers.

Recommendation 3 (Medium):

The Chief, PSHS, in consultation with Regional Office Directors and PPID, to clarify the roles and reporting lines for regional advisers in quality assurance and support for projects related to the Peace, Security and Humanitarian theme to strengthen the quality assurance and technical substance of communication with regions.

Issue 3: The design of the PSHS organizational structure would benefit from revising the Delegation of Authority, span of control, chain of command, working arrangements and alignment of functions

PSHS formed the largest component in PPID, with headquarters operations in New York and Geneva. The Section was exploring immediate ways for the two business units to maintain the integrity of their respective mandates while operating as a single Section. PSHS planned to adopt a single Annual Work Plan for 2021, while keeping the two business units separate, in part to maintain a firewall between the two funding streams – humanitarian funds and peace and security funds – because humanitarian funds must be managed according to humanitarian principles, such as non-discrimination of aid to beneficiaries.

While the former Peace and Security Section structure was apparently successful in achieving its objectives efficiently and effectively, the structure of the new Section will fundamentally change with the merger. This provides an opportunity to adopt good organizational practices, such as chain of command, span of control, functional alignment and working arrangements. The current structure had areas that required attention, as described

⁵The Independent Evaluation Service prepared this document for the change management process. It was for internal distribution.

below:

- An unbalanced Peace and Security Section organization chart (March 2020) in which eight staff (25 per cent of all Peace and Security Section listed posts) had direct reporting lines to the Chief, PSHS, which complicates spans of control within management and stretches supervisory capacities.
- The March 2020 Peace and Security Section organization chart was not organized along commonly-cited subthemes, such as conflict prevention and resolution.
- There was a need for clarity on PSHS' management capacities and resource requirements as the largest Section in PPID to ensure that it has sufficient managerial and technical skill set and staffing to effectively achieve its mandate. As stated in the Background section of this report, the peace and security component of PSHS was largely driven by mandates to work in areas such as Member States' accountability for their commitments to implement UN Security Council Resolution 1325. For example, PSHS serviced the Security Council on Women, Peace and Security and chaired the related Inter-Agency Task Force. At the time of audit, five posts (Chief and four Professional posts) were funded from regular funding, and five posts (two Professional and three General Service) from Institutional Budget funds. Reportedly, of these, both Institutional Budget professional posts and one General Service post were allocated to humanitarian functions and only two General Service positions were designated to the mandated Security Council tasks. **No professional Institutional Budget post was designated to Women, Peace and Security tasks.** Without a functional staffing and skill set analysis it is difficult to conclude if the current staffing structure and skill set fall short of the resources needed to perform all the normative, programme and global thematic coherence tasks required.
- The role of the Section Chief, who is responsible for the Humanitarian Unit, is not identified in the UN Women Crisis Response Protocol. The former Director of HACRO participated in the Senior Management Team and led humanitarian responses, but this authority was not extended to the Section Chief at the time of the merger.

Recommendation 4 (High):

The Chief, PSHS, in consultation with PPID, HR and SPRED to:

- (a) Perform a functional analysis of resource requirements for PSHS' normative, programme and global thematic coherence activities based on current funding streams, committed funds

and funding gaps.

- (b) Design a Section organization chart based on analysis of chain of command, functional responsibilities, span of control, capacity, skill set and reporting lines, including matching mandated work to type of funding.

Recommendation 5 (Medium):

The Director, PPID, to amend the Crisis Response Protocol to designate a front-line role for the Chief, PSHS, in UN Women discussions and decisions on crisis response and humanitarian actions.

Issue 4: PSHS needs a resource mobilization plan for humanitarian and non-humanitarian funding streams to reduce its dependence on a few donors

Resource mobilization was a vitally important function for both PSHS business units because they were highly dependent on non-core funds to maintain staff posts; respond to mandated work; and implement programme activities. According to the Executive Dashboard, the HACRO dependency rate for non-core funds was between 82 per cent and 85 per cent during the 2018–2020 audit period, while the Peace and Security Section dependency rate for non-core funds was between 88 per cent and 92 per cent. Two independent assessments⁶ and the Headquarters Functional Analysis Report concluded that a high dependence on non-core funding risks reducing focus on priority activities and means donors have a greater influence on UN Women's work.

A positive characteristic of the Peace and Security Section portfolio was the large number of donors providing support through the Global Facility Programme. According to the DAMS database, 19 donors had agreements (with support ranging from approximately US\$ 18,000 to more than US\$ 9 million) for activities in the Programme during the audit period, which reflected broad donor interest in Peace and Security Section. The donors interviewed by IAS referred to their commitment to gender equality, and the Global Facility Programme Document was viewed as a practical source of activities to support.

At the same time, while PSHS had a vision for its resource mobilization based on long-term and close partnerships and aligned priorities, neither business unit had yet documented a specific unit-level resource mobilization plan despite a heavy dependence on non-core funding. The UN Women Resource Mobilization and Partnership Strategy 2018–2021 had not been used as the key guidance for resource mobilization. As the

⁶ The evaluations: (1) Corporate Thematic Evaluation: UN Women's Contribution to Humanitarian Action and (2) MOPAN 2017-2018 Assessments: UN Women.

