



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 2022

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 2022 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 report on internal audit and investigation activities for the period from 1 January to 31 December 2022; (b) take note of the Advisory Committee on Oversight's annual report; (c) take note of the management response to these two reports.



I. Introduction

1. This report provides the Executive Board with a summary of the internal audit activities conducted in 2022 by the Internal Audit Service (IAS) of the Independent Evaluation and Audit Services (IEAS) and of investigation activities conducted by the Office of Internal Oversight Services (OIOS) of the United Nations for UN-Women. It provides an overall opinion on the adequacy and effectiveness of UN-Women's governance, risk management and control processes. The criteria to form this opinion include the IAS risk-based audit plan for 2022; the results of internal audits and advisory services undertaken in 2022; and the status of management efforts to implement audit recommendations from this and prior years' reports.

II. Mandate

2. In accordance with the IEAS and IAS Charters (see **Annex III – IEAS and IAS Charters**) and following the International Professional Practices Framework and Code of Ethics promulgated by the Institute of Internal Auditors Inc., IAS provides UN-Women's 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' 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. IEAS fulfils its internal oversight role through independent evaluation and internal audit and advisory services.

3. In accordance with UN-Women Financial Regulations and Rules (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. 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*)

A. Basis of opinion

4. UN-Women management is responsible for adequately designing and effectively maintaining governance, risk management and control processes to ensure that UN-Women's objectives are achieved. IAS is responsible for independently assessing the adequacy and effectiveness of these systems and processes based on implementation of its annual risk-based audit plan; the advisory services rendered in 2022; and the progress made by management in addressing internal audit and advisory recommendations. A concise summary of the work that supports this opinion is provided in Section IV.

B. Exclusions

5. The opinion does not cover processes and activities outsourced to UN system organizations or some commercial third-party providers (as well as some commercial fourth-party providers sub-contracted by third-party UN system organizations) such as:

- (a) Various global and some local HR management activities and services depending on agreements in place.
- (b) Staff, service contract holders and UN volunteers' payroll preparation and payment.
- (c) Global and local bank payments.
- (d) Treasury and investment 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.
- (h) Other shared services provided by UN agencies based on arrangements at headquarters or globally, or in the field and depending on local Service Level Agreements (SLAs) in place.

6. For such outsourced services, IAS relies on the internal audit office of the primary UN system entity providing the service to cover the governance, risk management and control of the service through the execution of their audit plans. 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.

C. Scope limitations

7. IAS notes minor scope limitations due to access to some supporting documents and stakeholders. However, such limitations did not affect the individual engagements' opinion nor the annual audit opinion.

D. Overall opinion

8. Based on the sources of evidence, described in Section IV, including IAS' risk-based audit plan and the results of related IAS audit and advisory work performed in 2022, IAS' overall opinion is that UN-Women's governance, risk management and control processes were generally established and functioning but needed some improvement.

9. IAS notes the growing maturity of UN-Women in its corporate governance, transparency and integrity during 2022. In particular, the Business Review Committee is acting as a mature internal governing body for discussion of corporate issues, where IEAS is a regular observer and briefs the Committee members on issues related to independent evaluation, internal audit and advisory results. During 2022, the work planning process for individual divisions and field offices' Strategic Notes ensured that there was a meaningful connection between evaluation and internal audit evidence and oversight recommendations feeding into corporate planning. A comprehensive Quarterly Business Review process has been rolled out in headquarters and Regional Offices, regularly presenting key performance indicators to managers, including aging audit recommendations. Other processes to strengthen corporate governance, risk management and controls included: enhancing the corporate policy cycle and programme partner management; producing the first corporate risk management report; management's ongoing review of the corporate Anti-Fraud Programme and related fraud risk assessments; and preparations for the new ERP system roll-out in January 2023.

10. At the same time, IAS' 2022 audit and advisory assignments, as well as its monitoring of the follow-up of previous internal audit and advisory recommendations, identified some overarching areas for executive and senior management attention, as summarized below:

(a) As highlighted in previous years, the need to continue to enhance the Entity's management oversight mechanisms, also known as the 'second line of defence,' for corporate business process owners and Regional Offices to have the authority and capacity for effective monitoring and oversight.

(b) Management continues to emphasize that its ability to implement some oversight recommendations is contingent on adequate resources being made available. This might be addressed by prioritizing the investment needed, seeking efficiencies to free up additional resources, and/or by strengthening certain authorities and reporting lines.

(c) To advance management's vision of "pivoting to the field" to ensure sufficient and stable capacity is available at the decentralized level to advance UN Women's strategic priorities and so that offices can effectively perform their responsibilities related to governance, risk management and compliance.

(d) Prioritizing a Statement of Internal Controls process to clearly establish and demonstrate management accountability and responsibility for risk management and internal controls. This has been recommended by IAS since 2019. Currently, while the Internal Control Framework states that management is responsible for designing and maintaining effective governance, risk management and control processes, discharge of this responsibility is not assured and asserted by management through a formal mechanism.

IV. Summary of work and criteria for the opinion

(decision 2015/4, point b)

11. To formulate its opinion, IAS considered sources of evidence, such as: (a) development of its 2022 risk-based internal audit plan approved by the Executive Director after review by the Advisory Committee on Oversight and the plan's implementation; (b) individual audit and advisory engagement results and ratings; (c) progress made by management on implementing actions to address audit and advisory recommendations; (d) knowledge stemming from IAS' participation as an observer in internal governance meetings/forums, which shaped IAS' understanding of governance, risk and control processes; (e) issues with control deficiencies noted from investigation reports provided by OIOS in 2022; and (f) work conducted by the United Nations Board of Auditors. IAS also relies on management to proactively identify and communicate to IAS known instances of materialized risks, potential control failures, irregularities, or regulatory non-compliance that could be material to governance or the control environment.

