

## **Background Note: Briefing to the Executive Board Annual Session 2025**

### **Management Response to the 2024 Annual Report on Internal Audit and Investigations activities**

#### *Summary*

1. This document outlines UN-Women’s management response to the Report on Internal Audit and Investigation activities for the period 1 January to 31 December 2024. The background note highlights UN-Women's key actions to address audit and advisory recommendations at the global, regional, and country levels. It also provides insights into allegations of fraud and other forms of misconduct and actions taken in response to these, reinforcing the organization’s commitment to accountability and integrity.

## **I. OVERVIEW**

2. UN-Women acknowledges and appreciates the work of the Internal Audit Services (IAS) for the independent and objective assurance and advisory services provided throughout 2024. The IAS's internal audit services are timely, relevant, and responsive to the organization's needs and support informed decision-making and effective risk management. Management values the role of IAS in strengthening internal oversight and remains committed to implementing its recommendations to enhance governance, risk management, and operational effectiveness throughout the organization.
3. Management acknowledges and values the investigative services provided through UN-Women's Internal Investigation Function (IIF) and the support of the Office of Internal Oversight Services of the United Nations (OIOS) as the external service provider.

## **II. OPINION**

4. Management welcomes IAS’ overall opinion that UN-Women’s governance, risk management and control processes were, in aggregate, **satisfactory**, with some improvement needed. Management reaffirms its commitment to strengthening accountability and transparency, and ensuring continuous improvement across all areas of operations.
5. UN-Women continues to make significant strides in enhancing corporate governance and risk management. IAS acknowledges these efforts, highlighting advancements such as the Transparency Portal and the Quarterly Business Review (QBR) process. The Transparency Portal promotes transparency and accountability by offering stakeholders up-to-date and comprehensive data on UN-Women's operations, funding, and results. It now includes an AI-powered search function, expanded pages per country programme and funding partner, and additional data at the project level and on humanitarian efforts. Through the QBR process, UN-Women strengthens internal governance and corporate accountability and facilitates active engagement through the Business Review Committee and the Technical Management Group.
6. Management is committed to proactively addressing the four overarching areas identified in the IAS 2024 Annual Report and to ensure that lessons learned help inform the continuous strengthening of the Entity at all levels, particularly in the following areas:
  - a) **Second line of Defence:** UN-Women remains committed to strengthening management oversight at both headquarters and regional levels. Key efforts include refining policy frameworks and clarifying roles and responsibilities between the first and second lines of defence. This aims to streamline oversight responsibilities and reduce duplications and gaps in functions. The second line regularly monitors and evaluates performance against established metrics through the QBR process conducted at the regional and corporate levels. Another example of enhanced second line functions includes strengthened capacity of Regional Offices in programme, project and partner management, through dedicated capacity-building and the establishment of programme management support specialist functions at the regional level.
  - b) **Technical capacity:** UN-Women is improving decentralized operations by boosting support to Country Offices (COs) and UN Country Teams, especially in countries where UN-Women does not have a physical presence. Regional roles

for coordination and strategic planning were bolstered by establishing dedicated Coordination Specialists and reclassifying a standalone Strategic Planning Specialist role. Establishing the Procurement Network, with specialists in six ROs, has strengthened the capacity to manage high-value and complex procurements while ensuring compliance with competitive processes. This structure reinforces oversight and promotes value-for-money principles.

- c) **Statement of Internal Controls:** As part of its ongoing commitment to transparency and accountability, UN-Women is issuing a Statement of Internal Controls over financial reporting alongside its 2024 financial statements, significantly strengthening its internal control environment and aligning with best practices across the UN system. To support this initiative, the organization is enhancing its financial management capacities to ensure effective development, implementation, and oversight of the statement, reinforcing sound financial practices and safeguarding organizational resources.
  - d) **Cybersecurity and data governance:** Management recognizes the strategic importance of cybersecurity and data governance in safeguarding UN-Women's operations, personnel data, and information, in alignment with international standards such as ISO 27001. The Entity has implemented a multi-layered cybersecurity framework that includes continuous monitoring, regular updates to security controls, and key technical safeguards such as secure network architecture, firewalls, and endpoint detection systems. UN-Women is initiating efforts to advance data governance by embedding best practices into its global operations, maintaining minimum information security requirements, promoting awareness, and ensuring systematic monitoring. Management will continue prioritizing cybersecurity and data governance, ensuring both are integral to organizational resilience and accountability.
9. Management acknowledges and appreciates IAS's observations regarding UN-Women's Pivot to Regions and Countries (PTRC) Initiative. This strategic undertaking is anchored in three interrelated components: (1) increasing the delegation of authority to regional and country offices to promote greater ownership, accountability, and responsiveness and enhancing business processes to streamline operations and facilitate more efficient and effective programme delivery at the field level; (2) reallocating financial and operational resources to support regional and country priorities better; and (3) relocating key personnel closer to the communities we serve, ensuring a more context-specific, needs-driven approach that is grounded in the realities of women and girls on the ground. These components reinforce the institutional strength, operational quality, and strategic alignment of UN-Women's country-level presence. Also, in response to IAS findings and recommendations, we will ultimately enhance our capacity to deliver transformative results in line with our mandate.
  10. Through this initiative, UN-Women aims to achieve greater value for money and enhance operational efficiency, thereby reducing operating costs and redirecting savings to advance its mandate. Based on its analysis, the one-time costs associated with the PTRC Initiative are estimated at \$6 million. UN-Women expects a potential cost savings of approximately \$8 million per year across all funding sources, deriving from reduced personnel costs, lower rent, standard service costs, and reduced travel expenses. These savings will be reinvested in the organization's capacity to deliver on its triple mandate, including enhancing impact at the country level and UN-Women's overall value for money.