Section adjusts its working priorities to finalize the merger and address needs following the COVID-19 pandemic, it requires clear and concerted resource mobilization planning to attract a broader range of funding sources. As the framework for quality assurance of thematic coherence evolves, the Section could use improved thematic coherence to draw more attention from donors.

Section management suggested that resource mobilization should be designed for two funding streams – humanitarian and non-humanitarian – for at least two reasons. One, funding sources occasionally require confirmation that the funds are applied strictly for humanitarian or emergency purposes. Two, separate funding streams are needed to distinguish the use of funds. Humanitarian funds must follow established humanitarian principles, such as non-discrimination among beneficiaries, while non-humanitarian funds can focus on specific activities and targeted groups. This was confirmed by donors.

Several characteristics of the PSHS portfolio exposed vulnerabilities related to resources:

- Three programmes, constituting about 35 per cent of all non-core projects, provided 73 per cent of non-core funding during the audit period. The largest programme, scheduled to end in December 2021, provided all or partial funding for 10 headquarters posts and 27 posts in field offices, as well as field programming funds. The programme carried a donor expectation that creating posts would leverage further resource mobilization. The viability of the regional adviser posts was at risk if the project ends or is reduced. Two of the three programmes formed 85 per cent of the humanitarian non-core budget.
- Sixteen of the current 23 active PSHS projects were scheduled to end by July 2021. No humanitarian projects

active during the audit period were scheduled after July 2021. PSHS reported no project proposals in the hard pipeline, although this did not include proposals for contributions to the Global Facility Programme.

- The nature of the PSHS Global Facility Programme raised possible concerns about potential competition between the Global Facility and regional office resource mobilization efforts on Women, Peace and Security and Humanitarian Action. The Headquarters Functional Analysis Report also highlighted concerns about competition among units to mobilize resources and proposed a coordinated approach across offices and divisions within a global matrix network.

PSHS management remained concerned that successful resource mobilization of non-core funding may lead to corporate budget decisions to reduce Institutional Budget/core funding levels to the extent that the normative work mandated by the Security Council Resolution 1325 cannot be performed or sustained. This trade-off affected the ability of the Section to develop important dedicated functions, such as monitoring and reporting.

Recommendation 6 (High):

The Chief, PSHS, to formalize resource mobilization plans for each unit based on an analysis of the resource requirements for the Section's strategic priorities; the funds available; and funding gaps. The plans should be dynamic, continuously tracking requirements, funding and gaps.

B. PROGRAMME AND PROJECT MANAGEMENT

During the audit period, PSHS had 45 projects with Atlas IDs with total budgets of US\$ 65.4 million. The largest programme funded by a bilateral donor had total funding of US\$ 18.7 million, with separate projects for the Peace and Security and Humanitarian units. One group of projects comprised the Peace and Security Section Global Facility Programme, totalling US\$ 15.8 million with 39 separate donor agreements for activities during the audit period. The Global Facility Programme approach represented a successful step towards achieving UN Women's objective of developing programmatic approaches for projects instead of having multiple, disconnected smaller projects. In the section below, IAS suggests additional steps to further improve this approach.

PSHS had agreements with 30 programme partners, 27 of which were non-governmental or governmental organizations and 3 were UN agencies. These partners received US\$ 2.9 million in advances to perform agreed-upon activities.

Some improvement was needed in the design and management of projects, as well as in the management of programme partners, based on an examination of selected projects and partner agreements in Peace and Security Section and HACRO. Major improvement was needed to develop a practice for storing project records.

KEY ISSUES AND CONCLUSIONS

Issue 5: PSHS could strengthen the design of the Global Facility Programme and its funding agreements to enhance accountability and contribution to results

The Peace and Security Global Facility Programme received global Programme Appraisal Committee clearance in 2014 and 2019, extending the Programme through to 2022. The Programme was a combination of individual donor contribution agreements aligned with the Global Facility Programme Document. The multi-year programmatic approach enabled Peace and Security Section to assemble multiple donor contributions efficiently in support of specific activities in the Global Facility Programme Document. The donor agreements within the Global Facility Programme did not have to provide all the documents typically required for a stand-alone project, such as a project document, budget, result framework or workplan. Peace and Security Section encouraged donors, with few exceptions, to fund activities within the Global Facility Programme. IAS recognizes this approach as a good practice for potential replication.

IAS identified several opportunities for improvements that would contribute to further strengthening the value and management of risk of the Global Facility Programme:

- Donor agreements should include reference to being part of the Global Facility Programme so there is an explicit link between individual agreements and their umbrella programme. Fourteen of the 39 donor agreements in the Global Facility Programme did not indicate they were part of the Programme.
- Clarification from the Global Programme Appraisal Committee is needed to determine if the implementation period of an individual donor agreement can be extended beyond the end date of the Global Facility Programme. IAS observed that several agreements were beyond the end of

the umbrella programme.

