



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

Distr.: General
16 April 2021

Original: English

Annual session of 2021

21–23 June 2021

Item 6 of the provisional agenda

Audit and investigation matters

Report of the Advisory Committee on Oversight for the period from 1 January to 31 December 2020

Executive Summary

This report of the Advisory Committee on Oversight (ACO) outlines the activities of the Committee in 2020, the topics reviewed and the observations and recommendations made to UN-Women about its overall systems of governance, accountability and control. The Committee recognizes and applauds the leadership role that UN-Women played in responding to the challenges of the Covid-19 pandemic and development of gender-responsive programming. At the same time the ACO has pointed out to UN-Women leadership the need to maintain focus on the continued development of more robust systems of governance. UN-Women leadership needs to ensure a strong and sustained management response to the risks to its objectives that have been identified in recent internal and external audits, evaluations, and advisory assignments. While gains have been made in some governance improvements, questions remain regarding adequate resource levels and absorption capacity for long term improvements.



I. Introduction

1. Pursuant to item 32 of the terms of reference of the Advisory Committee on Oversight (ACO) the ninth report of the Committee to the Under-Secretary-General/Executive Director of the United Nations Entity for Gender Equality and the Empowerment of Women (UN-Women) provides a summary of the activities undertaken and the advice given by the ACO in 2020. The present report is made available to the Executive Board, and upon request, the Chair presents the report to the Board.

2. The terms of reference for the ACO, approved in 2019 are available from, <https://www.unwomen.org/-/media/headquarters/attachments/sections/about%20us/accountability/un-women-advisory-committee-on-oversight-terms-of-reference-en.pdf?la=es&vs=5630>. The terms of reference outline the purpose of the ACO, which is to assist the Head of the Entity in fulfilling her oversight responsibilities in accordance with relevant best practices in governance, internal control, and risk management. The Committee has an advisory role and is not a governance body.

3. The members of the Committee are listed in Annex 1. As a body, the Committee membership represents expertise in financial reporting and programme matters, accounting, governance, internal audit and investigation, evaluation, external audit, internal control, and risk management practices and principles, as well as United Nations intergovernmental and normative work and processes. Members are independent of and external to UN-Women. Additionally, Committee members complete an annual confirmation of independence for the Under-Secretary that assures the transparency of Committee members fulfilling their roles, without compromising any interests.

II. Advisory Committee on Oversight activities as at 31 December 2020

4. Due to the onset of the global Covid-19 pandemic, which obviated any in-person meetings, the Committee held all of its meetings in a virtual format in 2020. The ACO would like to thank UN-Women management and staff for facilitating these meetings and managing very high quality participation and discussion in this challenging context. The virtual meeting format also necessitated the need for the Committee to adjust the time frames for coverage of needed topics, as well as to schedule added sessions on particular issues.

5. The full Committee held three multi-day meetings in 2020, from April 20 to 22, July 21 to 23, and October 27–29. In November 2020, the ACO met in separate sessions for purposes of reviewing the 2021 Workplans of the Independent Audit and Evaluation Service (IEAS), and to meet with the UN Board of Auditors. In addition, in February, and October individual Committee members met in separate sessions with IEAS staff on approaches to and reports related to evaluation. A similar session was held in November for an overview of investigation activity with the participation of a designated Committee member and IEAS staff. The results of these sessions provided for more detailed understanding of aspects of the work in these areas.

6. UN-Women participants in the three full Committee meetings included the Under-Secretary-General/Executive Director, Deputy Executive Directors and relevant representatives of programme and operational senior management. As required, the meetings with the Under-Secretary General and the UN Board of Auditors were private sessions. The Committee also held private sessions with the Director of the IEAS without management present as needed.

7. Due to the constraints of virtual meetings, the Committee was not able to meet in a separate session with the Director of the Investigation Division of the Office of Internal Oversight Services (OIOS) of the United Nations, which in 2018 began investigation services under a Memorandum of Understanding with UN-Women, although it received regular information on investigation activity via the IEAS reports. Similarly, the Committee was not able to have a session with the Director of the UN Ethics Office, nor with the Ombudsman for the United Nations Funds and Programs as it had done in previous years.