### III. IMPLEMENTATION OF INTERNAL AUDIT RECOMMENDATIONS

11. Management remains committed to advancing high-priority audit recommendations, addressing long-outstanding issues while swiftly adapting to emerging priorities.
12. Annex I of this report provides a comprehensive overview of these high-priority, long-outstanding recommendations and the most recent updates on management's efforts to implement them.

### IV. KEY INTERNAL AUDIT AND ADVISORY RESULTS

13. Management notes that in 2024, IAS issued nine internal audit reports and two advisory engagements. The nine internal audit reports include seven reports from COs and two on thematic and cross-cutting activities. Of the seven CO audit reports, all reached generally satisfactory ratings, indicating ratings of either "satisfactory" or "some improvement needed". This underscores management's ongoing commitment to enhancing processes and maintaining a strong control environment.
14. Between 2021 and 2024, 490 internal audit recommendations were issued. Of these, a total of 403 recommendations (82%) have been successfully closed, demonstrating management's consistent execution and prioritization to close recommendations. Of the remaining 87 ongoing or outstanding recommendations, nearly half (41) were issued in 2024.

15. As of 31 December 2024, the proportion of long-outstanding internal audit recommendations dropped significantly to 3 per cent of all outstanding internal audit recommendations. This reflects an 8-percentage-point decrease, down from 11 per cent at the end of 2023 and well within the corporate target (not to exceed 14 per cent). This positive result reflects strong collaboration between IAS and UN-Women management and demonstrates the Entity's commitment to implementation and accountability.
16. UN-Women prioritizes implementing the remaining audit recommendations as part of its commitment to continuous improvement and organizational effectiveness.

## **A. Implementation of strategic priorities**

17. In 2023, UN-Women launched its first Planning, Monitoring, and Reporting (PMR) Policy to establish unified corporate standards and strengthen results-based management across all planning and reporting levels. The policy ensures alignment and coherence between the Strategic Plan and Strategic Note. In 2024, the Country Programme PMR Procedure rollout standardized business processes and requirements on strategic notes and workplan development, reinforcing alignment with national priorities, the United Nations Sustainable Development Cooperation Framework (UNSDCF), and RBM principles. The procedure, along with associated guides, tools, templates, and checklists, improves data quality and accountability.
18. To advance strategic monitoring and performance management, UN-Women has expanded regional capacity through dedicated Strategic Planning Specialists and is formalizing data validation roles through a forthcoming Strategic Plan PMR Procedure, expected by the end of 2025. These measures demonstrate UN-Women's ongoing commitment to results-driven, evidence-based decision-making.
19. UN-Women management acknowledges that COs are addressing the audit recommendations through systems improvements and strategic measures. Examples of CO actions include a) strengthening monitoring and evaluation frameworks to improve accountability, data quality, and clarify roles and responsibilities, b) reinforcing implementation tracking, updating resource mobilization and communications strategies, and c) adapting plans to evolving political and operational contexts. These actions reflect a proactive and adaptive approach to enhancing operational effectiveness and advancing organizational objectives.

## **B. Project management**

20. UN-Women has comprehensively reviewed and updated its project cycle and quality assurance processes. A new procedure on Project Initiation, Planning, and Approval is being finalized, introducing a structured two-stage design and appraisal process of including a Project Concept Note (PCN) and a Project Document (ProDoc). This approach ensures stronger alignment of projects with the Strategic Plan, Strategic Note as per the PMR Policy, and in particular, the development results architecture. Enhanced templates and tools, such as mandatory sustainability plans, monitoring frameworks, and risk management components, are now embedded within the ProDoc to improve quality, consistency, and accountability across all projects.
21. The new procedure introduces a rigorous review at the PCN stage to further strengthen oversight and strategic alignment. It reinforces the role of Project Appraisal Committees, supported by a standardized Quality Assurance Checklist. Complementary tools such as the Project Budget Balance Report and the Project Health Status Report are being developed in collaboration with the Information Systems and Telecommunications Unit (IST) to enhance lifecycle management and financial monitoring through Enterprise Resource Planning (ERP – Quantum) dashboards. In parallel, UN-Women is finalizing its Gender-Responsive Infrastructure Policy, along with interim guidance grounded in a risk-based framework, which is expected to be completed by the end of 2025. These efforts reflect the organization's commitment to operational excellence and results-driven, gender-responsive programming.
22. UN-Women management acknowledges that COs made progress in responding to the recommendations focusing on enhancing project design and implementation. This includes conducting internal capacity development training on project, programme and partner management to ensure key elements - such as the theory of change, exit strategies, and sustainability plans – are effectively incorporated. Additionally, COs are taking steps to establish project steering mechanisms, complete infrastructure projects in collaboration with partners possessing construction expertise, promote multi-stakeholder engagement, and address audit findings through independent evaluations.

