

I. PROJECTS/RESULTS AREAS AND ENABLING ACTIONS

A. Internal Audit Activities

To provide assurance to the Executive Director on the adequacy of governance, risk management and control processes of UN-Women, the Internal Audit Service (IAS), of the UN-Women Independent Evaluation and Audit Services (IEAS), plans to conduct a total of 29 audits comprised of one Headquarters, eight field office audits and 20 DIM project audits in 2018.

Figure 1 shows the planned audit coverage for 2018 using total expenditures for field offices from 1 July 2016 to 30 June 2017 and DIM projects for the same period. As shown, it is anticipated that IAS will audit, in 2018, \$61.7 million or **25.66 percent** of the total estimated expenditures of \$239.7 million. This is an increase over the estimated audit coverage in the 2017 UNW Audit plan which was 20.2 percent.

Details of the audits planned for 2018 with comparative information pertaining to the 2017 Annual Work Plan, are shown below:

Figure 1: Comparison of 2018 and 2017 audits

	2018 Audit Plan				2017 Audit Plan			
	No. of audits	Total expenses estimated (\$ millions)	Amounts to be audited (\$ millions)	Audit coverage (percent)	No. of audits	Total expenses estimated (\$ millions)	Amounts to be audited (\$ millions)	Audit coverage (percent)
Total Headquarters	1	.7	.7		1*	4.3*	4.3	
Total Field Offices	9	239.7	45.9	19.15	8	214.2	17.8	
Total DIM projects**	20	100.9	15.1	15	20	196.5**	22.1	
Total	29	\$240.4	\$61.7	25.66%**	29	\$218.5	\$44.2	20.2%

* No audit coverage was calculated on the total headquarters audits because functional audits cover processes and expenses across all UN-Women. In addition, no audit coverage is calculated for the two field offices follow-up audits as the scope is limited to review of issues noted during the original audit.

** Following the established criteria for the audit opinion (Ref. Annex III Annual reports on internal audit and investigation activities) adjustments were made in the aggregation of expenditure for the DIM projects because the scope of the DIM financial audits focuses on financial certification of expenditure and, therefore, these audits do not directly assess the governance, risk management, and control (GRC) aspects of UN-Women. As such, Internal Audit Service estimated that the results of the DIM financial audits give a 50 per cent weight on the assurance about UN-Women GRC.

1. Headquarters audits and special projects

Member States have expressed a desire for more functional audits of processes, which have a cross cutting or significant impact on UN-Women's operations. The Headquarters risk assessment identified the following Divisions/Functions or Units as high risk.

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Figure 2: Headquarters Risk Assessment results

Headquarters Unit, Function or Division	Rating	Rating Description
Directorate – Executive Director’s Office	3.78	High
Civil Society Section	3.50	High
Management Business Support – Audit and Risk Management	3.50	High
Violence Against Women Trust Fund	3.50	High
Programme Support Division – Programme Team	3.20	High
Management and Administration	3.18	High
Evaluation Unit	3.05	High
Administrative Services	3.00	High
Multi Donor Trust Fund (FGE)	3.00	High

In its 2018 Internal Audit Annual Workplan, IAS will perform one Headquarters audit in 2018. The HQs audit will be the Audit of the Civil Society Section.

2. Field Office audits

Based on the results of the annual field office audit risk assessment, IAS will perform 8 comprehensive audits of field offices. The 8 audits represent 19.5 percent coverage of the estimated annual country office programme and management expenditures for the period 1 July 2016 to 30 June 2017. The 8 field offices are presented in figure 3 below.

Figure 3: Planned field office audits by region

Region	Country Office selected for audit in 2018
West and Central Africa (WCA)	Nigeria
	Cameroon
East and Southern Africa (ESA)	South Sudan
	Mozambique
Americas and Caribbean (AC)	Colombia
Arab States	Jordan
Asia and the Pacific	Nepal
	Afghanistan
Europe and Central Asia (ECA)	n/a ¹

3. Directly-implemented project audits

The UN-Women approach to project delivery continues to be largely through direct implementation, where UN-Women is fully responsible and accountable for the successful management and delivery of the project outputs. For 2018, the IAS will undertake 20

¹ There was no Field Office rated as “high risk” in the ECA region.

