



Executive Board of the United Nations Entity for Gender Equality and the Empowerment of Women

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Audit and investigation matters

Report on internal audit and investigation activities for the period from 1 January to 31 December 2019

Summary

The Internal Audit Service (IAS) of the Independent Evaluation and Audit Services (IEAS) of the United Nations Entity for Gender Equality and the Empowerment of Women (UN-Women) submits its annual report on internal audit activities for the period from 1 January to 31 December 2019 to the Executive Board. This report also provides a concise summary of investigation activities carried out by the Office of Internal Oversight Services (OIOS) of the United Nations for UN-Women during this period.

As requested by the Executive Board in its decision [UNW/2015/4](#), and in relation to internal audit activities, this report includes: (a) an opinion, based on the scope of work undertaken, on the adequacy and effectiveness of the Entity's framework of governance, risk management and control; (b) a concise summary of work and the criteria that support the opinion; (c) a statement of conformance with the internal audit standards being adhered to; and (d) a view on whether resourcing of the function is appropriate, sufficient and effectively deployed to achieve the desired internal audit and investigation coverage. The report also provides an update on the status of management implementation of internal audit recommendations.

The Executive Board may wish to: (a) take note of the annual report of the internal audit service and investigation activities; (b) take note of the Advisory Committee on Oversight's report; and (c) encourage UN-Women management in its continuous efforts to further strengthen its second line of defence and the establishment of a Statement of Internal Controls.



I. Introduction

1. This report provides a description of the internal audit and investigation functions in UN-Women and related activities for the year ended 31 December 2019. It includes information on the main results of internal audits undertaken in 2019 and the status of management efforts to implement the related recommendations from these and prior years' reports. Information is also presented on investigation activities carried out by the Office of Internal Oversight Services (OIOS) of the United Nations for UN-Women in 2019.

II. Mandate

2. In accordance with its Charter and following the International Professional Practices Framework and Code of Ethics promulgated by the Institute of Internal Auditors Inc., the Internal Audit Service (IAS) provides the UN-Women Executive Director with independent and objective assurance and advisory services designed to add value and improve the effectiveness and efficiency of UN-Women's work. IAS's primary objective is to assess whether UN-Women's governance, risk management and internal controls are adequate, effective and functioning as intended to meet the Entity's strategic and organizational objectives.

3. The Independent Evaluation and Audit Services (IEAS) fulfils its internal oversight role through independent evaluation and internal audit and advisory services. In accordance with UN-Women Financial Rules and Regulations (UNW/2012/6), independent external oversight is provided by the United Nations Board of Auditors. The primary objective of the United Nations Board of Auditors is to express an opinion on UN-Women's financial statements.

4. The UN-Women Executive Director also receives independent advice on the effectiveness of the Entity's oversight functions from the Advisory Committee on Oversight comprised of senior professionals who are fully external to UN-Women.

III. Opinion (*decision 2015/4, point a*)

5. UN-Women management is responsible for designing and maintaining effective governance, risk management and control processes to ensure that UN-Women's objectives are achieved.

6. As requested by the Executive Board, IAS presents an opinion on the adequacy and effectiveness of the Entity's framework of governance, risk management and control. IAS's opinion is primarily based on the results of audit and advisory services rendered in 2019 and the progress made by management on internal audit recommendations. A concise summary of the work that supports this decision is provided in Section IV.

7. In line with professional standards and modern practices, internal audits carried out by IAS provide assurance on the effectiveness of governance and management actions to identify and manage key risks to the achievement of UN-Women's objectives. The year ended 31 December 2019 was the second full year of IAS's existence as an in-house internal audit function. As such, IAS continued to refine its audit risk universe and to extend its audit coverage of key risk areas, including areas covering field offices, cross-cutting functions and business processes.

8. The opinion does not cover the processes and activities outsourced to UN-system organizations or third-party providers such as:

- (a) Selected HR management activities depending on the Service Level Agreements (SLAs) in place;
- (b) Staff and service contract holder payroll preparation and payment;
- (c) Local bank payments;
- (d) Treasury management;
- (e) ERP hosting and management (Atlas);
- (f) Firewall and vulnerability management, infrastructure maintenance and website hosting;
- (g) Local IT services provided in field offices as part of shared premises or shared back office functions; and
- (h) Other shared services provided by UN agencies in the field depending on local SLAs in place.

9. For such outsourced services, the internal audit office of the primary UN-system entity providing the service covers the governance, risk management and control of the service through the execution of their audit plan. In the case of local SLAs, IAS seeks to assess their effectiveness, relevant governance, risk management and controls in the context of its risk-based field audits.