### **C. Organizational structure, authority, capacity, and reporting lines**

23. By establishing corporate-level organizational design capacity, UN-Women supports COs in addressing structural and functional design challenges. This support is delivered through a range of tailored interventions, including remote advisory services, capacity-building initiatives, analytical data packs, and comprehensive in-country functional reviews. Standardized management tools are also available to assist COs in conducting sub-office financial viability assessments, and the Business Transformation Unit provides technical support in running and implementing these analyses when needed.
24. The audited COs are strengthening their capacities through a range of actions, such as strategic recruitment aligned with project budgets, targeted capacity-building efforts, refining organizational structures and conducting functional reviews, and updating reporting lines to improve efficiency. In addition, cost structures and suboffices are being assessed for financial viability and strategic fit.

### **D. Procurement management**

25. UN-Women implemented a series of corporate-level initiatives to address cross-cutting procurement and travel challenges identified across various COs. These initiatives aim to improve efficiency, strengthen compliance, and reinforce internal controls. Notably, UN-Women enhanced procurement planning by working closely with regional and country offices to ensure alignment with programmatic goals and operational efficiency. New tools such as Procurement Plan Dashboards and tracking systems provide real-time visibility into procurement actions, while simplified planning requirements have streamlined administrative processes and are effectively integrated into the work plans.
26. To further strengthen procurement processes, UN-Women offices leverage Long-Term Agreements (LTAs) to enhance cost-effectiveness and operational efficiency. Cooperation with other UN agencies through joint procurement arrangements, use of existing agreements, and other collaborative mechanisms further increase purchasing power and streamline procurement activities. Compliance and efficiency are enhanced through delegated authority to Regional Directors, supported by dedicated professional procurement capacity to provide advisory support to COs and perform oversight of procurement actions within the ROs, and a robust quality assurance framework. The launch of a global intranet-based Delegation of Authority system reinforces internal controls by ensuring proper segregation of duties and staff qualifications. These measures, alongside ongoing capacity-building efforts, advance procurement effectiveness and support more efficient programme delivery.
27. Additionally, in COs where audit recommendations were issued, procurement processes were strengthened through targeted staff recruitment, updated procurement strategies, and inter-agency collaboration. Procurement plans are regularly updated and closely monitored to ensure alignment with budgets and needs. To address limited LTA capacity, COs increasingly use Participation Level Agreements based on other UN agencies' LTAs for efficient service delivery.

### **E. Human Resources management**

28. In December 2023, UN-Women promulgated a new Consultant Contract Policy alongside a revised Delegation of Authority, clarifying roles and strengthening accountability in managing individual consultants. The policy and accompanying guidance documents define responsibilities across the consultant management process and include updated templates for drafting Terms of Reference. Throughout 2024, the rollout was supported by revised guidance materials, an updated intranet page, targeted webinars, and continued support from Human Resources (HR) Business Partners and Communities of Practice. These efforts directly addressed the recommendations of the IAS audit on individual consultant management, all of which have now been successfully closed.
29. The HR Division issues regular reminders to personnel to complete mandatory training requirements. Compliance tracking reports are also routinely shared with learning focal points to monitor completion rates. Each staff member is required to certify compliance with mandatory training as part of the year-end performance management assessment.
30. UN-Women management notes that the audited COs are strengthening HR practices through updating standard operating procedure for consultant recruitment, reinforcing quality assurance, and ensuring proper panel composition justification. Training sessions on the Consultant Contract Policy enhance compliance and awareness, while tools supported consistent policy application. The establishment of a local learning and development committee is instrumental to staff capacity building, focusing on the timely completion of mandatory courses and performance evaluations.

## F. Programme partner management

31. UN-Women significantly enhanced its implementation through programme partners by focusing on four interconnected pillars: policies, procedures, and guidance; capacity strengthening (both internal and external); systems; and oversight and monitoring.
32. In 2023 and 2024, following consultations with internal stakeholders and benchmarking with other UN agencies, management promulgated a comprehensive programme partner management lifecycle policy framework, including an overarching Programme Partner Management Policy and five associated procedures for selecting programme partners, initiating programme partner projects, monitoring programme partner projects, assurance of programme partners, and closing and learning from programme partner engagements. This framework provides detailed guidance on critical processes, including partner selection, proposal review (emphasizing value for money and effectiveness), risk-based capacity assessments, and capacity development. The Monitoring of Programme Partners Procedure addresses key partner oversight and management requirements and is designed to respond to issues raised in recent internal audit findings.
33. UN-Women management notes that COs are addressing outstanding Partner and Grant Agreement Management System (PGAMS) actions identified in audits. Partners receive ongoing monitoring and training on reporting and Funding Authorization, and Certificate of Expenditure (FACE) forms. Prior to engaging any partner, comprehensive risk assessments are conducted. Training, verification, and monitoring efforts are implemented to strengthen programme partner capacity.

## V. ADVISORY SERVICES

34. Management appreciates the advisory engagements undertaken by IAS in 2024, specifically on the operational risk assessment of the UN-Women Country Office in Ukraine and the limited review of vehicle and fuel management practices across the organization. These advisory services are instrumental in identifying key areas for improvement and informing our strategic efforts to enhance operational efficiency and mitigate potential risks.
35. Annex II provides a comprehensive summary of the actions taken in response to the findings and recommendations of these advisory engagements. It outlines the specific measures implemented to address the identified challenges and strengthen our operational framework.