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projects, implemented in 15 countries, which will be the same number of projects as those audited in 2017. IAS will manage the process, contracting independent audit firms under long-term agreements for the conduct of the audits. IAS will use the long-term agreements that UNDP/Office of Audit and Investigation (UNDP/OAI) has with several independent audit firms.

DIM project audits will be primarily financial audits, however, in some instances, the DIM audit may also include an audit of internal controls and systems. In 2018, the cost of such audits shall continue to be borne in full through the budget of the audited projects.

UNDP/OAI has assisted in identifying the projects for audit through a manual process that commenced with reviewing the entire UN-Women project portfolio as at 30 June 2017, followed by the removal of projects that had been deactivated and cancelled as well as those clearly related to the Management Results Framework or Organizational Effectiveness and Efficiency Framework which are comprised mainly of staff salaries. Projects were then selected taking into consideration the level of project expenditures and the risk ranking of the country as determined as part of the Field Office Risk Assessment model, where appropriate. The 20 projects ultimately selected for audit may change upon analysis of total project expenditures for 2017.

Figure 4: Planned DIM project audits, by region

Region	Number of countries with audits	Number of projects to be audited	UN-Women Offices
East and South Africa	5	7	Kenya, Tanzania, Somalia, Zimbabwe and Rwanda
West and Central Africa	5	8	Democratic Republic of Congo, Liberia, Mali, Nigeria, and Senegal
Americas & Caribbean	0	0	None
Arab States	3	3	Egypt, Jordan and Iraq
Asia and Pacific	2	2	Afghanistan, Thailand
Total	15	20	

4. Other activities

i. Monitoring the implementation of audit recommendations

From the 18 December 2017, IAS will report to the Executive Board on all recommendations, which remain unimplemented for 18 months or longer by 31 December in the year of reporting.

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ii. Disclosure of internal audit reports

All audit reports will continue in 2018 to be disclosed on the public website provided by UN-Women in collaboration with UNDP/OAI, in accordance with the decision of the Executive Board (2012/10).

iii. Advisory services

IAS will provide, upon request, advisory services to UN-Women Headquarters Units and Field Offices. UNDP/OAI will be available to provide specific support to IAS up to the end of Q1 2018.

iv. Coordination with the UN-Women external auditors

IAS will coordinate its activities with the UN Board of Auditors to avoid duplication of work.

v. Audit Risk Assessment Models

A detailed update of the Headquarters Risk Assessment Model and the Field Offices Risk Assessment Model have been used to prepare the 2018 Work plan. The audit risk assessment exercise relied on the knowledge and expertise of the UNDP/OAI.

B. Investigation Activities

Under the Memorandum of Understanding signed between the Office of Internal Oversight Services (UNOIOS) and the UN-Women, the UN-Women's investigation function is outsourced to UNOIOS starting 18 December 2017 thereby all ongoing investigations cases will be transferred from UNDP/OAI to UNOIOS as of 18 December 2017.

II. RESOURCES

A. Positions

IAS workforce will be comprised five staff positions (a) Chief, Internal Audit Service at P-5 level and (b) 4 Audit Specialists, 2 at P-4 level, and 2 at P-3 level. Based on the 2017 pro forma costs, it is expected that staff budget will total approximately \$1.42 million as reflected in the 2018 budget at Figure 5, below.

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B. Programme delivery projections

A total budget of \$1.99 million (\$1.42 million in staff costs, and \$ 0.57 million in general operating costs including \$0.3 million for DIM Audits) is required to implement the Transitional Risk-based Audit Work Plan for 2018.

Figure 5: Budget 2018 versus 2017 (in US\$ million)

	2018 (\$million)			2017 (\$million)		
	Staff	GOE	Total	Staff	GOE	Total
Audit	1.42 ²	0.57	1.99	1.02	0.67	1.69
Investigations	N/a	N/a	N/a	0.22	0.05	0.27
Total	1.42	0.57	1.99	1.24	0.72	1.96

² Cost of Director, IEAS shares between Independent Evaluation and Internal Audit