8. The Chair of the Committee participated in the annual session of the Executive Board in June 2020 to present the Annual Report. Ms. Amalia Lo Faso represented the ACO at the Fifth meeting of the Representatives of the UN System Oversight Committees on December 8 and 9, 2020. This meeting was held virtually.

9. Minutes from all formal meetings were prepared and approved. While the Committee was not always able to interact directly with the Under-Secretary-General/Executive Director after each meeting, it prepared summary points of advice for her. Follow-up actions resulting from meeting minutes were circulated to relevant managers through the ACO Secretariat.

III. Advisory Committee Review and Advice: Oversight Functions

10. This section of the report will address the Committee's review of and advice on the various oversight functions relating to UN-Women. For purposes of this section there will be separate discussions of Audit and Evaluation, although these functions are now located under the umbrella of the Director of the Independent Evaluation and Audit Service (IEAS).

11. During 2020, the ACO was kept apprised by IEAS staff on the impact of the pandemic on the completion of both the Evaluation and Audit Workplans for 2020 as well as on completion of 2019 planned actions by management.

The Committee has reviewed the Report on Internal Audit and Investigation activities for the period from 1 January to 31 December 2020 to be submitted to the Executive Board at its annual session and has taken note of the significant audit findings contained in it, as well as the results of investigation activities. The Committee was consulted and provided comments on the summary opinion contained in the Report regarding the adequacy and effectiveness of UN-Women's framework of governance, risk management, and control.

12. Similarly, the Committee has also reviewed the Report on the Evaluation Function for 2020 and the evaluation results and findings contained therein, as well as the work plan for 2021.

The ACO notes that the IAS has consulted with the UN Board of Auditors on planning and coordination of audit activities. As noted in its 2019 report, this interaction remains important in terms of the overall assurance available to UN-Women.

13. Observations:

(a) The ACO observes that the Director of the IEAS and her staff continue to be held in high regard as respected independent resources for UN-Women, and that the head of the IEAS office and her staff have opportunities to discuss audit and evaluation findings with senior management on a regular basis.

(b) The Director has been included as an active observer in the internal governance decision bodies which were formalized in UN-Women in 2020. In these

forums, she is able to highlight the results of her office's work including findings on improvement needed in governance, risk management or internal controls. This inclusion had been the subject of ACO recommendations to the ED.

(c) The Committee is able to affirm that IEAS functions independently in working to provide assurance regarding the governance, risk management and the control environment in UN-Women.

(d) The Committee observed during the year the continued value for UN-Women which arises from the joint location of the Internal Audit Service (IAS) and Independent Evaluation Service, (IES) offices which remain distinct and independent, with separate staffing and budget structures. Examples of the benefits are joint efforts to do a rapid response Assessment of Cash Based Initiatives, one of the programming modalities which increased in the pandemic. The goal of this report was to assist the entity in creating robust management frameworks for this kind of programming.

In addition, the two units continued and expanded joint cooperation of some country portfolio evaluations.

(e) In various reports from both IES and IAS there are repeat references to the capacity of the organization to deal with identified risks, due to lack of strong governance capacity and accountability structures. The recommendations and findings from audits, advisory engagements, and evaluations need to be accompanied by a management commitment to increase absorption capacity. The Committee will make further observations about this in Section IV.

A. Internal Audit: The Internal Audit Service (IAS)

14. As noted above, the Committee engaged with IAS throughout 2020 regarding the effects of the pandemic on its workplan. This resulted not only in cancellation of some engagements due to restrictions, but also the identification of new work in assisting the Entity to manage the increased risks to its operations due to the impact of the pandemic.

With regard to new work undertaken, the Committee notes the IEAS development of the Rapid Guide: Gender, Covid-19 and Audit to assist in identifying implementation risks in the Covid-19 context.