A. Risk-based audit plan for 2022

12. In line with professional standards and modern practices, the internal audit and advisory services 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. IAS continued to refine its audit universe and extend its audit coverage of key risk areas, including areas covering field offices, cross-cutting functions and business processes. In refining its audit universe and related audit plan, IAS aligns its plan with the UN-Women Strategic Plan and

considers (a) corporate risk management and feedback from business process owners and field office management, including that related to areas of Information Systems and Technology and anti-fraud; and (b) the internal control framework, including roles and responsibilities of risk owners (first line of defence) and the monitoring and oversight role of business process owners and Regional Offices (second line of defence). IAS coordinates implementation of its audit plan with other assurance providers in the third line of defence to avoid duplication of work and to expand its risk coverage. Risks are measured based on a set of risk factors representing the potential impact and likelihood of events that might affect achievement of objectives of individual business units/offices, processes, functions and systems.

13. An annual risk-based audit plan cannot cover every risk, business process, organizational unit or office within UN-Women. Audit and advisory engagements in 2022 were therefore selected from a comprehensive risk assessment of organizational units, offices and business processes and the availability of resources to cover those risks based on risk ratings and professional judgment. As such, there are inherent limitations in IAS' 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.

B. Individual audit engagement results and ratings

14. In 2022, IAS conducted 14 internal audit and advisory engagements related to the 2022 audit plan, with 11 final reports issued by end of March 2023 and 3 internal audits carried forward to 2023. These engagements generally covered governance, risk management and controls in selected offices or were related to UN-Women systems and processes.

15. Nine of the 11 reports issued were assurance type engagements with overall ratings to the audited entities or processes assigned as follows:

- Two entities/processes were assessed as *satisfactory*, meaning that the assessed governance arrangements, risk management practices and controls were adequately established and functioning well. Issues identified by the audit, if any, are unlikely to affect the achievement of the objectives of the audited entity/area.
- Six 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.
- One was assessed as *major improvement needed*, meaning that the assessed governance, risk management practices and controls were established and functioning, but needed major improvement.

16. Details on recurrent and significant findings identified in IAS' 2022 internal audit and advisory work are summarized in Section IX.

C. Progress made by management in implementing actions to address audit recommendations

17. IAS changed its methodology of presenting statistics on audit recommendations to better capture corporate performance in terms of implementation of internal audit recommendations. The current indicator measures a percentage of long-outstanding audit recommendations. As of 24 February 2023, the percentage of long-outstanding recommendations for recommendations issued prior to 31 December 2021 is 15 per

cent and meets the corporate target. This demonstrates continued management commitment to addressing internal audit recommendations when improvements in governance, risk management and control processes are identified. IAS continued to monitor and follow up on these recommendations and encourages management to implement and sustain measures to address significant risks identified in audits within agreed time frames. See Section VIII for more information.

V. Statement of Independence and Conformance to Internal Audit Standards (*decision 2015/4, point c*)

18. Throughout 2022, 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 is highly committed to carry out its work with the highest standards of professionalism and efficiency. In this regard, during 2022 IAS followed the International Professional Practices Framework of the Institute of Internal Auditors Inc (IIA). IAS has made significant progress in preparing for its first External Quality Assessment as required by IIA for the Professional Practice of Internal Auditing (the “Standards”). In December 2022–January 2023, this assessment was conducted by the IIA Quality Services team. The assessment confirmed that IAS generally conforms with the IIA Standards and IIA Code of Ethics¹. The report states that a conformance rating of Generally Conforms is the top rating and demonstrates a clear intent and commitment to achieving the Core Principles for the Professional Practice of Internal Auditing and the Definition of Internal Auditing. IAS may use the phrases “Conforms with the International Standards for Professional Practice of Internal Auditing”. The report listed several successful practices and four opportunities for improvement, which will be embedded into the IAS Quality Assurance and Improvement Programme and regularly reported to the Advisory Committee on Oversight, Executive Director and Executive Board.

VI. Resource allocation and deployment (*decision 2015/4, point d*)

20. Executive Board decision No. 2015/4 requires that IAS indicate whether, in its view, the resourcing of the internal audit and investigation functions are appropriate, sufficient and effectively deployed to achieve the desired audit and investigation coverage. During 2022, IAS received adequate resources to implement the activities in its 2022 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 also continued to engage one UN Volunteer.

21. IAS is positioned within IEAS, which is led by a Director and supported by two Administrative Associates. In 2022, IAS received US\$ 447,000 for non-staff expenditure which IAS almost fully spent. However, IAS continues to fund investigation support activities from its budget. In 2022, IAS continued to fund a UN Volunteer to be able to cope with work related to investigations support.

¹ <https://www.unwomen.org/sites/default/files/2023-03/UN-Women-IAS-Quality-assessment-report-2023-en.pdf>.

22. For investigations completed in 2022 (see Section XII), OIOS' estimated cost was US\$ 369,571.² In comparison, for investigations completed in 2021, OIOS invoiced UN-Women US\$ 344,310.³ OIOS directly invoices UN-Women on a cost-recovery basis. The IAS budget is not impacted by cost-recovery from OIOS.

23. In 2022, the Director, IEAS, with the support of Chief, IAS, and a UN Volunteer funded from the IAS budget, continued to carry out the role of Responsible Official for receiving and transmitting investigation reports; coordinating and monitoring implementation of other reports; and for directing and closing referrals, recommendations and requests for information, data and cost-recovery from OIOS. The role involved coordination, monitoring and oversight efforts, including several desk reviews and inspections, for which IEAS did not have dedicated resources despite the role being more demanding. IAS expects funding of investigation-related support to be provided for the 2023 annual workplan. Moreover, IAS has been progressing with development of a business case to enhance the sustainability and effectiveness of UN-Women's investigation services which will be presented to executive management in 2023 for consideration and resourcing.