## VI. RESPONSE TO EXECUTIVE BOARD DECISION

### Decision 2023/5

*The Executive Board “Recalls decision 2023/1, notes with appreciation the completion of the initial assessment of the Financial Rules and Regulations, and requests that UN-Women undertake a comprehensive review of the Financial Rules and Regulations to submit the revised Financial Rules and Regulations for approval to the Executive Board at the Second Regular Session 2025.*

36. UN-Women will submit the revised Financial Rules and Regulations for consideration at the Second Regular Session 2025. In February 2025, an informal briefing was held to provide Member States with an update on the revision process.

### Decision 2024/5

*The Executive Board: “Urges UN-Women to expedite the implementation of the remaining recommendations from the 2021 Anti-fraud programme audit and requests UN-Women to report back to the Executive Board at the Annual Session 2025.”*

37. UN-Women has already closed 10 out of the 12 recommendations (83 percent) of the Thematic audit: Review of anti-fraud programme at UN-Women (IEAS/IAS/2021/006). The remaining two recommendations (17 percent) are currently in progress and are expected to be fully implemented by the end of 2025. Detailed information on the implementation of recommendations is provided in Annex III.

## VII. INVESTIGATIONS

38. Of the 76 allegations<sup>1</sup> received by the Office of Internal Oversight Services (OIOS) in 2024, 71 cases were closed during the reporting period. Of these, nine allegations, spanning various categories of alleged misconduct, were investigated, while 62 cases were closed following a preliminary assessment in which it was determined that an investigation was not warranted. Of the 62 cases closed after preliminary assessment, OIOS referred 39 cases to the IEAIS for consideration and potential action by UN-Women, and 23 cases were closed without investigation or referral. If the information is insufficient to meet the threshold for investigation, the matter may be referred for management action and will be addressed through appropriate channels.
39. Regarding the eight cases substantiated in 2024, these included two cases carried over from 2022, three cases carried over from 2023, and three cases received in 2024. Of these eight cases, two involved prohibited conduct.
40. With respect to workplace relations matters, it is noted that of all the allegations received in 2024, 26 were related to prohibited conduct and nine to sexual misconduct<sup>2</sup>. Of these, 19 cases were closed with a referral back to the organization, 13 were closed following a preliminary assessment by OIOS, which determined that no further action was warranted, and three cases remained under review by OIOS as of the end of the reporting period.
41. UN-Women is deeply committed to fostering an inclusive and ethical organizational culture, grounded in the principles of integrity and transparency, and to ensuring that comprehensive and safe reporting and support mechanisms are accessible to all personnel. In alignment with this commitment, the organization acknowledges with appreciation the launch of the hybrid investigation model in April 2024 as a key step toward enhancing the effectiveness and sustainability of its investigative capacity.
42. Furthermore, to holistically address workplace-related concerns, UN Women continued to implement targeted initiatives aimed at advancing a respectful and empowering work environment for all personnel. These efforts include services provided by the UN Women Ethics function, ongoing outreach on UN standards of conduct and the UN Women accountability framework, and a range of informal conflict-resolution mechanisms, such as coaching, mediation, and shuttle diplomacy. Support for mental health and psychosocial well-being also remains a key priority, complemented by access to mindfulness and meditation resources such as Headspace and Peace on Purpose.
43. UN Women recognizes that addressing sexual exploitation and abuse (SEA) and sexual harassment (SH) through a victim-centered approach is essential to improving its organizational culture. A core aspect of its efforts is inter-agency collaboration, with active contributions to global and country-level coordination bodies such as the UN Executive Group to Prevent and Respond to Sexual Harassment, the SEA Working Group, and the IASC PSEA Technical Advisory Group—strengthening the efficiency of UN system-wide initiatives. Internally, the organization operationalizes its PSEA and SH frameworks through a network of 118 in-country and regional Focal Points across all duty stations. These Focal Points support Country Representatives in addressing SEA and SH, facilitate reporting, assist victims/survivors, and ensure all personnel and community members are briefed on these issues.
44. The Executive Director has issued the attached report (i.e., Annex IV) setting out disciplinary measures and other actions taken in response to misconduct and wrongdoing by UN-Women staff members, affiliate personnel, or third parties and cases of possible criminal behaviour for the period 1 January-31 December 2024 in accordance with the UN-Women Investigation and Disciplinary Process Policy.
45. In 2024, UN-Women took prompt and appropriate action to implement its zero-tolerance approach in substantiated cases following an investigation and disciplinary process. As set out in the report, in 2024, there were no disciplinary cases against staff members, and there were no cases involving other personnel or third parties. Furthermore, no cases were referred to national authorities pursuant to General Assembly resolution 62/63.

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<sup>1</sup> Cases may include multiple categories of alleged misconduct and therefore are counted more than once.

<sup>2</sup> Sexual misconduct category refers to sexual exploitation and abuse and sexual harassment.

## **Annex I: High-priority Long-Outstanding Recommendations**

This annex lists the latest management actions taken to address high-priority long-outstanding recommendations.