10. Based on internal audit work performed in 2019, IAS's overall opinion is that no significant weaknesses were identified in the Entity's governance, risk management and control processes that would seriously compromise the achievement of UN-Women's strategic and operational objectives.

11. As a result of its 2019 audit assignments, IAS did identify some risks that require management attention. Key audit results are described in Section VIII of this report. However, these risks did not rise to a level of significance at the institutional level that would seriously compromise UN-Women's achievement of its overall objectives.

12. IAS encourages UN-Women management to: (a) further enhance its second line of defence, in particular by identifying the business process owners responsible for risk-based and cost-effective policy, process design and compliance monitoring, and clearly defining and communicating the role of Regional Offices as responsible for monitoring and oversight of the field offices in their region; and (b) further demonstrate its accountability for risk management and related systems of internal control through preparing an annual Statement of Internal Controls. Currently, management is responsible for designing and maintaining effective governance, risk management and control processes; however, the discharge of this responsibility is not asserted on an annual basis in the form of a Statement of Internal Controls.

IV. Summary of work and criteria for opinion (*decision 2015/4, point b*)

13. To formulate its opinion, IAS considered sources of evidence, such as its 2019 audit plan and its implementation; individual audit engagement results and ratings; progress made by management on implementing actions to address audit recommendations; and work conducted by the United Nations Board of Auditors. IAS also relies on management to proactively communicate about known instances of potential control failures, irregularities, or regulatory non-compliance that could be material to the control environment.

14. The 2019 IAS audit plan cannot cover every risk, business process, organizational unit or office within UN-Women. Audit engagements were therefore selected based on a judgmental selection from a comprehensive risk assessment of organizational units, offices and business processes and the availability of resources to cover those risks. As such, there are inherent limitations in the ability to express a comprehensive opinion on the overall governance, risk management and control processes with regards to UN-Women's strategic, financial, operational, or compliance objectives.

15. In 2019, IAS conducted 13 internal audit and advisory engagements related to the 2019 audit plan, with all final reports issued by the end of February 2020. These engagements generally covered governance, risk management and controls in the selected offices or were related to UN-Women processes.

16. The internal audit engagements were rated by IAS as follows:

(a) Four internal audit engagements had overall ratings of satisfactory, meaning that no issues were identified that might significantly affect the achievement of UN-Women's objectives.

(b) Four were assessed as some improvement needed, meaning that the assessed governance, risk management practices and controls were generally established and functioning but needed some improvement.

(c) Two were assessed as major improvement needed, meaning that the assessed governance, risk management practices and controls were established and functioning, but needed major improvement.

(d) The remaining three engagements were advisory in nature so did not contain an assurance rating.

17. The implementation rate of internal audit recommendations prior to those made in 2019 was 99 per cent. This demonstrates management's commitment to appropriate and timely action as and when improvements in governance, risk management and control processes are necessary.

V. Statement of independence and conformance to internal audit standards (*decision 2015/4, point c*)

18. Throughout 2019, IAS continued to be operationally independent of UN-Women management and exercised freedom in determining the scope of its work in accordance with applicable international and generally accepted standards. UN OIOS, being an external service provider for investigations, shares the same independence.

19. IAS aims to carry out its work with the highest standards of professionalism and efficiency. In this regard, IAS follows the International Professional Practices Framework of the Institute of Internal Auditors Inc. IAS has made progress in preparing for its first Quality Assessment as required by the International Standards for the Professional Practice of Internal Auditing (the "Standards"). In 2019, IAS conducted a self-assessment gap analysis of its practices against the Standards. An action plan was established and had been partially implemented by the end of the year. In 2020, IAS will finalize implementation of the remaining actions and commission an independent Quality Assessment to review its compliance with the Standards. IAS cannot yet use the statement that it conforms with the Standards. Nonetheless, IAS continues to follow the Standards in its overall process and in individual engagements.

VI. Resources allocated to IAS and their deployment (*decision 2015/4, point d*)

20. The Executive Board's decision No. 2015/4 requires that IAS indicate whether, in its view, the resourcing of the internal audit and investigation function is appropriate, sufficient and effectively deployed to achieve the desired coverage. During 2019, IAS received adequate resources to implement the activities in its 2019 audit plan. Financial resources were deployed in line with the IAS plan and UN-Women rules and policies. IAS staffing was fully funded with five approved posts: one P-5 (Chief), two P-4 and two P-3 posts. IAS is positioned within IEAS, which is led by a Director and supported by two Administrative Associates. In 2019, IAS received US\$ 447,000 for non-staff expenditure, which was mainly used for audit consultants and travel to field offices.

21. For investigations completed in 2019, OIOS invoiced or provided cost estimates to UN-Women, as of 31 March 2020, in the amount of US\$ 181,000. OIOS directly invoices UN-Women on a cost-recovery basis. The IAS budget is not impacted by cost-recovery from OIOS.