VII. Implementation of the 2022 risk-based audit plan

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

24. IAS updated its risk-based audit strategy to align it with a new Strategy Plan for 2022–2025; and operationalized its audit strategy through its 2022 audit workplan. The strategy aimed to support a vision, inter alia, of a combined assurance concept to enhance the effectiveness and efficiency of UN-Women's governance and oversight. This vision was based on the concept of the Three Lines of Defence model⁴ to promote results-focused accountability and good governance, enhanced risk management and cost-effective internal controls.

25. The 2022 internal audit plan was formulated based on IAS' 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, unit, function and topic. The 2022 audit plan was reviewed by the Advisory Committee on Oversight before its submission to, and approval by, the UN-Women Executive Director.

26. IAS has also continued to closely collaborate with the Independent Evaluation Service in conducting joint Country Office evaluation and audits and exchanging information on corporate reviews. IAS continued to provide feedback on emerging risks and draft policies and procedures as a part of its advisory mandate.

27. Fieldwork for all but three assignments included in the risk-based audit plan was completed in 2022. Three reviews have been carried forward from 2022 to 2023. Five reports related to the 2022 audit plan were issued during 2022 and six reports were issued by the end of March 2023. IAS notes that management has, at times, taken longer to review and comment on IAS reports due to their complexity, as well

² The estimated cost includes invoices received for two completed cases (US\$ 40,000) and cost estimates received for six completed cases (US\$ 82,000). At the time of writing, estimates had not been received for eight more completed cases.

³ The cost includes invoices received for 19 completed cases (US\$ 335,310) and a cost estimate received for one completed case (US\$ 9,000).

⁴ According to the IIA Position Paper on Three Lines of Defence in Effective Risk Management and Controls, management control is the first line of defence in risk management, the various risk control and compliance oversight functions established by management are the second line, and independent assurance is the third.

as other work and emerging priorities. An audit on environmental management was postponed so as not to overlap with similar work being carried out by the United Nations Board of Auditors. An advisory review on stock-taking of corporate change management initiatives was postponed to avoid potential overlap with a review being commissioned by management.

B. Monitoring and coordination of audit activities

28. During 2022, the Advisory Committee on Oversight reviewed implementation of the IAS 2022 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.

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

30. IAS actively participated in the inter-agency joint assessment of business operations strategies together with six other agencies, leading two of eight sampled country audits. The joint report will be finalized by the second quarter of 2023.

31. IAS signed a Memorandum of Understanding with INTOSAI International Development Institute (INTOSAI IDI) and attended a workshop with INTOSAI IDI to advise on developing audit methodology for Supreme Audit Institutions on auditing inclusion, gender equality, and other Sustainable Development Goal aspects. The Director, IEAS was invited to present at and attend the XXIV INTOSAI Congress hosted by the Federal Court of Accounts of Brazil. The Chief, IAS and the Director, IEAS attended UN-RIAS and RIAS where three presentations were led by UN-Women IAS (on gender-responsive auditing, third-party risk management, and on internal audit building trust in a disruptive world).

C. Audit reports and ratings

32. 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.

33. Table 1 provides the overall ratings for 9 internal audits completed by IAS related to the 2022 audit plan. Of these reports, seven were internal audits of UN-Women field offices, and two were audits of thematic corporate processes. Annex 1 also presents the number of audit recommendations by priority. There were no unsatisfactory ratings provided by IAS in 2022.

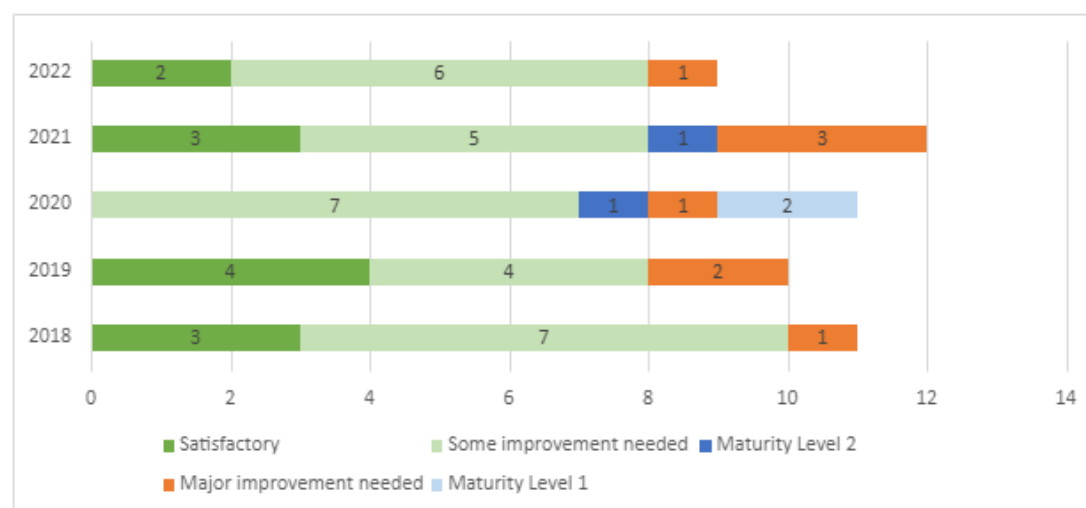
Table 1
Distribution of audit ratings by field office and thematic area, 2022

<i>Audits</i>	<i>Number of audits</i>	<i>Satisfactory</i>	<i>Some Improvement Needed</i>	<i>Major Improvement Needed</i>
Field office	7	2	5	0
Multi-Country Office in South Africa			1	
Multi-Country Office in Fiji		1		
Regional Office for the Arab States		1		
Country Office in Papua New Guinea			1	
Regional Office for West and Central Africa			1	
Country Office in Côte d'Ivoire			1	
Country Office in Central African Republic			1	
Thematic/headquarters	2	0	1	1
Audit of Security Management at UN-Women			1	
Audit of Governance and Management of Procurement of Services				1
Total	9	2	6	1

Source: Compiled by IAS

34. IAS completed 53 assurance engagements from 2018 to 2022 against its annual risk-based audit plans. Figure 1 below is an overview of the overall ratings assigned to assurance engagements by IAS from 2018 to 2022.