15. The IAS was able to complete sixteen audits, and advisory engagements. Common themes emerge in these reports that mirror those discussed in last year's Annual Report of the ACO. These are lower than expected resource levels effect on offices; lack of capacity to deliver against agreed priorities; and various weaknesses in governance and risk management processes. Chief among the weaknesses is a lack of an accountability framework which includes identified business process owners who enforce compliance with corporate policies.

16. Observations:

(a) The Committee agreed with IEAS that risk management principles should play a role in the development of a crisis response management framework for operations in a pandemic. Due to the relatively low level of maturity of the Risk Management in UN-Women, the Committee recommended that IEAS provide input to management on new program responses to the pandemic. The Committee notes that the Director IEAS was involved in corporate committees related to Covid-19 as the Entity worked to develop risk assessments of Covid-19 responses, and strategies for managing that risk.

(b) IEAS reported that the low level of digitization of project records prevented remote audit work for cancelled in-person audit engagements. The Committee calls management attention to this low level of digitization as a risk for future program improvements and a concern for the Entity as it plans to replace its basic financial and program reporting systems.

(c) The ACO had recommended in its 2019 Report that the Entity utilize the work of the IAS and the Change Management initiative to continue work on assurance mapping. Such mapping would ideally facilitate the development of Statement of Internal Controls for UN-Women. Much work on this has been affected by the pandemic. However, the audits and advisory reports completed in 2020 provide even further roadmaps for such a statement which was first recommended by the ACO in its 2018 report.

(d) The Committee was briefed on the resolution of recommendations from both internal audits, as well as those of the UN Board of Auditors annual reports. The Committee recommends that while providing itemized answers to each recommendation has some usefulness, the Entity should also focus on strategic responses to the overall conditions outlined in the recommendations, as they often represent institutional or corporate issues requiring management attention.

(e) The added information available from audits of headquarters and regional offices reveals continued lack of clarity related to the functions and roles of headquarters offices, Regional, and Country offices which may contribute to the accountability gaps noted in paragraph 15 above. The Committee notes the various change management efforts may have been delayed by the pandemic and looks forward to continued review of plans to rationalize headquarters, regional, and country offices roles.

B. Evaluation function: Independent Evaluation Service (IES)

17. As noted above, during 2020, due to requirements of the pandemic to hold shorter, virtual meetings, the ACO undertook its reviews of the evaluation function in two separate virtual meetings between expert ACO staff and the IES Chief and the Director IEAS. The Committee also included the topic in two of its three full committee meetings. The ACO reviewed and provided advice on the revised UN-Women Evaluation Policy, endorsed by the Board at its Second Regular Session in September 2020. The ACO continued to follow the progress of the Inspection of the UN-Women evaluation function conducted by the UN Office of Internal Services (OIOS), which was begun in 2019, and completed in 2020.

18. During the year, the Committee received information from IES on adjustments required in workplans and quick responses to the pandemic. The Committee notes the development of various guidance on conducting evaluations under pandemic restrictions such as the pocket tool for remote data collection and storing and protecting data; the rapid assessment of the Americas and Caribbean Regional office response to Covid-19 in that region; and a Covid-19 checklist for gender responsive humanitarian programming.

19. IEAS has indicated its desire to strengthen evaluation use across UN-Women. To this end it has built into its planning process an evidence gap mapping (EGM) analysis to identify any significant gaps in areas that are strategically important to UN-Women.

20. The endorsement in 2020 by the Executive Board of the revised evaluation policy also strengthened the potential for increased IEAS impact by codifying the requirement for systematic Country Portfolio Evaluations (CPEs), and the provision

of technical assistance to regions and country offices on procedures for these evaluations. It is anticipated that this will lead to an increase in IES-led CPEs.