22. In 2019, the Director, IEAS with the support of two IAS staff carried out the role of Responsible Official for receiving and transmitting investigation reports; coordinating and monitoring implementation of other reports; and for directing referrals, recommendations, and requests for cost-recovery from the investigation function. The role involved coordination, monitoring and oversight efforts for which IEAS did not have dedicated resources. Although demanding but manageable at current activity levels, further support in this area would help to increase IAS's ability to provide proactive integrity and counter-fraud efforts as well as awareness of how to handle potential misconduct.

23.

VII. Implementation of the 2019 risk-based audit plan

A. Risk-based audit planning and completion of the annual workplan

24. Upon its establishment in 2018, IAS developed a risk-based audit strategy for 2019–2021. The strategy aims to support a vision, inter alia, of facilitating and coordinating a combined assurance concept to enhance the effectiveness and efficiency of UN-Women's governance and oversight. This vision is based on the concept of the Three Lines of Defence model¹ and is expected to promote results-focused accountability and good governance, enhanced risk management and cost-effective internal controls.

25. The 2019 internal audit plan was formulated based on an independent risk assessment, after obtaining input from senior management and other stakeholders on key risks. The planning process included the analysis of quantitative and qualitative data to assess the risks relating to each auditable office and unit. The 2019 audit plan was reviewed by the Advisory Committee on Oversight before its submission to and approval by the UN-Women Executive Director.

¹ According to the IIA Position Paper on Three Lines of Defence in Effective Risk Management and Controls, management control is the first line of defense in risk management, the various risk control and compliance oversight functions established by management are the second line, and independent assurance is the third.

26. Fieldwork for all but three assignments included in the risk-based audit plan was completed in 2019. One audit assignment was delayed to enable the necessary procurement process for information technology security services to be completed; the fieldwork for one advisory assignment was substantially completed in 2019 but required further work in 2020; and one thematic audit was delayed primarily because of a vacancy and workload. Moreover, one audit assignment was postponed due to elections and related security issues in the country concerned. These assignments have been carried forward to the 2020 plan. Nine reports related to the 2019 audit plan were issued during 2019 and four reports were issued by the end of February 2020. In addition to its risk-based plan, IAS facilitated a victim-centred review of UN-Women's policies and procedures for tackling sexual harassment and sexual abuse and exploitation, requested by the Executive Board; and initiated a lessons learned advisory review of the governance, risk management and controls of the HeForShe campaign.

B. Monitoring of IAS activities and coordination

27. During 2019, the Advisory Committee on Oversight monitored implementation of the 2019 risk-based plan through progress reports and meetings with the Director, IEAS and Chief, IAS. In addition, the Advisory Committee on Oversight reviewed and provided comments on this draft annual report.

28. IAS also communicated its annual workplan to the United Nations Board of Auditors to promote coordination and efficiency.

C. Audit reports and ratings

29. For internal audits of UN-Women offices and functions, IAS assigns an overall audit rating of satisfactory, some improvement needed, major improvement needed, or unsatisfactory based on its overall assessment of the relevant governance, risk management and control processes examined. Table 1 provides the overall ratings for ten internal audits completed by IAS related to the 2019 audit plan. Of these reports, eight relate to internal audits of UN-Women field offices, and two relate to thematic corporate processes. Table 1 also presents the number of audit recommendations by priority.

Table 1
Internal audit reports with rating and recommendations

<i>Title</i>	<i>Audit Rating</i>	<i>Audit recommendations</i>	<i>Audit recommendations</i>	
			<i>High</i>	<i>Medium</i>
Afghanistan Country Office	Some Improvement Needed	12	2	10
Mali Country Office	Some Improvement Needed	10	3	7
Implementing partner management	Major Improvement Needed	13	3	10
Uganda Country Office	Satisfactory	10	1	9
Myanmar Programme Presence Office	Some Improvement Needed	11	4	7
China Programme Presence Office	Satisfactory	10	2	8
Asia & Pacific Regional Office	Satisfactory	12	5	7

<i>Title</i>	<i>Audit Rating</i>	<i>Audit recommendations</i>	<i>Audit recommendations</i>	
			<i>High</i>	<i>Medium</i>
Travel management	Major Improvement Needed	8	2	6
Brazil Country Office	Satisfactory	14	3	11
Liberia Country Office	Some Improvement Needed	10	4	6
Total recommendations		110	29	81

