

2015 Annual report on Internal Audit and Investigation activities

UN WOMEN

Documents for the Executive Board

- Annual Report on Internal Audit Activities for the year 1 January 2015 to 31 December 2015 (UNW 2016/4) with three annexes and one appendix
 - Annex I: Office of Audit and Investigations audit reports issued in 2015 pertaining to UN-Women
 - Annex II. Audit recommendations unresolved for 18 months or more
 - ANNEX III. Description of criteria that support OAI's opinion
- Appendix
 - Annual report of UN Women Audit Advisory Committee (AAC) for the year 2015

Background

- **5th Year Internal Audit and Investigations Function of UN Women entrusted to UNDP's Office of Audit and Investigations (OAI)**
- **Service Level Agreement (SLA) between UN Women and UNDP/OAI renewed in December 2015 for 2 years**

Internal audit function – Independence

- **Operational independence respected**

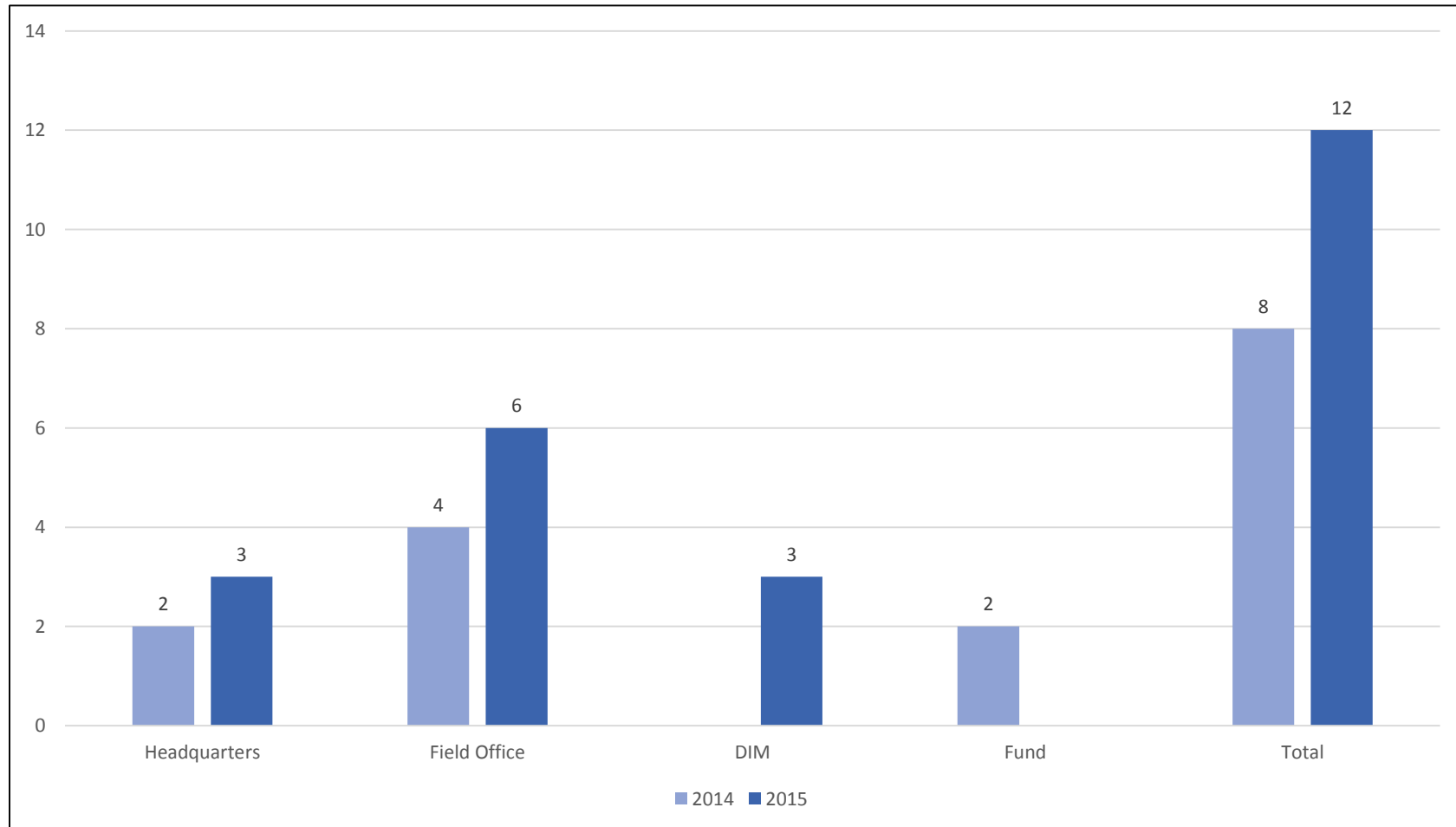
Free from interference in:

- determining the audit scope,
- performing work, and
- communicating results

Internal audit function – IIA Standards

- **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 rate of 4.4 achieved in 2015 (compared to 4.2 in 2014)

Audit reports issued - 2015 and 2014 comparisons

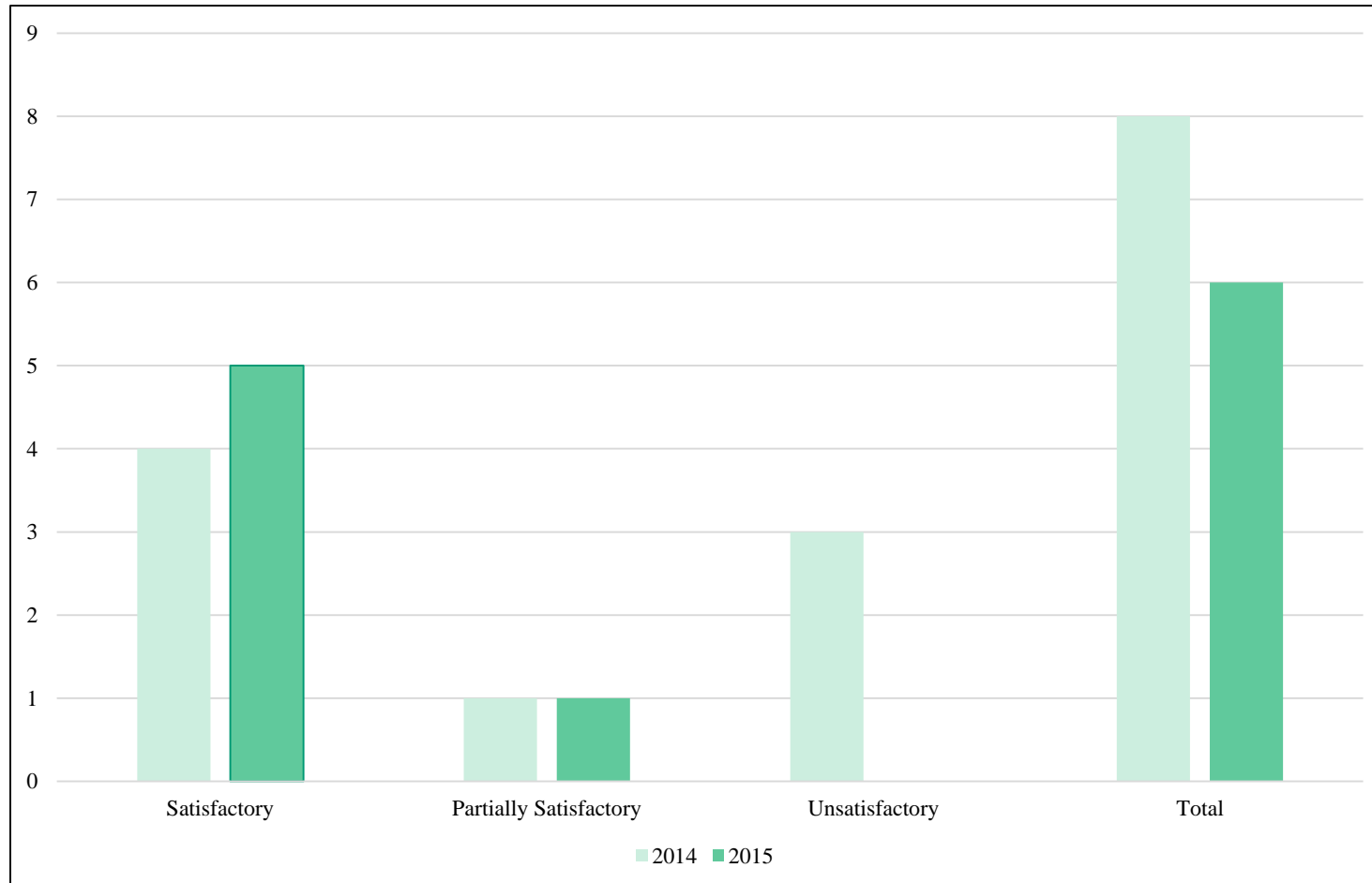


Public disclosure

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 2015.
- 12 internal audit reports publicly disclosed in 2015
 - 11 reports fully disclosed
 - 1 report partially redacted due to sensitive information regarding the office's safety and security readiness and its information and communications technology infrastructure.
 - A total of 624 visits to disclosure webpage
 - 18 percent decrease compared to 2014 (764 visits)

Audit ratings – 2015 and 2014 comparison



Audit Coverage 2015

- 20 percent of UNW 2014 expenditures
((\$53 million audited of \$270.5 million expenditures))
- Coverage declined by 3 per cent from 23 percent in 2014

Significant Corporate Issues

- Deficiencies in the corporate tools and systems that support documentation, monitoring and reporting on programmatic and financial activities;
- Inefficient and ineffective Regional Office operations;
- Inefficient processes for clearing and **complying** with non-standard clauses in contribution agreements;
- Unclear guidance on gender mainstreaming; and
- Lack of policies and procedures for urgent projects

Recurring Issues – Field-based Offices

- Programme and Project management
 - inadequate programme, project or results monitoring and oversight processes and lack of monitoring frameworks or plans (1 CO and 2 ROs)
- Operations
 - weaknesses in the management of travel (1 CO and 1 HQ Unit)
 - lack of compliance with minimum Information and Communication Technology Standards (1 CO and 1 RO)

Audit recommendations and follow-up

Responsibilities:

- **Management** - implement the audit recommendation or take alternative action to meet the original objective of the audit recommendation.
- **OAI** - independently assesses and validates actions and reports on implementation status – implemented, in progress, not implemented, withdrawn.

As of 31 December 2015:

- 5 recommendations (2 high, 3 medium) had been outstanding for more than 18 months
- 2 long outstanding high-priority recommendations relates to UN-Women Training Centre's (1) financial sustainability and (2) mandate, mission, role and location
- Rate of implementation was 99 percent (31 December 2014 - 75 percent) compares favorably with the corporate target of 90 percent.

