

**Decision 2018/3 - Report on internal audit and investigation activities for the period from 1 January to 31 December 2017**

As adopted on 20 June 2018

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*The Executive Board,*

1. *Takes note* of the Report on internal audit and investigation activities for the period from 1 January to 31 December 2017;
2. *Notes* the increase in the implementation rate of audit recommendations and the number of audit reports issued in 2017 and encourages the Independent Evaluation and Audit Services to address the lack of audits completed in Headquarters level;
3. *Notes with appreciation* that UNDP/OAI has been allocated appropriate and sufficient resources in the year 2017, and requests UN-Women to continue to allocate sufficient resources to ensure a satisfactory number of internal audits and investigations each year and guarantee the independence of these functions within the Independent Evaluation and Audit Services;
4. *Expresses* its continuing support for further strengthening of governance, risk management, internal controls and accountability at UN-Women and requests UN-Women to strengthen its analysis of the functioning of these key processes in its future reports to assist the Executive Board's understanding;
5. *Expresses* also its continuing support for the audit and evaluation functions at UN-Women, and urges UN-Women management to continue to leverage synergies between the Evaluation and Audit functions of the Independent Evaluation and Audit Services and request UN-Women to provide information on the measures taken to ensure effective linkages between audit and the outsourced investigation function;
6. *Notes* that resource mobilization is a high organizational risk, that may affect UN-Women's ability to adequately resource key accountability functions and activities, and in this regard, acknowledges the importance of setting realistic targets and clear assignment of responsibility and accountability for resource mobilization for core and non-core resources;
7. *Recalls* decision 2016/3 in which the Executive Board noted several areas of recurring weaknesses, including the high number of audit recommendations that were corporate in nature, and underscored the importance of progressing with implementation of recurring high priority recommendations;

8. *Reiterates* its concerns about the adequacy of audit coverage and urges UN-Women to follow up on the advice of the OAI and the Audit Advisory Committee to further intensify its efforts to address areas of recurring audit recommendations that pose significant risk, and assessing and implementing appropriate frameworks to support UN-Women's Risk Management and Compliance Functions ("second line of defence") at Headquarters and in the field;

9. *Supports* the 'zero tolerance' of the head of UN-Women towards sexual harassment, and appreciates the actions UN-Women has taken so far to prevent and manage sexual harassment, to implement further institutional and cultural changes, and to ensure a joined-up, system-wide, coherent approach;

10. *Requests* UN-Women management, as required under the Secretary General's report on special measures for protection from sexual exploitation and abuse, to present its annual certification to the Executive Board at each annual session, to cover sexual exploitation and abuse, and sexual harassment, as appropriate, complementing and strengthening its existing reporting, and to provide updates on progress made in that regard, including working with the United Nations Office of the Victims' Rights Advocate; and further urges UN-Women to consider how to align reporting formats and content with agencies, where appropriate;

11. *Encourages* UN-Women management, to undertake, using existing resources under the integrated budget 2018-2021, an independent victim-centred review of its policies and processes on tackling both sexual exploitation and abuse and sexual harassment, to review the current practices of UN-Women and provide recommendations on both issues, and requests UN-Women to present the review and associated management response to the Executive Board at its annual session 2019;

12. *Encourages* UN-Women to provide more detail in their future responses to both existing and new audit recommendations, including milestones and targets for implementing changes and improvements;

13. *Requests* the audit and investigation functions to include in future annual reports an analysis of the channels by which allegations of fraud and other misconduct are detected or reported to the investigation function and to provide a more detailed analysis of workplace harassment cases, including sexual harassment, covering the falling number of cases, as well as investigations and actions taken, in its 2019 annual report to the Executive Board;

14. *Takes note* of the Report of the Audit Advisory Committee for the period from 1 January to 31 December 2017;

15. *Encourages* UN-Women to consider the Audit Advisory Committee's recommendations.