- The Global Facility Programme Document and several donor agreements lacked clarity on monitoring activities and reporting results or did not include any monitoring requirement. In the absence of a defined Programme-wide monitoring scheme (see Issue 9), the contributions of these activities to Global Facility Programme results were not recorded or monitored. Moreover, at least two donor agreements set their own performance indicators apart from the Global Facility indicators. The lack of a clear monitoring function and the use of different performance indicators poses a risk that the overall review of the Global Facility Programme is not complete or comprehensive.

Recommendation 7 (Medium):

The Chief, PSHS, to develop an overarching monitoring, evaluation and reporting framework that covers all individual donor agreement activities in the Global Facility Programme. This framework should map and coordinate the monitoring efforts of all stakeholders involved in Global Facility implementation and monitoring, such as programme partners, donors, project managers in the field and headquarters. PSHS senior management to oversee implementation of this framework.

Issue 6: PSHS should strengthen project design and project management elements to better measure and report on results

From the structured review of seven projects, IAS identified several features that require management attention in future programming:

- Projects did not consistently describe how they provided transformative change in line with the theory of change and had difficulty expressing how they demonstrate value.
- Projects uniformly needed improvement in describing the monitoring and reporting steps for their activities.

Agreements only referred to standard monitoring, reporting and evaluation practice without details for collecting, validating and reporting data. At the same time, the Global Facility Programme Document did not have a detailed monitoring and evaluation section for the projects under its umbrella, while some projects did not have individual project documents which would usually outline monitoring and evaluation requirements.

- Project risk assessments were incomplete in detailing and assessing the extent of risk and the mitigating actions required, and were not used in planning activities.
- Some project management structures lacked clarity on governance when projects involved activities in multiple countries. For example, Global Facility Programme documents should identify someone at the country level who is accountable to the project manager in headquarters.⁷ Without agreed upon governance arrangements, there are risks of unclear or diluted accountability, inadequate coordination, communication gaps, and inefficient and ineffective use of resources.
- Agreements and documents lacked details and indicators on the sustainability of project benefits and the phasing-out of UN Women's role at the end of the project.

While these projects were approved with formal Programme Appraisal Committee clearance as a project, or an expedited PSMU review as a donor agreement in the Global Facility Programme, the features found in the audit review indicated project design elements that could be strengthened.

Similar issues were identified in IAS gap analysis of the UN Women Project Cycle, including strengthening requirements for design, management, monitoring and reporting which are being addressed by PSMU.⁸

Recommendation 8 (Medium):

The Chief, PSHS, to ensure that in designing any new Global Programme or other projects for the Section, project documentation addresses key required elements:

- transformative change;
- monitoring and evaluation framework and activities;
- operating risks and how they are mitigated in the workplan;
- governance arrangements for global project implementation; and
- expected sustainability of benefits and steps for phasing out UN Women involvement.

Issue 7: PSHS should strengthen procedures for selecting, managing and monitoring programme partners

PSHS had agreements with programme partners for three principal reasons, to: build the capacity of local organizations; access specific expertise; or perform activities where UN Women did not have sufficient staff resources or access. The use of programme partner agreements carries inherent risks that agreed-upon work is not carried out as expected or funds misused. From a broader perspective, these risks can also affect project outcomes, taint stakeholder perceptions, and impair the Entity's reputation. The IAS 2019 Annual Report identified programme partner management as a key organizational process needing improvement. In addition, a 2019 IAS audit report on UN Women's Implementing Partner Management Process, noted several weaknesses in the management of partners and made several recommendations for improvements. PSMU was taking steps to improve partner arrangements in line with the audit's recommendations.

IAS' review of selected PSHS programme partner agreements found weaknesses that were similar to the findings in the 2019 audit report on implementing partner management. Among the issues identified were: lack of evidence on partner selection and capacity assessment; lack of workplans and linkages between advances to partners and performance milestones; discrepancies in reporting and payment schedules; excessively high initial advances; and lack of evidence that project managers monitored performance in clearing advances. PSHS management indicated that several agreements in the audit review preceded the current guidance, noting that written narratives were not required in interim FACE forms due to conflicting Policy, Procedure and Guidance (PPG), which was resolved in 2020.

Project managers reported that many activities were implemented at a field office level, including the selection of programme partners. PSHS did not have records of the partners used by field offices and relied on field offices to monitor the partners' work. PSHS management believed it was not responsible for record maintenance and monitoring of the project activities carried out in the field; however, UN Women policy, as well as the standard Delegation of Authority for project managers, holds the head of an office responsible for all projects within their jurisdiction, including maintaining all supporting documents. According to PSMU, the introduction of the Partner and Grant Agreement Management System (PGAMS) will minimize the risk of missing data by requiring project managers to upload all partner agreements and supporting records in the system and to complete a narrative section before approving

⁷ UN Women had a specific legal format for project documents that included governance arrangements, but there was no requirement for governance in a donor agreement.

⁸ See Annex 1 to the IAS annual report for 2019: <https://un-docs.org/en/UNW/2020/3>

clearance of outstanding advances.

