

# Report on Internal Audit and Investigation activities

Informal Briefing to Executive Board Members  
3 June 2015

UN Women Audit Unit  
Office of Audit and Investigations  
United Nations Development Programme

# Introduction

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- **4<sup>th</sup> Year Internal Audit and Investigations Function of UN Women entrusted to UNDP's Office of Audit and Investigations (OAI)**
- **Service Level Agreement (SLA) signed between UN Women and OAI**

# Internal audit function in UN Women

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- **Operational independence**
  - Free from interference in; determining the audit scope, performing work, and communicating results
- **Audits performed as per IIA Standards of Professional Practice of Internal Auditing and the Code of Ethics**
  - Quality Assurance Reviews
  - Customer Satisfaction Surveys – overall satisfaction
- **Promotes coordination and efficiency through sharing of relevant documents and information with Board of Auditors**

# Audit planning and disclosure

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## Planning

- Continued to use risk-based approach focusing on high and medium risk UN-Women activities
- Risk assessment model updated annually for field based Offices to ensure its continued relevance

## Disclosure of audit reports in accordance with Board decision 2012/10

- Management and concerned Member States allowed 30 days to review reports and request redaction of sensitive information that could negatively reflect on a third party, prior to public disclosure. No requests received in 2014.
- OAI partially redacted one report prior to disclosure due to safety and security issue raised

# Staffing and budget

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## Staffing

- 4 authorized posts were fully staffed in 2014 except for approx. 2 months when 1 P4 post was vacant
- Vacant post filled mid January 2015

## Budget – Audit and Investigations

- Overall budget - \$1.21 million
- 2014 expenditures - \$1.01 million, underspending mainly result of savings on staff salaries and benefits and the use of OAI staff rather than consultants on investigation cases.

# Audit reports issued 2014

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## Based on audits of four field based offices and four headquarters units

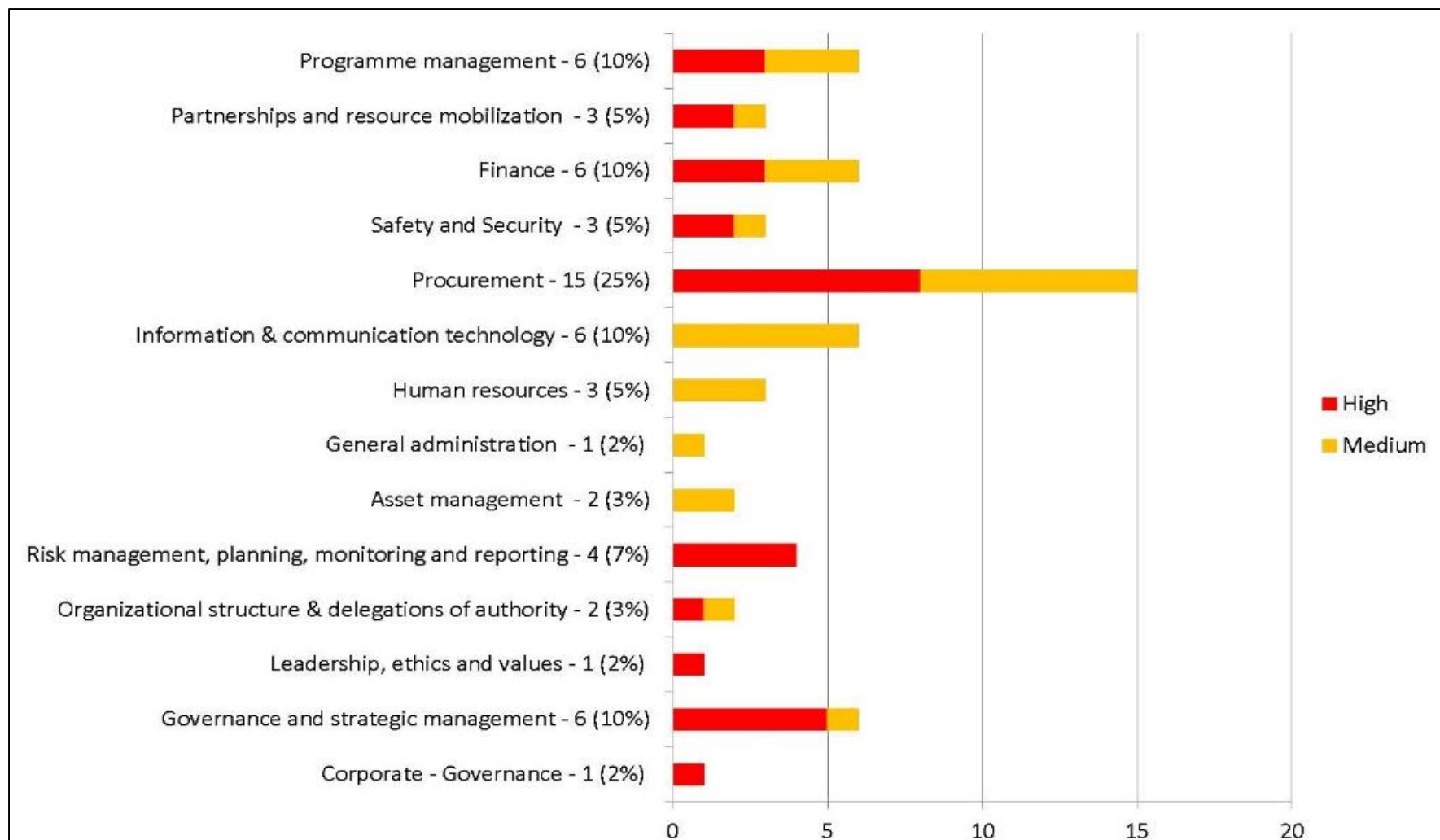
### Overall audit rating assigned for each report:

- 3 rated “**Unsatisfactory**”; internal controls, governance and risk management processes were not established or not functioning well, resulting in high risk that the overall objectives of the audited entity may not be achieved (The audit of the Procurement Function, UN Women Training Centre and UN Women Country Office in Mali)
- 1 rated “**Partially satisfactory**” (UNW Office in Pakistan)
- 4 rated “**Satisfactory**” (UNW Office in Occupied Palestinian Territories, UN Trust Fund to End Violence Against Women, the UN Women Fund for Gender Equality and UN Women Multi-country Office in Fiji)

### Expenditures audited:

- Audits covered approximately \$ 63 million or 23 percent of UN-Women expenditures (\$264 million) for the period 1 Jan 2013 to 30 Dec 2013 compared to 17 percent covered in 2013.

# Audit recommendations



## Top 5 Watch Lists

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- Weaknesses in Resource planning and mobilization
- Weaknesses in Project monitoring/oversight
- Delayed liquidation of Implementing Partner Advances
- Procurement (Vendor due diligence and management)
- Weaknesses in Asset management



## **Audit recommendations and follow-up**

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**Management responsibility to implement the audit recommendation or take alternative action to meet the original objective of the audit recommendation. Management benchmark - 90 percent implementation rate.**

**OAI independently assesses and validates actions and reports on implementation status – implemented, in progress, not implemented, withdrawn.**

- As of 31 December 2014, the rate of implementation was 75 percent.
- As of 31 May 2015, the rate of implementation was 84 percent. This compared favorably to the 31 December 2013 implementation rate of 67 percent .
- As of 31 December 2014, 3 recommendations had been outstanding for more than 18 months. All three were implemented within the first five months of 2015.

# Advisory Services

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In response to UN Women's request the Audit Unit provided advice and information related to inter alia:

- EC Pillar Assessments,
- Clauses in contracts
- Amendments to policies and procedures

# Investigations

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- OAI continued to investigate allegations of wrongdoing by staff members, contractors, partners or by third parties
- The number of reported cases increased from 2 in 2012, to 18 in 2013 and now 17 in 2014
- As at 31 December 2014, 9 cases were carried forward
- As at 31 May 2015, 8 cases were under investigations and 6 cases were under assessment

# Conclusions

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- The results of the 2014 audits continue to indicate that the internal controls, governance and risk management processes were in general functioning.
- Management has taken steps to address audit recommendations, which should improve UN-Women's effectiveness and efficiency in delivering on its mandate.
- No financial losses were identified in cases investigated and closed during 2014.

# Thank you....

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