Figure 1
Overview of internal audit ratings, Audit Plans (2018–2022)



Source: Compiled by IAS

35. In addition to the above assurance engagements, IAS completed two advisory reviews that do not contain an assurance rating: (i) operational risk assessment of the Iraq-Yemen Cluster Office; and (ii) advisory review of Generation Equality. See Annex II for summaries of these advisory engagements.

VIII. Implementation of audit recommendations

36. The percentage of long-outstanding internal audit recommendations was 15 per cent. From 2019 there were 9 long outstanding recommendations, from 2020 there were 13 recommendations, and from 2021 there were 30 recommendations, 17 of which are high priority while 35 are medium priority. Table 2 shows the high-priority recommendations and related audit engagements.

Table 2
High-priority, long-outstanding recommendations

<i>Audit engagement title</i>	<i>Action owner and brief description of recommendation</i>
2019 – Afghanistan Country Office Audit	The Programme Support Management Unit (PSMU) to develop guidance for situations where UN-Women Country Offices receive unearmarked funding for Strategic Notes.
2019 – Audit of Management of Implementing Partners (IPs) and Responsible Parties	Policy, Programme and Intergovernmental Division (PPID), and the Management and Administration Division (DMA) to assign and define the accountability, authority, roles and responsibilities for the end-to-end IP management process in line with the Three Lines of Defence model. PSMU to conduct an end-to-end process risk assessment and map risks to the controls outlined in the current Policy, Procedure and Guidance Framework, so that gaps or duplications in policies and controls are addressed.
2019 – Audit of Regional Office for Asia & Pacific Audit	PPID to explore solutions for increased headquarters technical oversight, policy guidance and knowledge exchange for the technical (programme) officers in Regional Offices and other field offices.
2019 – Audit of Travel Management	DMA to establish a business process owner for travel with the authority, capacity and accountability for overseeing the effectiveness of policy, monitoring compliance and ensuring process effectiveness and efficiency. The designated business process owner to conduct an end-to-end risk assessment of the travel process and emphasize the principles of focusing on results, prudence, cost consciousness and duty of care in the travel policy
2020 – Audit of Detail Assignment	Human Resources to assume the role of business process owner for overseeing the policy on temporary staff placements while leaving the processing controls to receiving and releasing units.

<i>Audit engagement title</i>	<i>Action owner and brief description of recommendation</i>
2020 – Audit of Peace & Security Section	PPID with support from SPRED to confirm the time frame for designing a policy accountability framework and process for providing quality assurance on the coherence of the Strategic Plan theme on peace, security, and humanitarian action throughout the Entity
2020 – Audit of Trust Funds Governance, Policy and Risk Management	PPID in collaboration with DMA and SPRED to establish corporate policy and procedures for Trust Fund grant management, and consider, where applicable, integrating or cross-referencing relevant procedures established at individual Trust Fund level in the corporate policy framework. PPID in collaboration with the DMA, SPRED, IEAS, and Legal to develop and submit for approval by senior management, end-to-end corporate policy and procedures on the establishment of UN-Women Trust Funds and operational management of UN or UN-Women Trust Funds.
2020 – Cybersecurity Audit	There were seven high priority recommendations related to the cybersecurity audit. Given sensitivity, the recommendations are not listed here, but IAS is in regular contract with DMA/Information Systems and Telecommunications Section to follow up.

Source: Compiled and monitored by IAS in Teammate

37. Table 3 below shows the status of outstanding audit recommendations as at 24 February 2023 by priority based on the original agreed time frame.

Table 3
Recommendation aging based on original agreed time frame as of 24 February 2023

<i>Priority</i>	<i>Total outstanding recommendations</i>	<i><12 months</i>	<i>12–18 months</i>	<i>>18 months</i>
High	49	32	9	8
Medium	107	72	15	20

Source: Compiled and monitored by IAS in Teammate

IX. Key internal audit and advisory results

38. IAS identified and summarized by functional areas the key issues arising from its 2022 risk-based audit plan engagements for its audit assignments (see Figure 2 and paragraphs below). Observations from advisory engagements are not included in Figure 2.

Figure 2
Key observations identified in 2022 by functional area, by number of recommendations



Source: Compiled by IAS

39. In 2022, IAS identified key observations in the following functional areas:

(a) **Programme and project management:** Field audits identified the need to enhance: (i) effective quality assurance, risk management and project oversight during project design and implementation; (ii) effectiveness of management processes around working with beneficiaries to ensure impact, accountability, and transparency; (iii) design and effectiveness of monitoring, reporting and management evaluation tools to demonstrate value for money and impact; (iv) sustainability, exit strategies and post-implementation assessments; and (v) timely and accurate donor reports that adhere to donor agreements, and (vi) timely implementation of projects.