21. The ACO recognizes the importance of support and direction to Regional evaluations specialists. It also notes UN-Women collaboration with other entities throughout the regions in either jointly managing or supporting 13 joint evaluations associated with the UN Sustainable Development Cooperation Framework, (UNSDCF) in the regions. Also of value is the information found in the Meta-synthesis evaluation of 2019 evaluation results as well as the Assessment of the Flagship program initiatives which provide UN-Women with summary information going forward on organization of programs to reflect strategic priorities.

22. In 2020, IES also continued to fulfil its role in promotion of UN Coordination on gender-responsive evaluations. The Committee notes the participation in UN-wide and OECD efforts at tailoring evaluations to measure Covid-19 effects and Covid-19 responses. This included contributions to United Nations Evaluation Group (UNEG) initiatives developing guidance and approaches to related to gender equality, disability inclusion and improved capacity to evaluate the humanitarian peacebuilding nexus within the UN system. IEAS monitored the use of gender-responsive evaluative evidence to inform country office implementation and reporting of the Sustainable Development Goals.

23. Observations:

(a) The Committee notes two findings from the Meta-synthesis of 2019 UN-Women Evaluations which was completed in 2020, which are related to previous ACO identification of risks to the organization. These are: the effect of insufficient financial resources on ability to support program objectives, and high personnel turnover, possibly related to short term contract modalities, which also have negative effects on robust long term programme operations. The ACO encourages UN-Women to consider these risks going forward in its strategic programming.

(b) As was noted above, the ACO observes that the Effectiveness and Efficiency Assessment of Flagship Program Initiatives (FPI) recognized many valuable lessons and contributions from the individual FPI initiatives, but also echoed the results of other oversight reviews in noting that the FPI effort and future efforts could benefit from a clear accountability framework.

(c) The Committee observes that the IES engages in a great deal of effort to make evaluation results accessible to UN-Women staff and to outside stakeholders via summaries and syntheses of evaluations, evaluation publications, and other modes of communicating results. The ACO has observed in the past its interest in having more information on the results from corporate systems designed to measure uses of evaluation.

(d) The Committee has already noted above that IES works to provide guidance, and quality measurement for evaluation activity, undertaken in Regional and Country offices, particularly through its network of regional evaluation specialists. However, many Regional and Country office led projects often do not have appropriate levels of resources devoted to evaluation, which presents challenges for the IES to not only perform this guidance role but also its CPE evaluation role. As Change Management efforts go forward post pandemic, the ACO again encourages that Regional and Country office role definition materials clearly outline responsibilities for assuring appropriate evaluation resources.

C. Investigation Function

24. As noted above, during 2020, due to the time limitations of virtual meetings, the ACO did not meet directly with the head of the OIOS Investigations Division. At each of its virtual meetings, the Committee received information on investigation activity and outcomes from the Director, IEAS. Basic information included: number of allegations received, the nature of allegations, assessment of allegations, and the disposition of cases and completed investigations.

25. In addition, in November, an ACO member held a special session with the Director, IEAS on the overall functioning of the investigation operations under the MOU, as well as assurance implications from investigations outcomes.

Fulfilling the responsible official role takes up considerable time of the Director, IEAS, and that of the Chief of IAS and one of her staff, which had not been contemplated when resources for the office were estimated. This has the consequence of affecting other work of the office, as well as taking away from work the office might normally undertake in counter-fraud, integrity, and awareness raising in the organization about preventing, detecting, and reporting wrongdoing.

26. Observations:

(a) The Committee continues to affirm the key role that the head of IEAS plays as the responsible official in UN-Women for interactions with OIOS on investigation findings.

(b) UN-Women should carefully consider the risks arising from the inability of IEAS to conduct certain fraud prevention work because of insufficient resources.

(c) The timeframes for receipt of reports from OIOS on completed investigations is fairly long but is not out of line with those of other UN agencies according to data from a 2020 Joint Investigation Unit (JIU) report. The ACO will want focus in future work on whether these time frames pose any issues for UN-Women and whether improvement is possible.