<b>Audit engagement title</b>	<b>Action taken by the responsible office on the recommendation.</b>
2020 – Audit of Trust Funds Governance, Policy and Risk Management	<p>UN-Women made notable progress in developing the overarching policy on Grant Management. A revised draft is scheduled for consultation and is expected to be finalized within 2025. In parallel, further analysis has been conducted to identify key requirements for efficient grant-making through hosted trust funds, with related procedures currently under development.</p> <p>UN-Women is also undertaking a comprehensive review of existing grant-making procedures, covering project-based grants, partnerships, and small grants, including those issued in emergency and crisis situations, to strengthen effectiveness and consistency across all modalities. A policy on initiating and managing Trust Funds is also being drafted.</p>
2020 - Cybersecurity Audit	<p>UN-Women remains steadfast in its commitment to addressing these <del>audit</del> recommendations, with key initiatives on track for completion by the end of 2025. This reflects the organization's continued efforts to strengthen institutional resilience through enhanced information and communications technology (ICT) governance, robust cybersecurity measures, and improved internal control frameworks.</p>
2021 - Internal Audit of Anti-Fraud Programme	<p>UN-Women assigned and reassigned key contributors to the revised policy in alignment with the three lines of defence model, which is now formally reflected in an updated accountability matrix.</p> <p>As part of its efforts to strengthen internal controls, UN-Women's Internal Policy Management function has introduced a formal requirement within the Policy, Procedure and Guidance (PPG) Framework Policy, which requires that all newly developed or revised policies include controls to prevent, detect, and correct fraud.</p> <p>Once the revised Anti-Fraud Policy is promulgated, UN-Women will request that policy owners re-assess key anti-fraud activities to ensure alignment with the new policy framework.</p>
2021 – Audit of outsourced services	<p>UN-Women incorporated a mandatory category in its standardized risk register which is intended to evaluate and assess the risk of engaging with third parties. Additional guidance on third-party risk evaluation will be included in the revised Risk Management Procedure to strengthen this process further. While the initial intent was to align this guidance with a forthcoming policy on outsourcing business processes and functions, currently under development by the relevant business process owner, the Risk Management function has proceeded with including the necessary guidance in the interim. This approach ensures continuity in risk oversight, with the flexibility to revise the procedure once the outsourcing policy is finalized.</p>
2022 – Internal Audit of Safety and Security	<p>Through its Security and Safety Services, UN-Women prepared and submitted its Framework of Accountability policy for approval as required by the UN Security Management System Framework of Accountability. The policy addresses all outstanding audit observations, aligns with the updated United Nations Security Management System's overarching policy framework, and incorporates key lessons identified from fact-finding missions and accountability panels on security within the United Nations Security Management System. The policy will be promulgated by 2025.</p>

## **Annex II: Management Response to Advisory Engagements**

This annex outlines management's response to the assessment's highlights and provides insights into the actions taken on the advisory recommendations received.

<b>Operational risk assessment of the UN-Women Country Office in Ukraine</b>	
<b>IAS identified risk areas</b>	<b>Management Actions</b>
<p>1. IAS found that aspects of business continuity, both operational and programmatic, were not evaluated for preparedness in terms of moving from a development to a humanitarian response. The crisis revealed UN-Women's limited preparedness at the time for the immediate phase of crisis response in terms of protocols, policies, resources and capacity for surge support, and to undertake a coordination role. At the time, UN-Women could not fully comply with IASC protocols for IASC Scale-Up Activation, which have tight deadlines for mobilization and action.</p>	<p>UN-Women Ukraine Country Office (CO) acknowledges this finding and supports enhancing corporate support mechanisms to ensure timely and effective responses to humanitarian crises, strengthening business continuity and operational resilience across COs. As part of the response, the CO collaborated effectively with multiple NGO partners to reprogram funding for immediate humanitarian action within Ukraine.</p> <p>UN-Women issued the "Humanitarian Core Commitments," which outline the required actions and priority capacities for offices operating in crisis contexts, providing clear guidance on the organization's role in promoting gender equality and women's empowerment in humanitarian settings.</p> <p>UN-Women joined the Inter-Agency Standing Committee (IASC) in October 2022, marking a significant milestone in strengthening its role within the humanitarian coordination system. The Ukraine CO joined the Humanitarian Country Team (HCT) and aligned its operations with IASC protocols.</p>
<p>2. To adapt to the rapidly changing context, the Country Office also needed to revisit and update its strategic plan to identify and manage key risks, opportunities and stakeholders.</p>	<p>The Ukraine CO Risk Register has been comprehensively updated to reflect the crisis context and integrated into the 2025–2029 Strategic Note, reinforcing UN-Women's commitment to risk-informed programming and enhanced emergency preparedness.</p>
<p>3. Operational controls and inefficiencies included procurement challenges, HR challenges, policies and processes that were not adapted for crisis management and Quantum teething problems. These challenges required corporate support to change the crisis response approach based on lessons learned from other offices operating in emergency and crisis contexts.</p>	<p>UN-Women is finalizing a corporate Humanitarian Emergency and Crisis Response Policy and Procedure. The policy, scheduled for promulgation in 2025, aims to address operational challenges related to the fast-track procedure, particularly in the areas of human resources, procurement, and programme implementation.</p> <p>As part of the rollout, a series of webinars will be conducted to promote the effective and efficient application of the new policy and procedure.</p> <p>In parallel, the Humanitarian Section delivers regional capacity-building training on gender-responsive humanitarian action to strengthen office capabilities in overcoming operational constraints. A recent session was held for Europe and Central Asia, with participation from the Ukraine CO.</p>
<p>4. IAS proposed 14 actions to address residual risks.</p>	<p>UN-Women is committed to addressing the residual risks.</p>