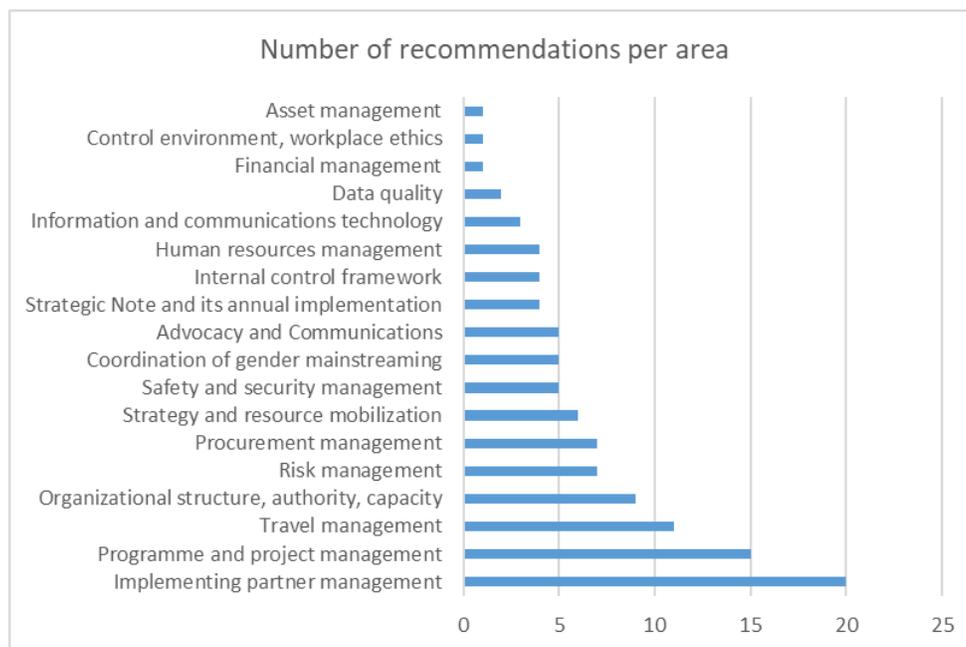
30. Three reports were advisory in nature and as such do not contain an assurance rating. These reports related to the following advisory assignments: Operational Risk Assessment of the Haiti Country Office; maturity assessment of the Risk Management Process in UN-Women; and gap assessment of the Project Cycle. See Annex 1 for summaries of these advisory engagements.

VIII. Significant internal audit results

31. Of the 110 internal audit recommendations issued related to IAS's 2019 audit work, 29 were rated as high priority, requiring prompt action from management to ensure that UN-Women was not exposed to high risks.

32. The key processes identified as needing improvement related to managing implementing partners, project/programme management, travel management, risk management, structure and capacity, and procurement (see Figure 1 below).

Figure 1
Key processes by number of recommendations issued



Source: IAS reports.

33. In 2019, IAS noted issues in following areas:

(a) Management of implementing partners: From previous audits of field offices, as well as recommendations from the UN Board of Auditors, IAS noted recurrent findings related to management of implementing partners. An implementing partner is a party (such as a non-governmental organization) which is given responsibility for implementation of agreed outputs or activities which are usually part of UN-Women's programmes and projects. In 2019, IAS conducted a thematic audit of implementing partner management across the Entity, which identified areas for improvement in: (i) consolidating fragmented responsibilities under a main process owner with a single point of accountability for the end-to-end process and for monitoring related policies; (ii) conducting end-to-end process risk assessments, mapping the risks identified to related controls and the current Programme Policy and Guidance framework and combining them into one integrated framework; (iii) strengthening policies, management accountability and controls to prevent and detect underperforming implementing partners through a performance evaluation procedure; and (iv) devising a system to facilitate management of the process.

(b) Programme and project management: In 2018, IAS noted several recommendations related to improving project progress tracking, project risk management and monitoring. At the start of 2019, management was in the process of streamlining the Project Cycle and strengthening internal project management practices. As the governance and processes around this thematic area were not yet fully finalized, it was not sufficiently mature for a full thematic audit. IEAS decided to support management's efforts in development of the Project Cycle by conducting an advisory assignment to review the gaps in project management and recommend improvements in governance, risk management and controls drawing on both its internal audit and evaluation experience. IEAS identified five key areas, which if fully addressed, would enable the organization to achieve higher maturity in its project management. Key recommendations include: (i) ensuring clear definitions for

programmes and projects, upstream and downstream dependencies, roles and responsibilities of key stakeholders at all project design and implementation phases; and (ii) enhancing support systems, tools and embedding risk management discipline.

(c) Travel management: Travel is important to the implementation of UN-Women's mandate and is also a material organizational expenditure. The thematic audit on travel management identified the following areas for improvement: (i) clarifying a process owner for travel management in terms of strengthening accountability, authority and capacity to monitor compliance with the Duty Travel Policy and to hold individuals accountable for non-compliance; (ii) enhancing the Duty Travel Policy by better incorporating concepts of prudence, cost consciousness, duty of care and results-focus; and (iii) streamlining potentially duplicative procedures, unifying and standardizing systems and automating controls.