(b) **Procurement management:** Thematic and field audits identified a need to: (i) enhance the corporate procurement process vis-à-vis capacity and funding structure, both in headquarters and the field; (ii) establish procurement strategies and regular update of procurement plans; (iii) enhance the control environment, culture and accountability; (iv) comply with procurement principles and policies; (v) improve use of the procurement system, including training and support; and (vi) develop exception-based monitoring and reporting.

(c) **Strategic Note priorities development and implementation:** Field audits highlighted areas for improvement in: (i) development of Strategic Notes and results indicators that operationalize the theory of change into workplans; (ii) enhancing data verification means, monitoring, data validation, reporting framework and workflows, and accountability to ensure results-focused reports; (iii) finalization and monitoring of resource mobilization strategies, feasible targets and aligning efforts between Regional and Country Offices to raise more resources;

and (iv) introduction of work planning mechanism/tool for regional advisers to provide technical support to all field presences under Regional Offices.

(d) **Safety and security management:** The thematic audit of safety and security highlighted the need to: (i) develop a security policy and business strategy based on security management risk assessment; (ii) establish an accountability mechanism and increase the level of support from regional security specialists to the field offices. Regarding field offices (i) increase funding for security equipment and controls; (ii) prioritize implementation of outstanding recommendations from security inspections; and (iii) establish a process to ensure compliance with all security and business continuity criteria.

(e) **Organizational structure, authority, capacity and reporting lines to implement strategic priorities:** In field offices there was a need to: (i) conduct functional analyses to ensure staffing is fit-for-purpose to implement strategic priorities; (ii) explore more sustainable funding sources and better contract arrangements for continuous functions; and (iii) define minimal expectations, structure and functions for a non-resident agency and Multi-Country Offices.

(f) **Programme partner management:** Field audits identified the need for risk-focused capacity assessment and monitoring, timely processing of documents related to advances and oversight over implementation progress.

(g) **Ethics, integrity and anti-fraud efforts:** Field audits confirmed the need to (i) have regular leadership meetings to discuss standards of conduct, ethics awareness of key policies, duty to report and how to report potential fraud and wrongdoing; (ii) ensure effective fraud risk identification and monitoring of fraud risk mitigating actions; and (iii) ensure uptake of mandatory ethics and fraud prevention trainings.

(h) **Coordination of gender mainstreaming:** Field audits identified the need to (i) finalize coordination strategies and key performance indicators; (ii) map and define priorities related to regional coordination platforms; (iii) enhance the support for the UN Country Teams for SWAP recommendations and gender thematic groups; and (iv) increase capacity invested in UN system coordination.

(i) **Effectiveness and compliance with policies:** Thematic and field audits identified the need to (i) develop policies and clear processes for infrastructure/construction and cash-based interventions included in programmes and projects; and (ii) improve compliance with the existing internal control framework, revising workflows between programme and operations teams to reduce bottlenecks.

(j) **Advocacy and communications:** Field audits identified a need for (i) mapping of stakeholders' expectations of offices and prioritization based on strategic importance and feasibility; (ii) finalization and roll-out of advocacy and communications strategies, including a dedicated monitoring framework and key performance indicators; and (iii) consolidation of fragmented communications personnel and resources for coherence, sustainability and cost-effectiveness.

(k) **Human resources management:** Field audits identified the need to (i) better demonstrate that recruitment of consultants respect the principles of transparency, competitiveness, efficiency and value for money; (ii) ensure better negotiation, justification and documentation of fees for consultants; and (iii) expedite recruitment processes and authentication of information from candidates.

(l) **Information systems:** Field audits raised recommendations to (i) prioritize compliance with information security requirements; (ii) ensure sufficient ICT capacity in Regional and field offices; (iii) introduce electronic and transaction

tracking systems to ensure proper filing and efficient operations; and (iv) provide training and ensure accountability for data quality inserted in the systems.

X. Advisory services

40. During 2022, IAS completed two advisory engagements: (a) a risk assessment of Iraq-Yemen Cluster Office; and (ii) an advisory review of Generation Equality. The summaries of these engagements can be found in Annex II.

41. The Director, IEAS was a regular proactive observer and adviser at meetings of the Senior Management Team, Business Review Committee and the Project Board for the Enterprise Resource Planning system implementation, Strategic Note discussions and Strategic Dialogues and other forums. In addition, IAS regularly provided comments on draft policies and procedures, management requests and other initiatives. IAS has been requested and/or volunteered to be an observer at several sessions of various working groups on revisiting existing policies and processes.

42. IAS has been developing training material on Gender-Responsive Auditing, to become available to the internal audit community that promotes gender mainstreaming in audit processes. IAS also assisted the Risk Management team in facilitating a fraud-risk assessment workshop at headquarters.

43. Several sessions (informal, joint-UN and formal) as well as negotiations of the Executive Board on IAS-related decisions were held during May–September 2022. The sessions related primarily to questions related to the independence of the internal audit and investigation functions which was of interest to the Executive Boards of UNDP/UNFPA/UNOPS, UNICEF and UN-Women.

XI. Disclosure of internal audit reports

44. Thirty days after issuance, all the internal audit reports issued against the audit plan 2022 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: <https://www.unwomen.org/en/about-us/accountability/audit/internal-audit-reports>. No requests were received internally or from any organization or Member State requesting redaction of audit reports.

45. 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 and in Annex II.

XII. Investigations

46. OIOS provided investigation services in 2022 covering allegations of misconduct committed by UN-Women personnel or by third parties to the detriment of UN-Women.

47. In 2022, the Director, IEAS continued the role of Responsible Official for coordinating and receiving information on investigation activities. The Chief, Legal Office, and the Director, Human Resources, continue to play integral roles in this area as outlined in the UN-Women Legal Policy for Addressing Non-Compliance with United Nations Standards of Conduct (“Legal Policy”).