D. Ethics Function

27. In 2011, UN-Women established an institutional arrangement with the UN Ethics Office to provide ethics services to the Entity. During 2020, due to the limitation on meeting-time related to the pandemic, the ACO was not able to hold a private session with the head of the UN Ethics Office.

28. In 2020, the IEAS completed an Advisory Report on Benchmarking and Maturity Assessment of Ethics and Integrity in UN-Women. This report notes that UN-Women has some way to go before its ethics and integrity maturity level would be rated as ethically robust and progressive. The report contains a number of recommendations which would allow the entity to make progress towards the Executive Director's vision of a strong ethical culture.

Many of the recommendations mirrored those advocated by the ACO in advice to UN-Women in ongoing meetings and in recent annual reports. UN-Women did have a number of staff participate in the Leadership Dialogue training available from the UN Ethics Office as had been recommended in the 2019 ACO report.

29. Observations:

(a) The ACO repeats its recommendation from its 2019 report that if resources do not allow the establishment of a separate Ethics office, that there is a need to have the Ethics officer be at a leadership level in the organization in order to direct ethical

culture improvements, and to direct coordination of existing policies and procedures into an ethical framework that is disseminated and used for raising awareness throughout the organization.

(b) The ACO commends UN-Women for the Report of the Executive Director on Disciplinary Measures and Other Actions Taken in Response to Misconduct and Wrongdoing by UN-Women staff members and other personnel which was presented at the Annual Session of the Board in June 2020. The Report not only calls attention to consequences for misconduct, but also contains important references to the various UN-Women policies, including the Legal Framework, and the Anti-Fraud policy.

E. Board of Auditors

30. Due to time constraints and the limitations of virtual meetings during the pandemic, the Committee met once with the Board of Auditors in private session.

31. The Committee was given regular updates by UN-Women management on the implementation status of the recommendations contained in the UNBoA management letters and reports. The Committee had commented in previous Reports that it would be useful to have some root cause analysis of the reason for recommendations. While this was provided, the Committee urges that this analysis should influence the management responses provided.

IV. Advisory Committee Review and Advice: Internal Control and Accountability, including Governance, and Ethical Standards, Risk Management and Control Systems

32. In this section of its Annual Report, the ACO will provide summaries of the advice it has provided to the Entity and to the Executive Director in line with its overall purpose to advise on good practices regarding UN-Women's accountability framework.

This section will include discussions of the effectiveness of governance, risk management and control functions, as well as financial statements.

A. Change Management/ Organizational Realignments/Response to the Pandemic

33. The ACO received information on Change Management as a part of its overall review of governance and accountability issues in each of its meetings in 2020. As with all parts of UN-Women, the effort was affected by the pandemic in terms of completion of established plans, but also provided the opportunity to test remote and virtual approaches to the work of UN-Women.

34. UN-Women was quick to respond to the realities of the pandemic, and particularly to its effects on women. Cross program task teams were set up to manage effects on delivery against plan, but also to help focus the entity on new programming to address the particular needs of women arising from the pandemic effects.

35. A key product in the work to rationalize its field presence was finalized in the third quarter of 2020, the Presence Governance Framework. This framework outlines the policy and decision process for establishing UN-Women "presences" and is a good first step. The Presence Framework also outlines the ways that UN-Women can be present and interact with UN Country teams in a non-physical mode. It was reported

that work continued on reorganization of Headquarters offices, and on clarification of Regional office and Country office roles as next steps.

36. Observations:

(a) The findings of several audits and evaluations completed in 2020 or early 2021 continue to highlight the lack of clear policy on the role of headquarters offices in relation to regions or country offices. These include the Trust Fund Management Audit, the Audit of Peace, Security and Humanitarian Division, and the ESARO regional office. The ACO recommends that the long referenced policy statements on the roles of various entities, particularly as it relates to programme offices, be finalized, and that the referenced realignments of staff go forward.