<b>Limited Review of Vehicle and Fuel Management at UN-Women</b>	
<b>Highlights from 2024 IAS Report</b>	<b>Management Actions</b>
<p>1. IAS identified several areas for improvement, including compliance and risk mitigation against potential misuse of official resources. Awareness of the procedures for official vehicle use for personal purposes needed to be enhanced among personnel, including compliance with existing provisions on obtaining approval and reimbursement for using vehicles, fuel and drivers' time. Vehicle and fuel use controls are heavily manual: oversight could be more cost-effective if processes are automated.</p>	<p>UN-Women actively addressed the recommendation through training sessions and online meetings with Regional Operations Managers throughout 2024. These sessions emphasized proper official vehicle-use procedures and clarified the updated roles and responsibilities for Operations Managers, Head of Offices, and Regional Directors under the revised Asset Management Policy and Vehicle Management Procedure.</p> <p>Management is currently assessing the best approach to introduce automated processes in line with available resources.</p>
<p>2. IAS made six recommendations, all of which were ranked as medium priority.</p>	<p>UN-Women is committed to implementing all six recommendations.</p>

## **Annex III: Management Response to Thematic audit: Review of anti-fraud programme at UN-Women (IEAS/IAS/2021/006)**

### Decision 2024/5

*The Executive Board: “Urges UN-Women to expedite the implementation of the remaining recommendations from the 2021 Anti-fraud programme audit and requests UN-Women to report back to the Executive Board at the Annual Session 2025.”*

This annex provides a detailed overview of management's response to the audit recommendations from the thematic audit on the anti-fraud programme at UN-Women.

The audit report includes a total of 12 recommendations, categorized based on their level of urgency and impact: five are classified as high priority, and seven are classified as medium priority. Of the 12 recommendations, 10 are assessed as implemented, reflecting management's commitment to addressing key areas for improvement. Management actions to address the remaining two recommendations are in progress and expected to be implemented by 2025.

The following section presents a summary of the status and management actions for each recommendation. For the two in progress recommendations, the completed and pending management actions are included.

<b>Thematic audit: Review of anti-fraud programme at UN-Women</b>	
<b>IAS Recommendations</b>	<b>Management Response</b>
<p><b>Recommendation 1: Roles and responsibilities</b></p> <p>BRC in its role as Risk Management Committee to reassign responsibility from IEAS to an appropriate business process owner with the clear accountability and accompanied sufficient authority, capacity and resources to implement the overall Anti-Fraud Programme and coordinate its governance, fraud risk assessment, internal control system, and monitoring with the necessary support and engagement from other contributing business process owners along the three lines of defence model.</p>	<p><b>Completed</b></p> <p>The Division of Management and Administration (DMA) was initially assigned as the Business Process Owner (BPO) for the Anti-Fraud Programme. This decision was later amended in Q4 2024, when the role of BPO was transferred from DMA to the Strategy, Planning, Resources, and Effectiveness Division (SPRED).</p>
<p><b>Recommendation 2: Roles and responsibilities</b></p> <p>The business process owner to revise the Anti-Fraud Policy in terms of roles and responsibilities, and its ownership in line with the three lines of defence model. In particular:</p> <ul style="list-style-type: none"> <li>a) Assign the key contributors to the policy, including senior management or specific key business process owners, IEAS (in its capacity as the designated office in supporting investigation-related activities), and the oversight and advisory role of the Advisory Committee on Oversight.</li> <li>b) Reassign responsibility for fraud risk monitoring across the three lines of defence in the Anti-Fraud Policy, ensuring consistency with related policies and appropriate legal instruments.</li> <li>c) Establish a formal matrix of responsibility within the Anti-Fraud Policy for the various Anti-Fraud activities that refers to specific roles, functions, units and divisions.</li> <li>d) Request that the PPG function include in the PPG Policy Framework a requirement for key policies, when</li> </ul>	<p><b>In progress</b></p> <p>a – c) In progress - A Roles and Responsibilities Matrix across the Anti-Fraud Management Framework is included in the draft Anti-Fraud Policy. This matrix complements the roles and responsibilities section of the draft policy and clearly assigns responsibilities across the three lines of defence, including senior management, key business process owners, IEAIS and the Advisory Committee on Oversight and the Risk Management Committee.</p> <p>d) Completed –All Policies must (in accordance with the PPG Policy Template) outline the controls that will be put in place to prevent, detect, and mitigate the risk of fraud and proscribed practices. This process can only be waived by the Internal Policy Management Team (IPMT) in instances where the Content Owner has consulted the IPMT and agreed on the justification for waiving the requirement to complete this assessment.</p> <p>e) Completed- As a standard requirement of the internal policy management framework, policy owners are required to include anti-fraud controls within relevant policies.</p>