Recommendation 9 (Medium):

The Chief, PSHS, to develop a mechanism for coordination and oversight of programme partner management for the Global Programmes with field components, including selection, partner agreement design and FACE form review and clearance.

Issue 8: PSHS should create a shared repository for project records

PSHS held project managers responsible for collecting and storing project records, such as correspondence with donors, monitoring records and project inception records, in addition to the records stored in DAMS (project documents, budget, donor agreements, donor reports). During the audit, due to complications that emerged as a result of the COVID-19

pandemic, IAS found that key project managers had limited availability and colleagues did not have access to records.

PSHS reported that it had had to recreate documents in the past when project managers had left the organization with records. As a result, IAS did not have complete assurance on the existence of key accountability records as projects moved through the project life cycle from conception to closure.

Recommendation 10 (Medium):

The Chief, PSHS, to develop and adopt a procedure for shared access to project records. Checklists with key mandatory documents could be used to ensure the completeness of the audit trail for the whole project life cycle.

C. PERFORMANCE AND RISK MANAGEMENT

Successful organizations effectively manage risk to ensure and improve their performance. In a 2019 review, IAS found that risk management was in the early stages of maturity in UN Women. The review noted, “the key objective of risk management – to assist managers in making decisions, justified by the assessment of existing and potential risks and opportunities – is not yet fully embedded in UN Women’s culture.” Key features of risk management are identifying risks; regularly assessing risks in relation to performance expectations; and maintaining a risk register that can be used to assist strategic and operational planning.

PSHS had a highly regarded ‘Community of Practice’ as part of its knowledge management function, with more than 280 subscribers. In 2019, PSS held 15 online briefings and dialogues on issues such as updates on global policy initiatives. While IAS assessed the PSHS knowledge management function as **Satisfactory**, the untapped capacity of the function to assist in maintaining a risk register and database of lessons learned and recommendations provides an opportunity for enhancement.

IAS assessed that the risk assessment process in PSHS needs major improvement. During the audit period, UN Women announced enhancement of the Enterprise Risk Management (ERM) system, which could provide specific guidance for PSHS.

Business continuity was assessed as **Satisfactory**. PPID, which includes PSHS, developed and updated a business continuity plan for disruptions in operations.

KEY ISSUES AND CONCLUSIONS

Issue 9: PSHS needs a robust monitoring and reporting function to measure, enable and demonstrate its performance and value

Performance assessment is a key element in result-based management that enables an organization to measure, enable and demonstrate its value. Assessments depend on reliable, relevant and sufficient monitoring data to reach valid conclusions. Monitoring begins at the time of project conception, ensuring that planned indicators and results are relevant, through to project closure and reporting, assessing the extent to which results were achieved. A dedicated monitoring function can also encapsulate overall programme assessment for a specific period. The UN Women Programme Monitoring, Reporting and Oversight Policy (03 February 2017) states that headquarters Section Chiefs are accountable for effective monitoring and reporting of programmes within their jurisdiction.

Several reports – the Headquarters Functional Analysis Report, the MOPAN Report, the Corporate Evaluation of UN Women’s Contribution to Humanitarian Actions – noted gaps and areas for improvement in performance assessment, which indicated UN Women’s performance assessment process was still maturing. For example, prior to 2018, headquarters units, in particular those with significant non-core funding, were not required to prepare consolidated monitoring and evaluation plans similar to Monitoring, Evaluation and Research Plans (MERP), required from field offices as a part of their Strategic Note. Prior to 2020, headquarters offices were not required to monitor their Annual Work Plans and report unit-level results,

unlike the requirement for field offices. One result of this gap was that PSHS did not collect data on its Annual Work Plan indicators or report its implementation progress.⁹ IAS has not raised an audit recommendation here because the requirement for a monitoring and evaluation plan for headquarters units with significant non-core funding was included in the 2021 Annual Workplan Guidance.

PSHS had not conducted a Section, or unit-wide, assessment of its portfolio, in part **due to insufficient core-funded resources dedicated to a monitoring and reporting function**. Consequently, the Section’s monitoring was conducted at the project level, with responsibility assigned to project managers and assistance from operations analysts. This approach has at least four risk factors:

- Project-level performance, based on individual project indicators, did not reflect Section performance.
- Many PSHS projects involved activities implemented in multiple country offices, which may use different reporting formats on results progress. The Results Management System (RMS) was not capable of capturing all monitoring data for all projects in a single format, and UN Women did not have a dedicated project management and monitoring system to consolidate this information. Weaknesses in data monitoring and validation is a recurrent finding in IAS internal audits as highlighted in the IAS 2019 Annual Report and recommendations in its advisory review: *Project Cycle Gap Analysis*.
- Without a corporate accountability framework for Strategic Plan thematic areas, there was no systematic mechanism for

⁹ UN Women adopted a requirement for monitoring and reporting on the implementation of headquarters Annual Work Plans to begin in 2020. The

deadline for completing the work was delayed until August 2020 due to the COVID-19 outbreak.

the Section to monitor and report performance on the theme.