A. Caseload

48. In 2022, OIOS registered intake of 55 new allegations for UN-Women compared to 36 new allegations in 2021 and 27 new allegations in 2020. The OIOS caseload in 2022 is illustrated in Table 4 below:

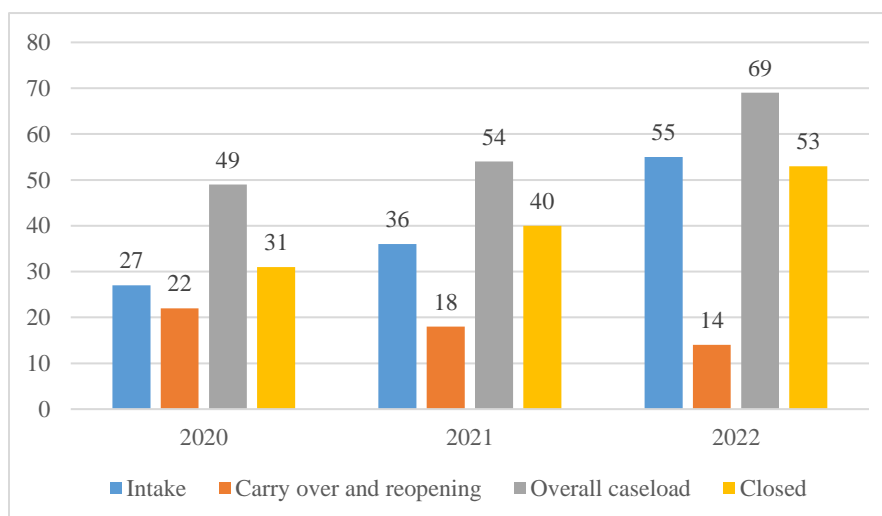
Table 4
OIOS investigation caseload in 2022

<i>Caseload</i>	<i>2022</i>
Carry over as of 1 January 2022	14
Intake during the year	55
Reopened from previous year	–
Total cases during the year	69
Closed from cases carried over	9
Closed from intake	44
Total closed during the year	53
Cases ongoing as of 31 December 2022	16

Source: OIOS quarterly reports

49. Figure 3 below compares the OIOS case intake, caseload and completion during 2020–2022.

Figure 3
OIOS case intake, caseload and completion comparison 2020–2022



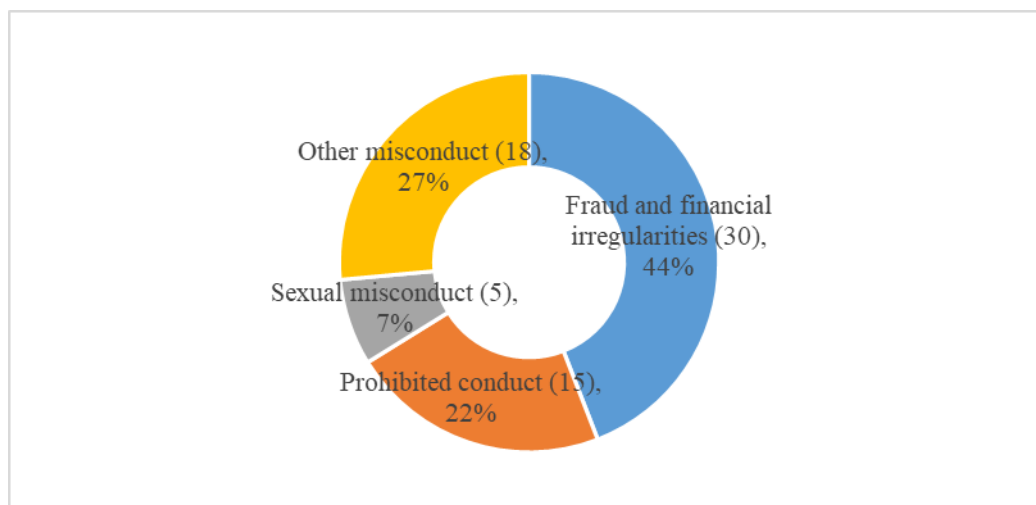
Source: OIOS quarterly reports

50. In 2022, the 55 new allegations were received by OIOS via the hotline (71 per cent), by email (25 per cent) or through other means (4 per cent). Sources of allegations were either UN personnel (34 per cent), anonymous (33 per cent), referrals from other UN entities (22 per cent) or external parties (11 per cent).

B. Types of allegations

51. An allegation received and registered by OIOS may include more than one type of alleged misconduct. In 2022, the 55 new allegations received related to 68 instances of alleged misconduct and are broken down by summarized categories as detailed in Figure 4 below. A comparison with 2020 and 2021 is provided in Table 5 below.

Figure 4
Allegations intake by category in 2022



Source: OIOS quarterly reports⁵

Table 5
Allegations intake by category comparison 2020–2022

Allegation category	2020	2021	2022
Fraud and financial irregularities	14	17	30
Prohibited conduct	9	10	15
Sexual misconduct	1	2	5
Retaliation	0	0	0
Other misconduct	11	8	18
Total	35	37	68

