Management Response to the Report of the Board of Auditors

For the year ended 31 December 2019

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CONTEXT AND OVERVIEW

Through implementation of UNBoA's recommendations, UN-Women:

- Reaffirms commitment to reinforce **internal governance and accountability** by strengthening uptake mechanisms for audit and assessment findings

- Enhance effective framework of **Governance, Risk management and Internal Controls** into our Strategic Plan 2022-2025 and business model to support the vision of UN Women 2.0

2019 UNBOA AUDIT: KEY FINDINGS AND RECOMMENDATIONS

as of 31 December 2019

9th

consecutive unqualified audit opinion

HQ NY

Fiji MCO

Turkey CO

11

recommendations issued

68%

prior years' recommendation implementation rate (15 out of 22)

Positive impacts of implementation

Improved internal governance
- Formalized categorization of field offices to guide global footprint for achievement of results

Strengthened partner management and oversight
- Timely receipt, review and processing for liquidation of partner project expenditures

UN WOMEN

STATUS OF IMPLEMENTING AUDIT RECOMMENDATIONS

as of 31 December 2020

2019 Audit Recommendations
(11 audit recommendations)

45% assessed as **implemented** by UNBoA
(5 recommendations)

28% **actions completed** by UN Women
(3 recommendations)

27% UN Women actions **in progress**
(3 recommendations)

Prior Years' (2016 – 2018) Audit Recommendations
(6 audit recommendations)

33% assessed as **implemented** by UNBoA
(2 recommendations)

67% UN Women actions **in progress**
(4 recommendations)

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ACTIONS FOR PRIOR YEARS' AUDIT RECOMMENDATIONS

2016-2018

UNBOA assessed as implemented

- Presence Governance Framework promulgated
- Month-end closure and internal controls enhanced through stronger compliance with month-end closure processes

UN Women actions in progress

- Review capacity of Audit Coordination Unit
- Improve linkages and data flow between Results Management System and Enterprise Resource Planning
- Revise policies for project management and accounting with respect to ineligible partner project expenditures
- Mainstream project procurement plan across project management documents

EXECUTIVE BOARD DECISION 2020/2

Key Improvements to UN-Women's Governance, Risk Management, Internal Control and Accountability

Governance & Accountability

- Promulgated **Presence Governance Framework** to guide global footprint for achievement of results

- Strengthened **internal governance** through creation of the Business Review Committee and Strategy, Planning, Resources and Effectiveness Division

Risk Management

- Established **Risk Management Committee** to oversee the monitoring of risk management

- Improved ERM Policy to **sharpen focus on strengthening risk management** across UN-Women

Internal Control

- Updated the Internal Control Policy for **stronger control around procurement approvals**

- **Strengthened the Second Line of Defense** as a key workstream to support improved financial and human resources management

EXECUTIVE BOARD DECISION 2020/2

Positive impact from implementing audit recommendations issued in 2018

Procurement

- Added new **system-based control** to improve segregation of duties in purchasing
- **Strengthened procurement plan monitoring** with enhanced dashboard
- Timely closure and review of Purchase Orders with completed payments

Asset Management

- Improved monitoring and timely recording of capital assets through the use of electronic tagging system
- Established reliable and **up-to-date non-capital asset lists** with reinforced compliance to procedures

Partner Management

- **Improved transparency** in sample selection of project expenditures through updated Policy
- **Increase partners' financial management capacity** through training

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THANK YOU!