(b) The ACO further recommends that these policy statements and staff realignments be accompanied by the identification of business process owners, clear roles identification, and clarification of accountability centres for management processes, (examples are grant management). Clearly defined policy statements should also be accompanied by appropriate levels of training and awareness of the management and accountability responsibilities.

(c) The Committee makes a recommendation that it has made in previous annual reports: that in the face of continued shortfalls of regular resources against budget, UN-Women will build on the Presence Policy and create an organizational footprint which operates under more realistic resource estimates.

(d) In a matter related to the shortfalls in regular resources referenced above, the Committee would also encourage the resourcing of governance functions such as risk management, ethics oversight, and project management which are very thinly resourced and not able to deliver on all agreed upon recommendations for change from audits and evaluations.

B. Strengthening Governance and Accountability/Reducing Risk

37. In 2020 UN-Women made progress in improving its overall governance structures. In its 2019 report the ACO encouraged the completion of Terms of Reference for a new accountability structure, the Business Review Committee (BRC), as well as clarification of how existing bodies, (the Executive Leadership Team and the Senior Management Team) operated. This was accomplished in an Internal Management Framework document, providing Terms of Reference for each of these bodies which was completed in the fall of 2020, and for which the ACO provided comments.

38. UN-Women has also advanced its governance and oversight function by establishing the BRC as the corporate risk committee, and designating the head of the newly established Strategy, Planning, Resources, and Effectiveness Division (SPRED) as the Chief Risk Officer.

39. The effects of the pandemic have affected progress on other aspects of governance planned by UN-Women, including Country Office portfolio reviews. Slow progress is being made against recommendations for strengthening the second line of defence in Headquarters and in the Field which were found in key 2019 internal audits and advisories related to risk management, partner management and project cycle management. 2020 audits and advisory engagements have provided UN-Women with further information about roadmaps to more robust governance.

40. Observations:

(a) As noted elsewhere in this report, key offices responsible for governance activities are very thinly resourced for the work they have undertaken. These include

the SPRED Division, and the Program Management Support and Management Unit in the Policy Program and Intergovernmental Division. Realignments of functions in headquarters should take into account the need to properly resource these offices.

(b) Audit and review results show a lapse in control discipline and management accountability that would be mitigated with clearer identification of business process owners and consequences shown for non-implementation /non-compliance.

(c) The ACO notes that a critical mass of evaluations, audits, and advisory reviews have provided UN-Women with increased analysis about gaps in the second line of defence and recommendations for more robust governance in terms of policies, accountability identification, awareness and behaviours, as well as resourcing. However, there appears to be a significant lack of absorption capacity for improvements suggested and agreed upon by UN-Women. The ACO recommends increased Executive level attention to ways to increase the absorption capacity, and prioritization of actions which are critical for reducing risks to the organization in achieving its objectives.

(d) The ACO notes that one example of lack of absorption capacity is the minimal progress on recommendations from a 2019 travel management audit, in which UN-Women agreed to establish a business process owner function which could monitor and enforce travel policy and manage accountability for the significant expense that travel represents in the Entity. Despite agreement on recommendations, there has been little action on this issue.

(e) In its previous Annual Reports, the ACO has encouraged the eventual development of a comprehensive Statement on Internal Controls for UN-Women that would serve as a mapping of assurance in the Entity. As noted in the past, this kind of statement is dependent on management efforts at defining assurance and responsible business owners and holding staff accountable for performance.

C. Funding framework and resource mobilization

41. The ACO was briefed on resource levels available to the organization, and in particular the efforts to access funds available for pandemic related programming. The ACO notes the success of UN-Women in positioning itself in the UN System as a champion of women's issues arising in the pandemic, in particular raising awareness regarding gender based violence.

42. While the Committee applauds the agility of UN-Women to develop responses to the effects of Covid-19, it also received information on the effects of the pandemic on already planned activities. Going forward the Committee will be interested in the overall effect of the pandemic on global implementation and resource mobilization.