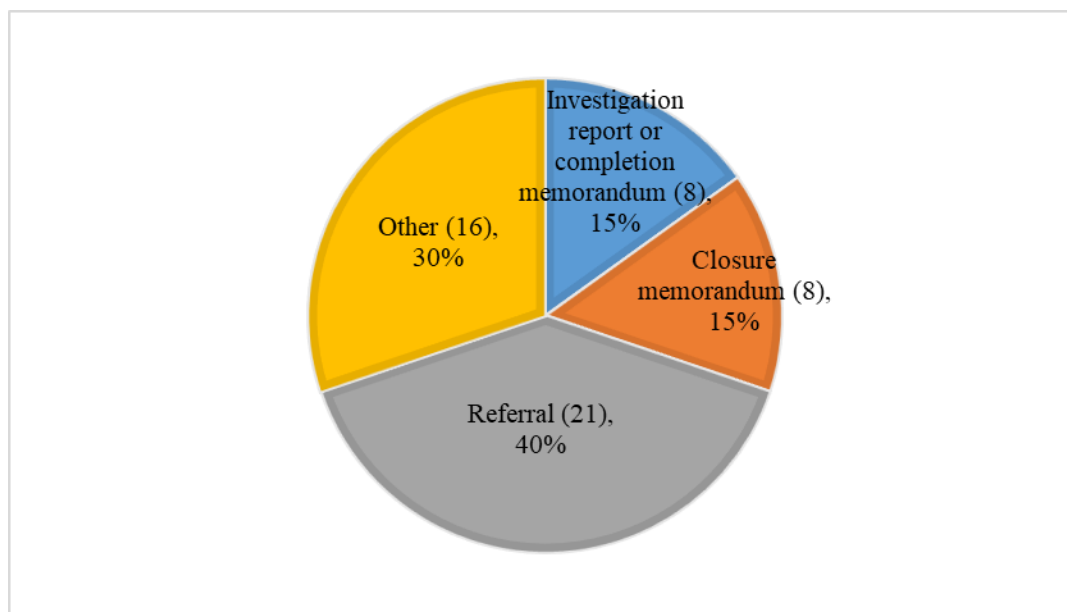
Source: OIOS quarterly reports, see footnote 5 below

C. Cases resolved/closed/carried forward

52. As illustrated in Figure 5, OIOS closed 53 cases in 2022 (as compared to 40 in 2021):

⁵ Notes: (1) Cases may include multiple categories of alleged misconduct, therefore are being counted more than once; (2) OIOS categorizes allegations in more detail; however, this report summarizes such categories based on a harmonized annual report approach among UNDP, UNFPA, UNICEF, UNOPS and UN-Women.

Figure 5
Cases closed in 2022



Source: OIOS quarterly reports

53. Of the 53 closed cases, 37 were closed after preliminary assessment because, based on the available information, an investigation was not warranted (compared to 20 in 2021) and 16 were closed after investigation (compared to 20 in 2021). Of the 37 cases closed after preliminary assessment, OIOS referred 21 of the cases (subject to consent by the complainant, where applicable) for management consideration and potential action by UN-Women (compared to 11 cases referred in 2021) and 16 cases were closed without investigation or referral. The Director, IEAS, in consultation where applicable, with the Human Resources Division, Legal Office, Programme Support Management Unit, or relevant Country Office, decided on the most appropriate and confidential action; for instance, through interventions by these offices, further desk reviews or inspections by IEAS, or consideration in future IAS audits. Of the 16 cases closed after investigation, eight cases presented findings that were indicative of misconduct (compared to 15 in 2021) and resulted in an investigation report (for four cases) or a completion memorandum⁶ (for four cases), and eight cases concluded that the available evidence did not substantiate the reported misconduct (or were duplicate) and resulted in a closure memorandum (compared to five in 2021).

54. The eight cases substantiated in 2022 (comprising one case carried over from 2020, two cases carried over from 2021 and five cases opened in 2022) related to:

(a) providing false information by two staff members in several micro-purchasing exercises of information technology and phone equipment, totalling US\$ 11,718 (two cases);

(b) unauthorized withdrawal of project funds of US\$ 6,839 by two programme partner personnel;

⁶ A completion memorandum is issued for substantiated cases, where OIOS finds a full investigation report is not warranted.

(c) insufficient supporting documentation for project expenditure of US\$ 2,278 due to inadequate internal control system of a programme partner. Two individuals related to the programme partner were under investigation by national authorities for fraud offences and attempt to embezzle funds; however, it was not found if such charges related to UN-Women funds;

(d) internal control issues and financial and project management deficiencies by a programme partner;

(e) suspected vendor collusion in a micro-purchasing exercise of US\$ 3,500 and unclear value-for-money;

(f) threats, insults and attempted assault by a staff member during and after a work related discussion with their colleague; and

(g) submission of a fraudulent academic degree by a staff member during their recruitment by another United Nations organization (prior to joining UN-Women).⁷

55. Of the eight substantiated cases, four cases in relation to UN-Women staff members were referred for action under the Legal Policy. For three cases in relation to programme partners, the Chief, Legal Office, in collaboration with other UN-Women offices, took relevant action in accordance with the respective UN-Women agreements with programme partners. In one case in relation to vendors, the Chief, Legal Office, in consultation with IEAS, considered relevant action in line with IAS' earlier audit recommendations and to strengthen internal controls. The "Report of the Executive Director of UN-Women 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, 1 January–31 December 2022" will also contain information on the disciplinary measures and other actions taken in 2022.

56. As at 31 December 2022, OIOS carried over 16 cases to 2023. As at 31 March 2023, one of these cases had been closed, 12 cases remained under investigation and three cases under preliminary assessment. The closed case was closed after preliminary assessment (referred for management consideration and potential action by UN-Women).

D. Anti-fraud and anti-corruption activities

57. As well as supporting OIOS investigations, IEAS conducted its own anti-fraud and anti-corruption outreach and awareness activities within UN-Women.

58. IEAS also provided advice in the discussions on and drafting process of donor agreements with other UN entities, UN Member States, multilateral agencies and other third parties.