- Project monitoring results were not linked to the Section's Annual Work Plan indicators in the Results Management System. This was due to a fundamental gap that deserves corporate attention: the lack of a project-level system to facilitate project-level results monitoring and reporting (raised in the Project Cycle Gap Analysis report). This was acknowledged as a corporate gap and new guidance for the new Strategic Plan cycle will provide better linkages between project-level results and Annual Work Plan performance indicators.

At the time of audit, organization-wide improvements were underway to enable performance assessment and an accurate portrayal of UN Women's contribution to global development. However, without reliable and complete monitoring data, the performance system cannot work effectively. Unlike regional offices, a few of which have dedicated monitoring and reporting functions to ensure identification of indicators in relation to the proposed theories of change; collect and validate monitoring data; and summarize data to demonstrate performance, **PSHS, like most policy and programme sections in headquarters, did not have a dedicated monitoring and reporting function.** PSHS management agreed that stronger monitoring would be valuable in assessing performance but noted that **it would require dedicated resources.**

Creating a monitoring and reporting function in each PPID section may not be feasible given their different sizes (from 6 to more than 50 posts) but could be considered as part of the PPID transformation. PPID had not yet addressed the need for a monitoring and reporting function.

Recommendation 11 (High):

If PPID decides not to create a division-wide monitoring and reporting function, then the Chief, PSHS to develop a dedicated monitoring and reporting function for the Section. The Section could consider the model of monitoring and reporting functions in regional offices.

Issue 10: PSHS should develop its own continuous risk assessment process with internal accountability for monitoring and managing risks

Consistent with IAS' broader findings on UN Women's risk management, PSHS did not yet have a joint established risk management process in place as described in the Enterprise Risk Management guidance and only had a partially developed portfolio oversight process. The risk register (prepared annually for mandated attachment to the Annual Work Plan) was well-developed with mitigation measures, but there were no other

references to continuous updates or actions taken directly in response to the risks.

In addition, the Section's two business units used different means to monitor the status of project implementation and identify risks. The Humanitarian Unit held regular programme group meetings to discuss the status of all projects in its portfolio, while the Peace and Security Section relied on an informal approach based on regular but unscheduled discussions with individual project managers. In its reviews of other UN Women offices, IAS found that regular meetings of programme units enable offices to proactively identify, assess and mitigate emerging risks, and keep senior managers informed to avoid unexpected problems.

IAS believes that the current approaches to risk assessment and portfolio oversight weaken the Section's ability to identify and mitigate emerging risks to effective and efficient programme implementation. A structured programme management process to risk-profile projects, especially those in multiple locations; summarize project status; flag implementation issues; and discuss actions to bring projects on track, is an important management tool. PPID used a similar exercise to regularly report on its Sections' performance metrics to identify potential risks.

The 2019 IAS Advisory Assignment on Enterprise Risk Management included an action plan to use risk management in organization decision-making. At the time of the audit, UN Women announced enhancement of the Enterprise Risk Management system.

Recommendation 12 (High):

To enhance risk-informed decisions and effective risk mitigating actions, the Chief, PSHS, to strengthen risk management in projects; increase discussions with project managers; and monitor and report on the effectiveness of mitigating actions including:

- Risk-profiling each project, where higher risk-profiled projects are more closely monitored by the PSHS senior management team and any risks that are outside of the project manager's control are reported to management.
- Regularly reviewing and discussing key challenges and the actions needed to mitigate them with project managers, which should serve as the basis for risk-informed decisions.

Issue 11: PSHS should use the capacity of its knowledge management function to capture risks and opportunities, lessons learned and other issues to feed into strategic and programme

planning

The knowledge management function offers untapped capacity for PSHS to discuss good practices, share risk information and provide a library of risks and opportunities, recommendations and lessons learned. The Section did not maintain a record of good practices, risks/opportunities, repository of successful concept notes and project documents, and other recommendations, or make them available to staff. As the Headquarters Functional Analysis Report suggested, the knowledge management function reflects the organization's culture for knowledge production and knowledge sharing. Without a process for aggregating and tracking issues that affect strategic and programme planning, such as risks, recommendations and lessons learned, the Section missed opportunities to improve operating efficiency and effectiveness by potentially repeating weak practices.

Expanded use of knowledge management is in line with UN Women guidance. For example, the Community of Practice Guidance Note states that Communities of Practice are the stewards of knowledge and competence and help each other to develop the competence to contribute individually within their own department.

Recommendation 13 (Medium):

As part of reorganizing PSHS, the Chief, PSHS, to expand the knowledge management function as a database of lessons learned, risks, good practices, donor recommendations, etc. in line with the knowledge management description on the UN Women intranet page. The Chief to use the knowledge management database as part of the Section's monitoring and evaluation framework to track the implementation status of agreed actions and to incorporate the database into a planning tool.