<p>developed or reviewed, to specifically include controls to prevent, detect and correct fraud with reference to the overarching Anti-Fraud Policy.</p> <p>e) Request that policy owners take stock of key Anti-Fraud activities foreseen in their policies and based on this exercise, align the activities with the Anti-Fraud Policy, either directly or through referral to those policies within their own fraud sections.</p>	
<p><b>Recommendation 3: Roles and responsibilities</b></p> <p>The business process owner to coordinate with other key contributors (including HR, PSMU, Legal and IEAS) and develop an action plan with clear objectives, roles, resources and activities to operationalize the Anti-Fraud Policy, once it has been revised, to address the issues raised in this report. Moreover, to include in the Anti-Fraud Programme action plan an analysis performed by respective business process owners of risks, controls and key gaps. Implementation of the action plan should be reported to senior management and governing bodies.</p> <p>Also, addressing Issue 4 below, the business process owner to include a set of actions to improve UN-Women’s Anti-Fraud culture, awareness, training and communications in the Anti-Fraud programme action plan.</p>	<p><b>Completed</b></p> <p>An action plan has been finalised reflecting actions to improve UN-Women’s anti-fraud culture, awareness, training and communications in the anti-fraud programme.</p>
<p><b>Recommendation 4: Aligning definitions of fraud and misconduct</b></p> <p>The business process owner and Director, SPRED to:</p> <p>a) Include UN-Women’s zero tolerance principle, risk tolerance and appetite to fraud and corruption in the Anti-Fraud Policy and Risk Management Policy and Procedure.</p> <p>b) Establish a mechanism to ensure other business process owners align the definitions of fraud throughout their relevant PPGs.</p> <p>c) Consider expanding definitions in the Anti-Fraud Policy to include topics such as corruption and other unethical practices.</p>	<p><b>Completed</b></p> <p>a) The revised Anti-Fraud Policy articulates UN-Women’s zero tolerance principle</p> <p>b) An exercise was carried out by the Internal Policy Management team to align definition of frauds in policies and has now been completed – the definitions are also included in the PPG intranet portal glossary of definitions.</p> <p>c) The new version of the Anti-Fraud Policy also includes expanded definitions of fraud and other prohibited conduct.</p>
<p><b>Recommendation 5: Fraud and corruption training and awareness</b></p> <p>The business process owner to:</p> <p>a) Follow up on the pending request to improve the system for tracking the completion of mandatory training and develop a mechanism to hold managers accountable for not ensuring all personnel complete the training. Institute accountability measures for non-completion of mandatory training, especially for senior personnel and those with budget management responsibilities.</p>	<p><b>Completed</b></p> <p>a) Enhancements to the tracking of mandatory training have now been put in place by the Human Resources function, which include automated emails to personnel who have not completed the training. The Human Resources function will continue to strengthen efforts for the timely completion of all mandatory training. Training on fraud and corruption awareness, and fraud risk management is now regularly carried out across UN-Women and includes user surveys, the outputs of which provide feedback on areas for improvement.</p>

<ul style="list-style-type: none"> <li>b) Revise and align the mandatory training completion deadlines, ideally making them mandatory within the first 30 days.</li> <li>c) Develop annual refresher training.</li> <li>d) Conduct periodic user surveys to assess the effectiveness of training materials.</li> <li>e) Develop fraud reporting and fraud case handling training for managers to be delivered as part of manager induction and including periodic refreshers</li> </ul>	
<p><b>Recommendation 6: Strengthening fraud risk assessments</b></p> <p>The Director, SPRED to:</p> <ul style="list-style-type: none"> <li>a) Develop a business case to enhance the online risk management system and database to conduct all risk assessments with adequate reporting and analytical capacities (considering options for off-the-shelf available applications or inhouse application which might however require time and efforts).</li> <li>b) Mandate risk assessments for business process/policy owners and, using the consolidated results, develop a specific fraud risk library that includes information about common fraud schemes and how they could be perpetrated, prevented and detected within UN-Women’s specific context (e.g., duplicated bidders, kickbacks, bribery, fake companies and personnel).</li> <li>c) Provide offices and units with the ability to add their own specific risks to the fraud risk assessments. Manually entered risk information should be controlled to ensure proper data integrity so that risks can be analyzed holistically.</li> </ul>	<p><b>Completed</b></p> <ul style="list-style-type: none"> <li>a) A business case was prepared and submitted, and on review, it was agreed by the Information and Communication Technology Coordination Group that the enhancement of the risk management system shall be part of wider efforts to integrate the planning and results management systems in the longer term.</li> <li>b) A fraud risk library has now been developed to support fraud risk assessments at HQ, RO and CO levels, and is updated on a regular basis.</li> <li>c) The current fraud risk assessment template includes a provision for adding specific risks not included in the standard fraud risk scenarios, which is then subject to review during the quality assurance process.</li> </ul>
<p><b>Recommendation 7: Accuracies of fraud ratings</b></p> <p>The Director, SPRED to:</p> <ul style="list-style-type: none"> <li>a) Devise a procedure for the meta-analysis of key fraud risks analyzed by offices and regions.</li> <li>b) Formalize a quality assurance process for fraud risk assessments, including the existing fraud risk meta-analysis.</li> <li>c) Coordinate implementation of the process with headquarters risk focal points and ROs.</li> </ul>	<p><b>Completed</b></p> <ul style="list-style-type: none"> <li>a) A process for the meta-analysis of key fraud risks was developed in 2023, which now allows for visibility of key fraud risks across UN-Women.</li> <li>b) In accordance with the Anti-Fraud Policy, fraud risk registers shall be subject to an independent quality assurance process by the Risk Management Unit.</li> <li>c) The QA review by the Risk Management Unit is undertaken in collaboration with HQ Business Process Owners and Regional Risk Focal Points, also taking into consideration feedback from the third line.</li> </ul>
<p><b>Recommendation 8: Fraud risk assessments</b></p> <p>The Director, SPRED to operationalize fraud risk reporting to the Risk Management Committee, ACO and Executive Board</p>	<p><b>Completed</b></p> <p>Starting from September 2024, the Risk Management function reports to the Business Review Committee (BRC)/ Risk Management Committee (RMC) on an annual basis. The update to the BRC/ RMC highlights the results from the cyclical fraud risk assessment process, as well as key areas in</p>

