Establishment of an in-house internal audit function and co-location of evaluation and audit

2018
Annual Meeting
Executive Board

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Director a.i

UN Women Independent Evaluation and Audit Services (IEAS)
Requested by the Executive Board through Decision 2017/6 to provide information on:

- Concrete steps in establishing an internal audit function housed within the organization;
- Appropriate assurance and internal audit coverage and the continued independence of the evaluation and oversight; and
- Effective linkages between audit and outsourced investigation services.
Information Session and documents provided:

Four weeks prior to informal session where senior UN-Women staff and Director a.i. Independent Evaluation and Audit Services presented the update and responded to questions raised, UN-Women provided the following documents:

- Conference Room paper on the subject;
- Charters of IEAS and IAS;
- Multi-year (2018-2021) rolling risk-based audit plan and strategy;
- Transitional risk-based audit work plan for 2018; and
- UN-Women Evaluation Policy.
Implementation of the approved transitional risk-based audit work plan for 2018

- Six Senior Audit Specialist were engaged to undertake five country office audits and one Headquarters Audit.
- Three different audit firms, capitalized on their LTA with UNDP OAI, are carried out the audit of 17 DIM Projects in 14 different countries office.
Compliance with the International Standards for the Professional Practice of Internal Audit and the Code of Ethics

- Adopted and performed the audit in accordance with the standards of the International Professional Practices Framework including the professional Code of Ethics from the Institute of Internal Audit;
- Performed individual audit assignment through risk based audit assignment plan and executive;
- Followed UNDP/OAI Standard Operating Procedures including follow up on outstanding audit recommendations; and
- Enforced quality assurance and improvement programme.
Independence of the Evaluation and Internal Audit Functions

- **Organizational independence:**
  - Defined in the Evaluation Policy and Charter of Internal Audit; and
  - Direct reporting to the Executive Director and the Executive Board.

- **Functional Independence**
  - Clear roles and responsibilities of each of the two functions; and
  - Direct access to the President of the Executive Board, Chairpersons of AAC and GEAC and the UN Board of Auditors – should interference or impairment to independence, objective and professionalism occur.
Collaborative Work Planning

- Coverage is maximized by avoiding overlap and ensure the effective and efficient use of both functions’ resources;
- Using the most appropriate methodology for the priorities identified;
- Ensuring the findings and recommendations of previous evaluations and audits are used; and
- Area of expertise can be shared and assist in carrying out the work either in evaluation and internal audit e.g., data analysis or data mining.
Collaborative at the Engagement Level

- To ensure efficient planning, each function shares background documentation, where relevant and available, subject to confidentiality requirements;

- Evaluation and audit are available to all evaluation and audit staff so that these can be used during the course of their assignment as important inputs to complement the findings of on-going work; and

- The functions discuss/share conclusions on major area of work.
Learning

• To ensure that recommendations from both functions are coherent, not duplicated, and their implementation is efficiently monitored;

• At regular interval each function can provide the other with a presentation on their methodologies and the latest developments in their methodology.
• Focal Point for Investigation function transferred to the Director, Independent Evaluation and Audit Services

• An effective linkage between internal audit and outsourced investigation service

• A confidential tracking record system on incoming report of management letters and investigation reports was set up to