D. OPERATIONS

PSHS operations during the audit period were generally divided between Peace and Security Section/HACRO work in New York and HACRO work in Geneva. Peace and Security Section expenditure amounted to US\$ 25.4 million and HACRO expenditure amounted to US\$ 7.9 million for the audit period (January 2018–February 2020). Managing efficient and effective operations in two locations under the merger into a single section added complexity to management and the effective implementation of internal controls. The use of teleworking arrangements for staff (devised pre-COVID-19) also drew attention to the scope of UN Women’s Flexible Working Arrangements policy.

IAS assessed the current office culture, systems data controls, procurement, financial and budget management, and ICT controls at the time of the audit and based on sample testing as **Satisfactory**. In particular, the Section, from both operations locations in Geneva and New York, demonstrated strong awareness about the application of key internal controls in areas such as procurement and HR.

Areas that required improvement related to updating the Delegation of Authority and Internal Control Framework and complying with requirements for mandatory staff training. The HR Division needed to clarify the scope and application of the Flexible Working Arrangements Policy.

KEY ISSUES AND CONCLUSIONS

Issue 12: PSHS needs an updated Delegation of Authority and Internal Control Framework

PSHS had not adopted a new Internal Control Framework and Delegation of Authority since the merger. These records are important to ensure proper segregation of duties and to identify authority for approving actions such as procurement.

The new Internal Control Framework and Delegation of Authority should also give careful consideration to the delegated authorities of the PSHS Geneva office. The Section Chief in New York may consider delegating certain authority that would enable the Geneva office to operate efficiently in a different time zone.

Recommendation 14 (Medium):

The Chief, PSHS, in consultation with the Management and Administration Division (DMA), to prepare Internal Control Framework and Delegation of Authority updates that reflect the new Section’s alignment and different locations.

Issue 13: The HR Division should clarify teleworking arrangements as to how they impact staff benefits

At the time of audit, UN Women exercised the Flexible Working Arrangements Policy to arrange for most personnel to work from home during the COVID-19 pandemic. Since July 2020, the Entity has planned a phased approach to allow personnel to return to work in offices, with an option to continue working from a location other than the duty station under specific circumstances. The HR Division was reviewing possible adjustments to staff benefits for those staff who choose to work from a location other than their assigned duty station, including changes to the post adjustment if the international staff member

lives outside the duty station area. In August 2020, HR issued specific guidance, in line with common practice of UN-system entities clarifying that the post adjustment and related entitlements of staff members will be adjusted following three months of teleworking from outside the duty station beyond the established return to duty station date.

The Flexible Working Arrangements Policy also applied to long-term teleworking arrangements (not related to the pandemic) and required an agreement between the Head of Office and the staff member for such arrangements, but was not explicit about any changes to post adjustments. UN Women permitted such teleworking arrangements under a principle of cost-neutrality. The HR Division reported that this aspect of the Policy was also under review at the UN-system level, where UN organizations were working on a harmonized approach to address different long-term arrangements (including temporary relocations due to evacuation from a duty station) and were discussing adjusting pay and benefits, as applicable.

Under this policy, the Chief, PSHS, approved two long-term teleworking arrangements for staff working outside the duty station area and requested HR guidance on adjustments to staff benefits. Due to the exceptionality of these cases, the PSHS and HR Division considered several options, including changing the duty station to the teleworking location via posting a staff as loaned out to another UN entity, and an exit strategy for these long-term teleworking arrangements.

Revisions to the Policy for changes in the post adjustment, among other benefits, are potentially significant for UN Women. In June 2020, the post adjustment multipliers for Geneva (75.8) and New York (70.3) were much higher than for most locations.

Recommendation 15 (Medium):

The Director, HR, to operationalize post adjustment calculations in revisions to the Flexible Working Arrangements Policy for situations of long-term working arrangements outside official duty stations and establish a mechanism to

ensure monitoring of compliance.

Issue 14: PSHS should improve compliance with mandatory training requirements

The Section had low compliance rates for UN Women's seven mandatory training courses. All staff are expected to complete mandatory training and register the certificate in the Learning Management System 'AGORA'. The Section Chief is responsible for ensuring that staff complete mandatory training.

Section managers believed that compliance rates were higher than reported in corporate systems because staff did not report course completion, and a migration to a new database had

erased staff records.

In 2020, HR plans to use compliance rates in the evaluation of Section performance.

Recommendation 16 (Medium):

The Chief, PSHS, to ensure that a reconciliation of actual training completed with the training recorded in the learning system takes place; and that all PSHS personnel have completed mandatory training courses.