(d) Setting up and implementation of strategic priorities: Field audits highlighted areas for improvement in the development and implementation of Strategic Notes and their related resource mobilization and coordination strategies. IAS recommended more feasible and concrete results frameworks at Strategic Note and related project levels, with well-equipped monitoring functions and an improved system of collection and validation of data. Corporate guidance on how to improve results-focused reporting related to projects funded through Strategic Notes would help to demonstrate impact. Moreover, taking into account UN-Women Change Management and UN reform, further corporate guidance is needed on the roles and responsibilities of Regional Offices for oversight and technical support to enhance the second Line of Defence and to provide greater assurance of achievement of results.

(e) Capacity needed to implement strategic priorities: Field audits also highlighted the need to better match field office capacity with their ability to deliver through longer-term and sustainable local HR strategies. In this regard, recommendations were made that field offices should better plan to ensure appropriate staffing capacity and technical skill; management succession; swifter recruitment for vacancies; sustaining and leveraging knowledge; and enhancing capacity in monitoring and coordination.

(f) Procurement management: Recommendations were made to field offices to strengthen the management of procurement carried out locally by establishing realistic procurement plans and effective strategies; ensuring adequate monitoring control and oversight of procurement activities; strengthening internal mechanisms to emphasize considerations of cost consciousness; conducting periodic market research to establish a wide selection of potential vendors; and ensuring confidentiality and fairness in the tendering process.

(g) Risk management process: After analysis of recurrent findings from audits, and as part of its mandate to provide assurance and advisory services on the effectiveness of governance, risk management and controls, IAS conducted an advisory maturity assessment of UN-Women's Risk Management process and presented a roadmap to advance the Entity's maturity in this area. The review showed that significant progress had been made in the area of risk management within a short timeline. Management reconfirmed its commitment to enhancing risk management culture throughout the organization and there were examples of processes that have risk-driven trails. IAS also identified some areas for improvement: the current process needs to continue to move from a mainly compliance exercise (yet to be fully embedded in strategic planning, and programme and project implementation), towards even greater risk-informed decision-making. The key objective of risk management – to assist managers in making decisions, justified by the assessment of

existing and potential risks and opportunities – is not yet fully embedded throughout UN-Women’s culture. See Annex 1 for further details on the advisory assignment.

(h) Other recurrent issues: Finally, in some country offices, improvements needed to be made to strengthen compliance with controls, such as HR policies and procedures; recording and verification of assets; testing of business continuity and disaster recovery plans; timely updating and monitoring of internal control frameworks; and management of data protection.

IX. Follow-up on audit recommendations

34. Four internal audit reports related to the 2019 plan were issued in early 2020, so the related recommendations from these reports were not included in the follow-up statistics reported below. The implementation rate of internal audit recommendations prior to those made in 2019 was 99 per cent. In addition, as of 10 April 2020 management had already addressed 50 per cent of the recommendations issued during 2019 and was taking action on the remaining outstanding recommendations.

35. There were only three long outstanding audit recommendations (prior to those made in 2019), all of which are medium priority. These recommendations relate to: establishing corporate guidance on monitoring and quality assurance of data and information to be included in quarterly monitoring report; improving donor contact coordination and protocols; and testing a disaster recovery plan in one country office. In all cases, management has committed to action and IAS is monitoring implementation.

X. Advisory services

36. During 2019, IAS completed three advisory engagements: a maturity assessment of UN-Women’s Risk Management process; a gap analysis of the Project Cycle; and an operational risk assessment of the Haiti Country Office. The summaries of these engagements can be found in Annex 1.

37. In addition, IAS interacted regularly with the Independent Evaluation Service (IES) to coordinate audit and evaluation assignments, share information, and to provide input where relevant to Country Portfolio Evaluations conducted by IES.

38. Moreover, in partnership with the National Audit Office of the United Kingdom, IAS made progress in refining its performance and Value-for-Money audit methodology and discussed potential joint reviews with IES focusing on Value-for-Money components.

39. During the reporting period, IAS participated as an active observer in different working groups related to Change Management in the organization and the pilot portfolio review. The Director, IEAS met periodically with the Executive Director of UN-Women to brief on the results of IAS work and was a regular proactive observer and adviser in Senior Management Team meetings. In addition, IAS regularly provided comments on draft policies and procedures, management requests and other initiatives.

XI. Disclosure of internal audit reports

40. Thirty days after issuance, all internal audit reports issued in 2019 were publicly disclosed in accordance with Executive Board decision 2012/10 (see UNW/2012/16) and are available on the UN-Women audit disclosure website: <http://audit-public-disclosure.unwomen.org>. No requests were received internally or from any organization or Member State requesting redaction of audit reports.