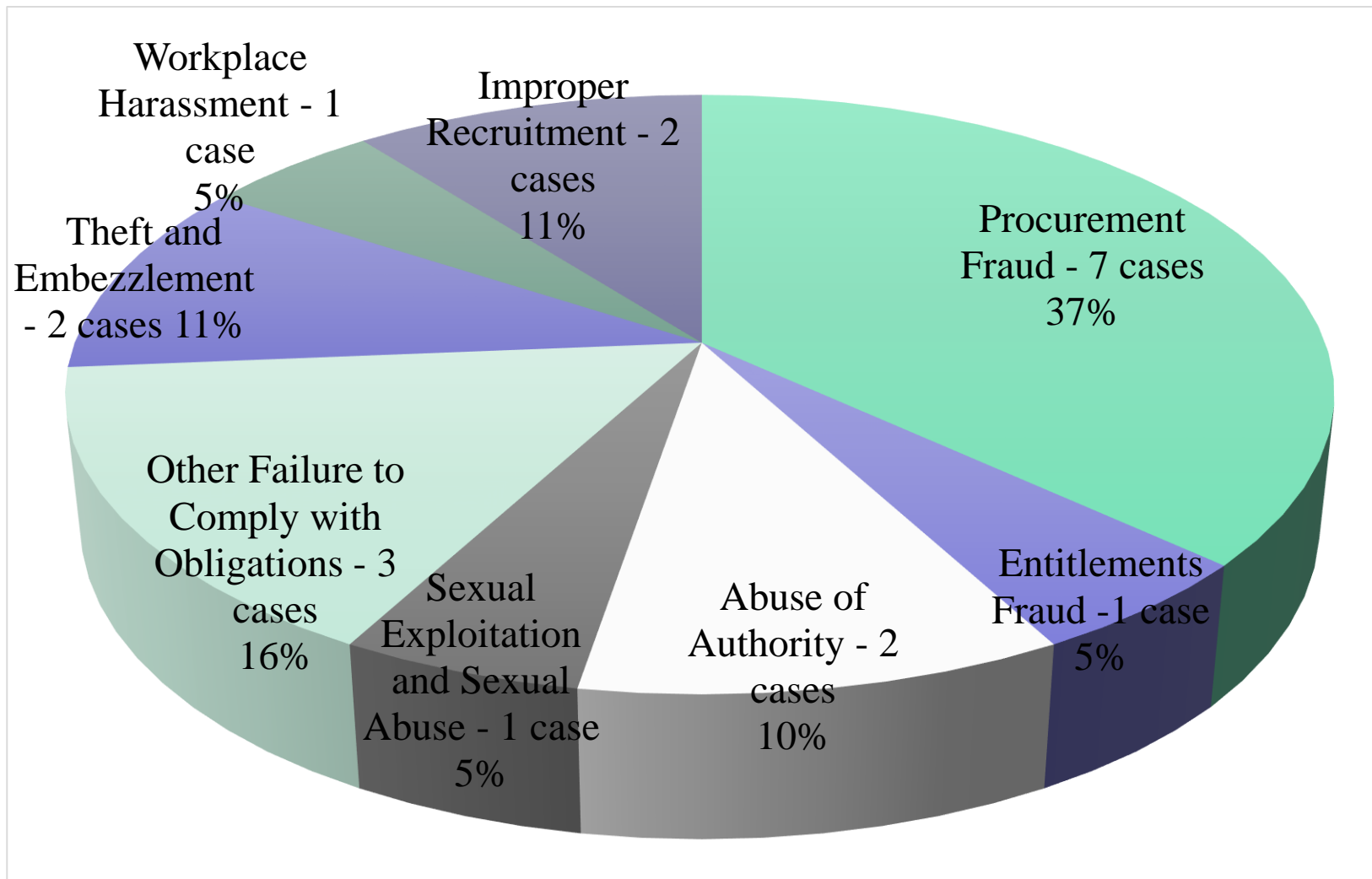
Investigations

OAI continued to investigate allegations of wrongdoing by staff members, contractors, partners and third parties.

Received 19 new cases in 2015 (compared to 17 new cases in 2014)

Caseload	2014	2015
Carry-over as at 1 January	9	9
Intake during the year	17	19
Total	26	28
Cases closed	17	18
Carried over as at 31 December	9	10

Types of cases received - 2015



Geographical distribution of new cases

Geographical distribution	2015	2014
Africa	8	3
Arab States	6	4
Asia and Pacific	2	6
Americas and the Caribbean	1	3
Europe and Central Asia	1	0
Headquarters	1	1
Total	19	17

Investigations – disposition of cases

18 cases closed in 2015:

Action taken	Cases in 2014	Cases in 2015
After preliminary assessment		
Closed (investigation not warranted)	15	10
Subtotal	15	10
After investigation		
Closed (not substantiated)	1	7
Closed (substantiated – submitted to UN-Women Management)	1	1
Subtotal	2	8
Total	17	18
Investigation reports issued	2	1

Staffing and budget

Staffing

- 4 authorized posts were fully staffed in 2015.

Budget – Audit and Investigations

- Overall budget - \$1.5 million (an increase of \$0.1M compared with the 2014 budget)
- 2015 expenditures - \$1.4 million, underspending of 7% mainly attributable to the reduction in travel-related expenditure pertaining to the postponement of one country office audit.

Overall Audit Opinion - Decision 2015/4

Satisfactory - based on the scope of work undertaken in 2015, in aggregate, UN Women's framework of governance, risk management and control is generally established and functioning well.

- Computed based on (See Annex III for details):
 - audits reports issued in 2015 (covered 20 percent of total 2014 UNW expenditures)
 - distribution of individual audit ratings
 - 99 per cent implementation rate of internal audit recommendations (31 per cent of all audit recommendations were corporate in nature, relating to policy guidance and corporate support)

Thank you....

Questions/comments to:

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