UN Women Executive Board, annual meeting, 17-19 June 2014

Item 5: Audit

Statement by Ireland, the UK, Estonia and Israel

Mr. President,

I wish to make this statement on behalf of the UK, Israel and my own country, Ireland.

Our thanks are due to the Audit Unit for providing us with a clear and well produced Report. We also would like to thank them for how they performed, what is after all, a core business function. They provide the Board with essential information and perspective which allows us exercise our oversight role.

We find the Audit Committee report to have been very practical and beneficial and that management’s responses were also helpful and constructive.

We consider a positive development the opportunity to consider this report at the annual meeting of the Board, rather than later in the year, and feel it is more acceptable as a part of a regular cycle.

We would like to make four points in relation to the reports presented to us today:

Firstly, the context in which the audit was conducted was that of the establishment of the organisation in only its third year of operation. So institution building, regional architecture and change management were still high priorities.

We agree with the management that the organisation is in a different place now from what it was when some of the audits were being conducted and that a steep learning curve was being undertaken. This is useful to bear in mind when we examine in greater detail the issues raised.

That does not weaken the case for sound risk management and appropriate controls. We welcome the information about investigations. We encourage UN Women to build upon these foundations, to provide more detailed and comparative information next year and to continue to rigorously pursue misappropriated funds. We would also encourage UN Women to continue to improve the implementation of audit recommendations, in particular where recurring issues are emerging.

Secondly, we agree with the point made by the Audit Advisory Committee about the need to examine closely any potential conflict of interest arising from the service level agreement with UNDP. It considers wise the suggestion made by the Committee that there be an independent organisational focal point in UN Women to oversee internal audit activities and results. We encourage UN Women to take into account other recommendations from the Committee.

We would recommend that as UN Women matures as an organisation it should consider alternative options for receiving an internal audit service, either through establishing its own Audit function or considering alternative external providers to UNDP when the service level agreement concludes next year. We consider that this would be a positive development for the organisation and would provide considerable benefits for streamlining programmes and ensuring effective policies and procedures.
exist which promote value for money. The mid-term review of the Strategic Plan could be an appropriate time to consider this move in the context of available resources.

Thirdly, we believe that there is scope for more audits to be undertaken to ensure that all offices are examined in the cycle of the Strategic Plan and taking into consideration the gradual establishment of a regional presence. We agree with management that it is important for audits to be undertaken after the offices have had the chance to establish themselves properly.

We welcome the increase in funding and of staff in the Unit last year and consider that a close monitoring regularly takes place to ensure that resource levels and capacity are adequate before agreeing a work-plan with increased visits.

Fourthly, we are pleased to hear from the Audit unit that a well developed culture of audit exists in UN Women and that a sound course of training is being provided in risk management and financial control.

As the entity continues to establish its presence worldwide, governance issues such as the policy of delegation of authority, which we strongly welcome, will have to be implemented with rigorous training to staff on the management of risk. A pro-active approach to risk by all staff is the sign of a healthy organisation.

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