41. While advisory reports are not published, copies were provided to senior management and the Advisory Committee on Oversight. Key highlights are summarized in this annual report under Annex 1.

XII. Investigations

42. OIOS provided investigation services in 2019 covering allegations of misconduct committed by UN-Women personnel or by third parties to the detriment of UN-Women.

43. In 2019, the Director, IEAS continued the role of Responsible Official for coordinating and receiving information on investigation activities. The UN-Women Legal Adviser and the Director, Human Resources, continue to play integral roles in this area as outlined in the UN-Women Legal Framework for Addressing Non-Compliance with United Nations Standards of Conduct.

A. Caseload

44. In 2019, OIOS registered intake of 52 allegations for UN-Women compared to the 36 registered in 2018. In 2019, UNDP OAI, the previous provider of investigation services to UN-Women, also completed work on one outstanding allegation.

Table 2
OIOS caseload in 2019, compared to 2018

Caseload	OIOS		UNDP OAI	
	2019	2018	2019	2018
Carry over as at 1 January	12	–	1	10
Intake during year	52	36	–	3
Total	64	36	1	13
Closed from cases carried over	9	–	1	9
Closed from intake	34	24	–	3
Total	43	24	1	12
Carried over as at 31 December	21	12	–	1

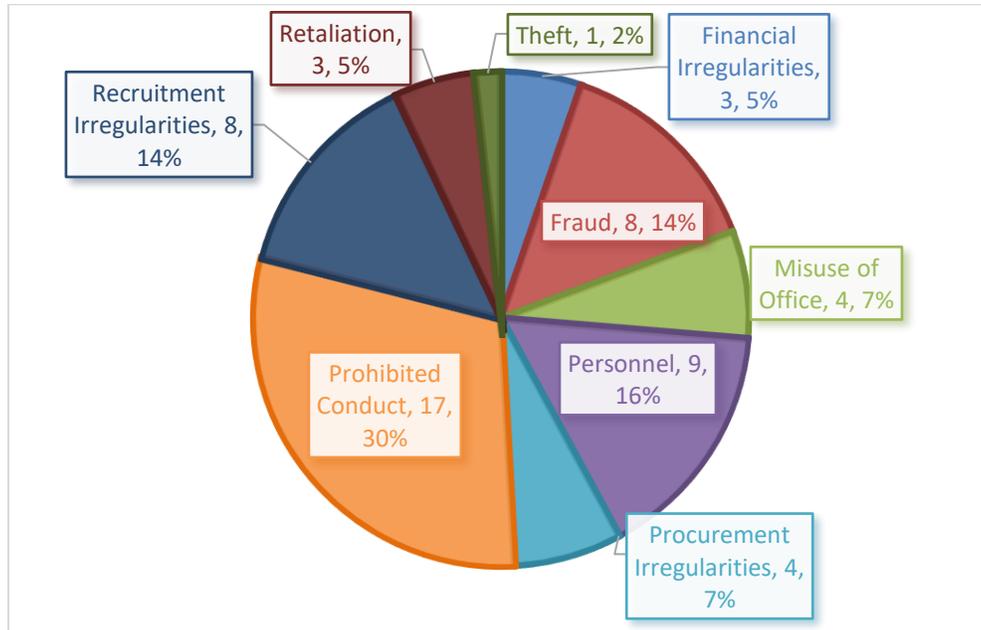
45. In 2019, allegations were received by OIOS via the hotline (73 per cent), email (21 per cent), post (2 per cent), in person (2 per cent), or as referral from UN-Women (2 per cent). Sources of allegations were UN personnel or former personnel (65 per cent), external parties (10 per cent), anonymous (21 per cent) and other (4 per cent).

B. Types of allegation

46. An allegation received and registered by OIOS may include more than one type of alleged misconduct. OIOS defines prohibited conduct as allegations related to workplace harassment, sexual harassment, abuse of authority and discrimination. In 2019, the 52 allegations received related to 57 types of alleged misconduct and are broken down by category and detailed in Figure 2 below.