V. RECOMMENDATIONS AND MANAGEMENT ACTION PLAN

Issue	Recommendation	Process	Responsible Unit	Priority	Action Plan	Implementation date
Issue 1: PSHS should take the initiative to identify its role and responsibilities in the changing management and development environment	<p>Recommendation 1: The Chief, PSHS, to:</p> <p>(a) Develop, share and advocate for PSHS' vision and a substantive functional statement for the new Section in consultations with PPID and the Change Management Team.</p> <p>(b) Identify PSHS' plan for dealing with changes in the development environment, including the evaluation recommendations for humanitarian action and the impact of the COVID-19 pandemic.</p>	Strategy	PSHS	Medium	<ul style="list-style-type: none"> Vision statement to be drafted Organigram prepared in line with PPID transformation and the new Strategic Plan Humanitarian Strategy finalized 	<p>End 2020 (for Humanitarian Strategy)</p> <p>Final Organigram (as part of the PPID transformation process) by 31 June 2021</p>
Issue 2: PSHS needs to better position itself to play an important role in global accountability for the coherence of UN Women's Strategic Plan themes	<p>Recommendation 2: Following the Change Management and Headquarters Functional Analysis Report recommendation, the Director, PPID, with support from SPRED, to confirm the time frame for designing a policy accountability framework and process for providing quality assurance on the coherence of its Strategic Plan theme on peace, security, and humanitarian action throughout the Entity, including the reporting lines for regional advisers.</p>	Organizational structure, authority, capacity and reporting lines	PPID	High	<ul style="list-style-type: none"> New processes to be baked into the drafting process for the new strategic plan In addition an approach to embody the QA into the existing corporate mechanisms: i) project appraisal at local, regional and HQs level with mandatory strong thematic presence ensuring the thematic coherence to the SP; II) SN/AWP peer review and approval process; iii) quarterly portfolio review; and thus anchoring it in the existing delegation of authority framework and decentralized accountability, thereby aligning to some of the recommendations of the PPLC gap assessment 	31 Dec 2021
	<p>Recommendation 3: The Chief, PSHS, in consultation with Regional Office Directors and PPID, to clarify the roles and reporting lines for regional advisers in quality assurance and support for projects related to the Peace, Security and Humanitarian theme to strengthen the quality assurance and technical substance of communication with regions.</p>	Organizational structure, authority, capacity and reporting lines	PSHS	Medium	<ul style="list-style-type: none"> New reporting lines for regional advisers with matrix to HQ to be implemented in 2021 Alternate suggestion: PPID will clarify roles and reporting lines as part of the UN Women 2.0 as a matrix knowledge organization discussion. 	31 Dec 2021
Issue 3: The design of the PSHS organizational structure would benefit from revising the Delegation of Authority, span of control, chain of command, working	<p>Recommendation 4: The Chief, PSHS, in consultation with PPID, HR and SPRED to:</p> <p>(a) Perform a functional analysis of resource requirements for PSHS' normative, programme and global thematic coherence activities based on current funding streams, committed funds and funding gaps.</p> <p>(b) Design a Section organization chart based on analysis of chain</p>	Organizational structure, authority, capacity and reporting lines	PSHS	High	<ul style="list-style-type: none"> Organigram to be finalized by end 2020 Organigram reflecting merger of the current structures of the two units finalized by end 2020 Final organigram reflective of the new Strategic Plan, Integrated Budget and PPID transformation 	31 Dec 2021

Issue	Recommendation	Process	Responsible Unit	Priority	Action Plan	Implementation date
arrangements and alignment of functions	of command, functional responsibilities, span of control, capacity, skill set and reporting lines, including matching mandated work to type of funding.					
	Recommendation 5: The Director, PPID, to amend the Crisis Response Protocol to designate a front-line role for the Chief, PSHS, in UN Women discussions and decisions on crisis response and humanitarian actions.	Organizational structure, authority, capacity and reporting lines	PPID	Medium	<ul style="list-style-type: none"> Proposal to be submitted to Director along with organigram, vision statement, etc for her decision by end 2020 Revised Crisis Response Protocol recognizes this role, the revised cohesive Crisis Response Policy and Related procedures scheduled to be promulgated by the first quarter of 2021 	31 March 2021
Issue 4: PSHS needs a resource mobilization plan for humanitarian and non-humanitarian funding streams to reduce its dependence on a few donors	Recommendation 6: The Chief, PSHS, to formalize resource mobilization plans for each unit based on an analysis of the resource requirements for the Section's strategic priorities; the funds available; and funding gaps. The plans should be dynamic, continuously tracking requirements, funding and gaps.	Resource Mobilization	PSHS	High	RM strategy to be developed to fund the new strategic plan	31 Dec 2021
Issue 5: PSHS could strengthen the design of the Global Facility Programme and its funding agreements to enhance accountability and contribution to results	Recommendation 7: The Chief, PSHS, to develop an overarching monitoring, evaluation and reporting framework that covers all individual donor agreement activities in the Global Facility Programme. This framework should map and coordinate the monitoring efforts of all stakeholders involved in Global Facility implementation and monitoring, such as programme partners, donors, project managers in the field and headquarters. PSHS senior management to oversee implementation of this framework.	Programme Management	PSHS	Medium	M&E and reporting process to be developed for new SP	31 Dec 2021
Issue 6: PSHS should strengthen project design and project management elements to better measure and report on results	Recommendation 8: The Chief, PSHS, to ensure that in designing any new Global Programme or other projects for the Section, project documentation addresses key required elements: <ul style="list-style-type: none"> transformative change; monitoring and evaluation framework and activities; operating risks and how they are mitigated in the workplan; governance arrangements for global project implementation; and expected sustainability of benefits and steps for phasing out UN Women involvement.	Programme Management	PSHS	Medium	Next iteration of the Global Facility, to be timed with the new SP, will address these considerations	31 Jan 2022
Issue 7: PSHS should	Recommendation 9: The Chief, PSHS, to develop a mechanism for	Programme	PSHS	Medium	Operations team to prepare FACE form for signature by Policy	31 Dec 2020