59. IEAS issued memoranda following a limited review of recruitment practises and the partner audit findings in several country offices. In accordance with UN Women Policy on Cash Advances and Other Cash Transfers to Partners Policy, IEAS also conducted limited review on two write-off cases related programme partners advances.

60. In addition, in collaboration with other UN Women units, in 2022 IEAS launched the second anti-fraud and anti-corruption campaign on International Anti-Corruption Day (9 December 2022). A UN-Women global broadcast was issued that reminded all UN-Women personnel of their responsibilities to prevent, detect and report fraud and corruption, accompanied by a message from the Executive Director.

⁷ Investigation report for this case was completed by another United Nations organization and reviewed by OIOS.

Annex I**Audit and advisory reports issued in 2022**

<i>No.</i>	<i>Reference #</i>	<i>Number of recommendations</i>		<i>Overall audit conclusion</i>
		<i>Total</i>	<i>High Priority</i>	
Field audits				
1	Multi Country Office in South Africa	23	4	Some improvement needed
2	Multi Country Office in Fiji	14	–	Satisfactory
3	Regional Office for the Arab States	12	–	Satisfactory
4	Country Office in Papua New Guinea	15	2	Some improvement needed
5	Regional Office for West and Central Africa	15	3	Some improvement needed
6	Country Office in Côte d’Ivoire	16	2	Some improvement needed
7	Country Office in Central African Republic	20	4	Some improvement needed
Thematic area audits				
1	Audit of Security Management at UN-Women	11	1	Some improvement needed
2	Governance and Management of Procurement of Services	9	4	Major improvement needed
Advisory engagements				
1	UN-Women Iraq–Yemen Cluster Office			
2	Generation Equality			

Annex II

Summaries of advisory reviews

Advisory review of UN-Women's management of Generation Equality

The main objectives of this IAS advisory review were to conduct a forward-looking assessment of Generation Equality to: provide advice to management on the governance and results framework arrangements being developed; communicate the key strengths and understand the challenges of Generation Equality; and assess the evaluability of the Generation Equality results framework for Phase II to help ensure management can measure the expected impact, outcomes and results, and support future potential evaluation.

Convening the Generation Equality Forum was considered by many to be a success, bringing together thousands of public and private stakeholders to address gender equality and women's empowerment. Generation Equality was highlighted as unique because it is one of the few mediums where different types of stakeholders can engage and act together with shared accountability for gender equality and women's empowerment. This togetherness was considered by management to be fundamental and unique to Generation Equality. Stakeholders consulted as part of this review commended the establishment of the Action Coalitions and the Compact. Post-forum achievements reported by management include an increase of Action Coalition commitments from approximately 1,000 at launch to over 2,700 as of early 2023.

Key findings included:

- There is a need for the Executive Leadership Team to express a clear vision for Generation Equality and UN-Women's role in it, communicating the vision for Generation Equality within UN-Women. This should include internal and external communications strategies.
- Management should instil a strong culture of monitoring of the milestones and results expected versus actual progress and delivery on results, associated costs and value for money aspects in the implementation approach to be chosen for Phase II.
- There is a need to revise the governance arrangements and structure of Generation Equality. Good project management practice suggest it should include a Project Executive with singular accountability for the success of Generation Equality, clarity around the Project Manager's role and authority and establishment of a project board or similar mechanism.
- Management should devise a realistic resource mobilization strategy, including a fallback strategy should the required resources noted in the ProDoc not be mobilized. It should consider whether and how to engage other relevant UN entities as Action Coalition convenors and how this can be further supported.

Management provided an action plan to address the recommendations raised in the report. Some of the issues were already known to management and have been taken into account in the revised ProDoc, which was completed and approved after completion of the review and issuance of the first draft report.

Operational risk assessment of UN-Women Iraq–Yemen Cluster Office

The UN-Women Iraq–Yemen Cluster Office is a unique typology that was implemented at the end of 2019. In 2022, IAS conducted an operational risk assessment of the UN-Women Iraq–Yemen Cluster Office in Iraq as an advisory assignment to identify key risks and opportunities for the Cluster Office's operations

and to advise on additional management actions where residual risks and opportunities still need to be addressed.

The Cluster Office had good visibility and advocacy in Iraq and was well regarded for its understanding the context in Yemen. Despite its small presence in Yemen, the Cluster Office had made notable achievements in convening stakeholders. In both Iraq and Yemen, the Cluster Office worked with a range of local civil society organizations and was appreciated for its collaborative and responsive approach. It was particularly credited for creating an enabling political environment and supporting female political candidates in Iraq.

IAS identified several risk and opportunity areas for enhancement to consolidate good practices and advance the Cluster Office's mandate and priorities: limited resources and capacity; third-party vendor contracted consultant modalities and related significant costs; sustainability and future value-for-money considerations for a learning platform created; and enhancement of risk management and fraud risk assessment procedures, procurement processes and travel monitoring to ensure cost consciousness.

For UN-Women's programmes in Iraq, IAS reported the need to mitigate the external challenges and consider the country context; the need to manage external stakeholder expectations; resource mobilization challenges and implementation of the regional and headquarters programmes; opportunities for enhancing UN system coordination on gender equality and women's empowerment and for advancing communications and advocacy; and managing risks related to programme management.

As for programming in Yemen, IAS also identified risks arising due to inadequate corporate investment and support to a country with the lowest human development and gender equality indicators in the world, which need to be mitigated to enhance and advance UN Women's programming in Yemen.

Annex III

IEAS and IAS Charters

Charter of the Independent Evaluation and Internal Audit Services

[**UN-Women-Charter-of-Independent-Evaluation-and-Audit-Services-en.pdf**](#)

Charter of the Internal Audit Service

[**UN-Women-Charter-of-Internal-Audit-Service-en.pdf**](#)