Figure 2

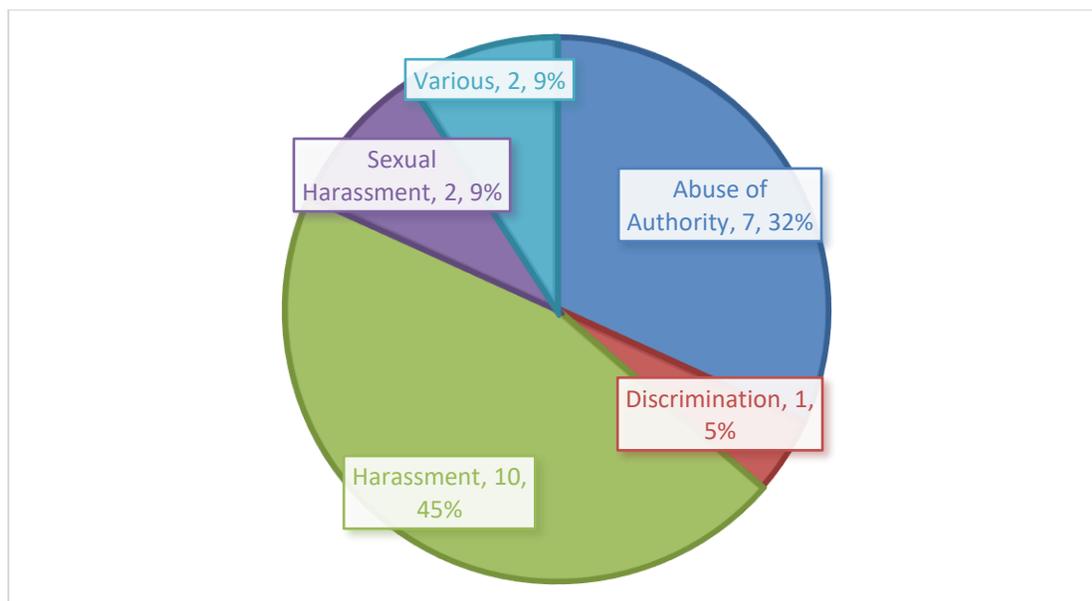
2019 allegations by type, count and percentage (%) of total



Source: OIOS quarterly reports.

47. Prohibited conduct was the most common allegation (30 per cent) registered by OIOS in 2019. The types of alleged prohibited conduct received by OIOS in 2019 are broken down by category and detailed in Figure 3 below (an allegation received and registered may include more than one type of alleged prohibited conduct).

Figure 3
2019 allegations related to prohibited conduct by type, count and percentage (%)



Source: OIOS quarterly reports.

C. Cases resolved/closed/carried forward

48. OIOS closed 43 allegations and UNDP OAI closed 1 allegation in 2019 (compared to 24 closed by OIOS and 12 closed by UNDP OAI in 2018). Of the 43 allegations closed by OIOS, 35 were closed after preliminary assessment where it was assessed that an investigation was not warranted (compared to 21 in 2018) and 8 after investigation (compared to 3 by OIOS and 12 by UNDP OAI in 2018²). Of the 35 allegations closed after preliminary assessment, OIOS referred one of the allegations to UNDP OAI and 25 of the allegations for potential management intervention by UN-Women (compared to 9 referred in 2018). The 25 allegations assessed by OIOS and closed as not warranting investigation were referred to UN-Women (subject to consent by the complainant, where applicable) for management action. The Director, IEAS, in consultation, where applicable, with Legal Services and Human Resources, decided on the most appropriate and confidential action, for instance, through interventions by the Director, Human Resources, or consideration in future IAS audits.

49. Of the eight allegations closed by OIOS after investigation, four cases were substantiated and four were found to be unsubstantiated. The one allegation closed by UNDP OAI was investigated and substantiated.

50. The four cases substantiated by OIOS in 2019 related to prohibited conduct (sexual harassment); breach of confidentiality and exercise of favouritism in procurement process; abuse of authority and failure to declare conflict of interest in a procurement process; abuse of authority and nepotism regarding a family member; abuse of authority and misuse of UN assets; prohibited conduct (harassment and abuse of authority); disrupting or otherwise interfering with an official activity of the organization; abuse in the workplace or in connection with work; and failing to

² Of the 12 cases investigated by UNDP OAI in 2018, 4 cases were substantiated and 8 cases were unsubstantiated.

observe the standards expected of a United Nations civil servant and to uphold the highest standards of integrity. As noted above, one case may include more than one type of alleged misconduct.

51. All four cases were referred for action under the UN-Women Legal Framework for Addressing Non-Compliance with the United Nations Standards of Conduct. The Executive Director's report on disciplinary measures and other actions taken in response to misconduct and wrongdoing by UN-Women staff members, other personnel or third parties, and cases of possible criminal behaviour contains information on disciplinary decisions taken in the course of 2019.

52. A final investigation report for the one case substantiated by UNDP OAI in 2019 was provided to UN-Women in the first quarter of 2019. The case related to allegations of misrepresentation, forgery and false certification by a civil society organization and was already referred to in the previous annual report on internal audit and investigation activities for the period from 1 January to 31 December 2018.³

53. As at 31 December 2019, 21 allegations were carried over to the next year by OIOS. Of these, 14 allegations were under investigation, and 7 were undergoing preliminary assessment.