	<p>which mitigating actions are required to reduce UN-Women's exposure to fraud risk.</p>
<p><b>Recommendation 9: Strengthening fraud detection and prevention measures</b></p> <p>The business process owner and Director, DMA to:</p> <ul style="list-style-type: none"> <li>a) As a part of the JIU recommended Statement on Internal Control, consider developing individual manager accountability statements including confirmation that fraud risks and related controls are regularly.</li> <li>b) Consider how best to utilize data analytic techniques to detect and prevent potential fraud. Based on this, devise a fraud data analytics strategy.</li> <li>c) Develop a detection and enforcement mechanism to ensure use of key controls such as the e-procurement system.</li> <li>d) Take the opportunity of the new ERP to set up in-system controls and an exception reporting mechanism.</li> </ul>	<p><b>In progress</b></p> <p>The Statement of Controls will be rolled out in 2025 based on a phased approach.</p> <p>The development and use of data analytics technique is yet to commence and will be considered after the rollout of the new policy, subject to adequate resourcing while the use of key controls in the ERP system for detection and exception reporting remains under consideration by relevant business process owners. Meanwhile, the Procurement Function has already taken proactive steps to address this recommendation through the development and rollout of the new Procurement Dashboard. This dashboard, which leverages real-time data from the ERP system, provides enhanced visibility, detection, and oversight of procurement activities, including the use of key controls such as the e-procurement system (Quantum). It serves as a powerful tool for monitoring compliance, identifying deviations, and supporting enforcement where needed.</p>
<p><b>Recommendation 10: Improving the fraud investigation and grievance reporting mechanism</b></p> <p>The UN-Women Executive Office, in consultation with IEAS, Legal, HR and OIOS, to:</p> <ul style="list-style-type: none"> <li>a) Consider whether to continue with the current outsourced case intake and assessment measures, or to potentially establish internal triage protocols with clear criteria where formal grievances are reviewed and referred to the appropriate function (e.g., OIOS, IEAS, HR, PSMU, HQ/Regional, Country Office management, UN Ethics Office etc.) with due consideration to the nature, complexity, credibility and materiality of the complaint, and the need for any whistle-blower protection;</li> <li>b) Update the legal policy framework for UN-Women that codifies its investigative, disciplinary and non-disciplinary (including referrals to national authorities) protocols for staff, other personnel and third parties (e.g. vendors, programme partners), as well as investigation outsourcing arrangement, addressing fact-finding/investigation roles to be potentially performed by independent UN-Women parties and what will be outsourced; and</li> <li>c) Update the investigations portion of the IEAS charter as relevant.</li> </ul>	<p><b>Completed</b></p> <ul style="list-style-type: none"> <li>a) Consideration was given to outsourced case intake and assessment measures. An updated Memorandum of Understanding (MOU) between UN-Women and OIOS was signed in March 2024 to reflect a hybrid model of investigation services.</li> <li>b) UN-Women's Investigation and Disciplinary Process Policy was promulgated on 16 April 2024 and constitutes the codified framework for investigative and disciplinary measures.</li> <li>c) The Charter of the Independent Evaluation, Audit and Investigation Services (IEAIS) (formerly IEAS) is now updated by IEAS) to reflect the investigation position of IEAIS. The revised IEAIS Charter includes the mandate of the Internal Investigations Function to conduct internal administrative investigations.</li> </ul>
<p><b>Recommendation 11: Strengthening the fraud investigation function</b></p> <p>The UN-Women Executive Office, together with Chief, IAS, Legal and Director, IEAS to:</p>	<p><b>Completed</b></p> <ul style="list-style-type: none"> <li>a) The recommendation is addressed under the hybrid model established under the MOU in collaboration with UN-OIOS. In the revised memorandum signed in March 2024, the details of each service category, the required inputs and the</li> </ul>

<p>a) Ensure that key performance indicators are devised and tracked that set expected investigation processing times and escalation in the event that cases take long to resolve.</p> <p>b) Ensure the Director, IEAS, who is involved in supporting the investigation function is appropriately resourced.</p>	<p>performance indicators are stipulated in Appendix I of the MOU.</p> <p>b) The recommendation is temporarily addressed with the creation of an in-house investigation capacity.</p>
<p><b>Recommendation 12: Nature, scope, frequency and measurement of Anti-Fraud monitoring</b></p> <p>The business process owner to develop an Anti-Fraud monitoring mechanism to assess the effectiveness of the Anti-Fraud Policy. This should establish the responsibility of individual policy owners to monitor their policies and provide feedback to the Anti-Fraud business process owner. This should include establishment of appropriate measurement criteria based on UN-Women’s fraud risk tolerance and organizational outcomes. It should also include a mechanism for communicating and rectifying issues with the Anti-Fraud programme, and capture lessons learned.</p>	<p><b>Completed</b></p> <p>An Anti-Fraud Monitoring Framework has now been developed, which includes measurement metrics, and will be used to monitor progress on the implementation of the Anti-Fraud Framework. The outcomes of this measurement tool will be used to assess the effectiveness of the Anti-Fraud Policy and will form part of the annual reporting to the Risk Management Committee.</p>