Issue	Recommendation	Process	Responsible Unit	Priority	Action Plan	Implementation date
strengthen procedures for selecting, managing and monitoring programme partners	coordination and oversight of programme partner management for the Global Programmes with field components, including selection, partner agreement design and FACE form review and clearance.	Partner Management			Specialists	
Issue 8: PSHS should create a shared repository for project records	Recommendation 10: The Chief, PSHS, to develop and adopt a procedure for shared access to project records. Checklists with key mandatory documents could be used to ensure the completeness of the audit trail for the whole project life cycle.	Data management	PSHS	Medium	Files to be migrated to one drive	31 Dec 2020
Issue 9: PSHS needs a robust monitoring and reporting function to measure, enable and demonstrate its performance and value	Recommendation 11: If PPID decides not to create a division-wide monitoring and reporting function, then the Chief, PSHS to develop a dedicated monitoring and reporting function for the Section. The Section could consider the model of monitoring and reporting functions in regional offices.	Programme Management	PSHS	High	<ul style="list-style-type: none"> Monitoring and Reporting function to be included (as a separate function or as a part of additional roles on the project/programme) in upcoming project and programme documents. Dedicated M&R Specialist function for the Unit or Division to be considered as part of PPID transformation discussion bearing in mind system needs and resource implications. 	31 Dec 2021
Issue 10: PSHS should develop its own continuous risk assessment process with internal accountability for monitoring and managing risks	Recommendation 12: To enhance risk-informed decisions and effective risk mitigating actions, the Chief, PSHS, to strengthen risk management in projects; increase discussions with project managers; and monitor and report on the effectiveness of mitigating actions including: <ul style="list-style-type: none"> Risk-profiling each project, where higher risk-profiled projects are more closely monitored by the PSHS senior management team and any risks that are outside of the project manager's control are reported to management. Regularly reviewing and discussing key challenges and the actions needed to mitigate them with project managers, which should serve as the basis for risk-informed decisions. 	Risk Management	PSHS	High	Suggested that the action be: Unit will use existing tools - Familiarize staff with the new Project Document template and its component risk management tool as well as OneApp solution for management of the project/programme level risks; include it as part of regular management review in the Units.	31 March 2021
Issue 11: PSHS should use the capacity of its knowledge management function to capture risks and opportunities, lessons learned and other issues to feed into strategic and programme planning	Recommendation 13: As part of reorganizing PSHS, the Chief, PSHS, to expand the knowledge management function as a database of lessons learned, risks, good practices, donor recommendations, etc. in line with the knowledge management description on the UN Women intranet page. The Chief to use the knowledge management database as part of the Section's monitoring and evaluation framework to track the implementation status of agreed actions and to incorporate the database into a planning tool.	Risk Management	PSHS	Medium	KM Specialist to be recruited as Fixed Term appointment ASAP	31 Dec 2020
Issue 12: PSHS needs an	Recommendation 14: The Chief, PSHS, in consultation with the	Internal Control	PSHS	Medium	To be developed based on new organigram and decision on	31 March 2021

Issue	Recommendation	Process	Responsible Unit	Priority	Action Plan	Implementation date
updated Delegation of Authority and Internal Control Framework	Management and Administration Division (DMA), to prepare Internal Control Framework and Delegation of Authority updates that reflect the new Section's alignment and different locations.	Framework			delegation levels	
Issue 13: The HR Division should clarify teleworking arrangements as to how they impact staff benefits	Recommendation 15: The Director, HR, to operationalize post adjustment calculations in revisions to the Flexible Working Arrangements Policy for situations of long-term working arrangements outside official duty stations and establish a mechanism to ensure monitoring of compliance.	HR	HR	Medium	The recent guidance on return to duty station and impact on entitlement for telecommuting beyond those dates, already addresses this recommendation.	30 June 2021
Issue 14: PSHS should improve compliance with mandatory training requirements	Recommendation 16: The Chief, PSHS, to ensure that a reconciliation of actual training completed with the training recorded in the learning system takes place; and that all PSHS personnel have completed mandatory training courses.	HR	PSHS	Medium	Staff to be required to complete any additional courses in current PMD cycle	31 Dec 2020

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 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 implement these standards. It stands behind women's equal participation in all aspects of life, focusing on five priority areas: increasing women's leadership and participation; ending violence against women; engaging women in all aspects of peace and security processes; enhancing women's economic empowerment; and making gender equality central to national development planning and budgeting. UN Women also coordinates and promotes the UN system's work in advancing gender equality.



220 East 42nd Street
New York, New York 10017, USA
Tel: 212-906-6400
Fax: 212-906-6705

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