³ Report on internal audit and investigation activities for the period from 1 January to 31 December 2018, paragraph 48: <https://undocs.org/UNW/2019/3>.

Annex 1

Summaries of advisory engagements

Operational Risk Assessment: UN Women Country Office in Haiti

IAS conducted an operational risk assessment of the Haiti Country Office. At the time of the engagement, the country office's Strategic Note had recently been developed and many of its processes were yet to be finalized. The risk assessment covered the following four areas: (1) advocacy, communications, strategic programming and implementation; (2) programme and project management; (3) governance, risk management and the internal control environment; and (4) internal controls in operations. The assessment identified a number of risks, and a risk register was developed in collaboration with the office. IAS encouraged the country office to use the register proactively to identify and manage risk on an ongoing basis. Of particular interest, IAS suggested that the country office: (a) periodically test the UN Country Team's Business Continuity Plan; (b) develop an advocacy and communication plan and a resource mobilization strategy; and (c) review and revise its structure and staffing model to ensure that it has adequate capacity to deliver. Moreover, IAS encouraged the country office to revisit the Strategic Note and Annual Work Plan results matrices and develop a comprehensive monitoring and evaluation framework to enable more effective reporting on results and impact. Finally, IAS suggested that the country office should carefully monitor how it works with implementing partners, to ensure that they have adequate capacity to deliver, safeguard funds and report on results.

Risk Management Process: Maturity Assessment

The main objective of this advisory engagement was to assess the maturity of risk management in UN-Women and to advise in the development of an action plan to enhance and advance the Entity to a higher level of maturity. IAS made several positive observations. Recommendations from the Joint Inspection Unit's 2010 report on risk management had mostly been implemented. The Entity had developed a Risk Management Policy and Framework; put in place risk management governance elements; established a risk management workflow for recording and reporting on risks; enhanced the risk management function; and conducted training and awareness raising among staff.

While good progress had been made, IAS also identified some areas for improvement. IAS suggested that the Entity re-appoint a Senior Risk Manager to act as a champion at executive/senior management level and to strongly advocate for risk management to be part of key management decision-making. IAS also suggested identifying an appropriate committee that would consider risk management regularly on its agenda, with regular reporting to the Senior Management Team, and include risk management responsibilities as a key management competency in performance management documents and/or terms of reference. Finally, IAS advised that the Entity should revise the risk management function's organizational position, role, accountability, authority and capacity.

Project Life Cycle Gap Assessment

The main objectives of this advisory assignment were to: identify the gaps between UN-Women's current Project Cycle/management approach and internationally accepted project management principles and best practices; and

propose actions that address the identified gaps to advance the Entity to a higher level of maturity. Overall, IEAS assessed that the UN-Women Project Cycle discipline and framework was between Level 1 (awareness of the process) and Level 2 (repeatable process) of the Portfolio, Programme, Project Management Maturity Model (P3M3). The mid-term goal for UN-Women should be to achieve Level 3 (defined process) of the P3M3 uniformly across all components of the Project Cycle. This will ensure that the organization has its own centrally controlled programme and project processes.

Management had already made positive progress in several areas. For example, PSMU was drafting a business case for considering Project Cycle development as a stand-alone, properly resourced corporate project, and had started to establish its own project management principles. Risk management was embedded in the Project Cycle to some extent, but further work is needed on risk profiling of projects.

IEAS identified five key areas for improvement. These relate to strengthening:

- Governance of the Project Cycle – establishing clear definitions; clarifying roles and responsibilities of key stakeholders responsible for quality assurance during project design, formulation and implementation of project results; as well as standardizing requirements for project implementation and monitoring.
- Project Design and Formulation – ensuring a solid Theory of Change and Business Case (Concept Note) based on a beneficiary needs assessment, expected benefits and risks; and ensuring a Project Document with clear arrangements for monitoring, an exit strategy for sustainability, and environmental and social safeguarding.
- Project Appraisal and Approval – ensuring process and workflows for appraisal and approval are based on clearly defined criteria for confirming a project’s technical, operational, legal and financial feasibilities, relevance and sustainability of results.
- Project Implementation and Monitoring – developing an integrated system that captures implementation progress in terms of programmatic and financial delivery compared to plans and that supports a cost-effective monitoring framework which validates the reported results through different assurance providers.
- Project Closure, Monitoring and Knowledge Management – ensuring project results are sustainable and that benefits have been achieved through ex-post monitoring and evaluation. This provides good opportunities to collect best practices from both challenging and successful projects for corporate knowledge management.

IEAS proposed an action plan which was well received by management with key actions to address the gaps identified and to advance the Entity to Level 3 maturity.