43. The ACO also notes that within 2020, some issues arose related to funding arrangements with National Committees and special campaigns on behavioural awareness such as HeforShe Advisory engagements noted the need for more robust arrangements outlining funding agreements, and reporting arrangements. The ACO will be interested in following up on issues related to National Committees in 2021.

D. Financial statements and financial systems

44. The Committee reviewed the draft financial statements for the year ended 31 December 2019. The Committee commends UN-Women on receiving an

unqualified audit opinion from the UN Board of Auditors for the ninth consecutive year since its inception in 2010.

45. The ACO regularly received updates from DMA on budget and financial issues which were of high quality. The ACO has received positive feedback from the UNBoA on the cooperation received from the finance function and management in the process of reviewing the financial statements.

46. The internal Audit of UN-Women's role as the Secretariat of United Nations and UN Trust Funds governance and the HeforShe advisory review resulted in recommendations for development of policy and procedure related to Trust Fund and grant management, and standard operating procedures for special campaigns that will involve review and input from DMA. The ACO looks forward to updates on these issues going forward.

E. Information and Communication Technology

47. The ACO was briefed on Information and Communication Technology (ICT) issues in its October meeting. The limitations of the pandemic did not allow for more detailed briefings or follow up on data protection issues raised in the 2019 report. Several significant occurrences took place in 2020 that have major consequences for UN-Women's information technology support. These are:

- completion of the cybersecurity audit referenced in the ACO's 2019 report which will require UN-Women to strengthen its procedures and approaches to safeguarding its information, and
- a decision by UNDP to replace ATLAS, its long time Enterprise Resource Planning (ERP) system which was also utilized by a number of funds and programs with an entirely new Oracle-based system. This decision also included a very aggressive implementation timeline. UN-Women determined to continue to utilize a UNDP system, and began engagement with them on system requirements.

48. Observations:

(a) In its 2019 report, the ACO referenced the fact that UN-Women was making progress in connecting one of its basic management tools, the Results Management System, to the Atlas system to have better tools for assessing performance. With the demise of the ATLAS system, it is not clear how the work on these connection of resource data to outcomes and outputs will continue.

(b) UN-Women will need to make timely decisions regarding the scope of its utilization of the new Oracle-based system. This means that it will need to decide whether to continue work on and support of the current suite of legacy systems that exist to measure performance and accountability, and other functions. Information available to the ACO is that the Entity is delayed in making scope decisions, which raises risks to the organization in terms of implementation.

(c) UN-Women's needs a stronger and clearer commitment to resourcing the project team and the change management resources needed for implementing even the basic new ERP elements. Standard practice is to have a stand-alone project management entity to work on new ERP software. Best practice is to have a clear resource plan to include multi-year estimates of the costs of implementation, including testing, training of staff, and data migration. The ACO cautions that these elements were not in place as of its last briefing, indicating consequential risks for the organization.

(d) While the ACO understands the ongoing limitations that the pandemic places on the organization, it encourages a change of approach in managing the new ERP system, to include the separate project team and resourcing noted above, but also the designation of an ERP champion at the level of a Deputy Executive Director, to provide leadership to the endeavour, and to assist in identifying resources to assure its success.

V. Conclusion

49. The ACO continues to support the UN-Women's collaboration with partners both in and outside the UN in achieving its strategic objectives of advancing gender equality and promoting the empowerment of women.

50. The Committee recognizes the positive steps that the Entity has taken during a difficult pandemic year to improve its approach to manage the risks for achieving its objectives. It notes however that UN-Women still has some way to go and important steps ahead to strengthen its second line of defence. This includes clear role definitions for headquarters offices, regions and country offices, assignment and training of accountable business owners for key functions, and development of systems of consequence management.

51. The ACO conducted a self-assessment of its 2020 performance that included information from the Executive Director on its value to the organization. The overall assessment found the functioning of the Committee to be positive. For 2021 the ACO will be working to improve its approaches to its task in several ways: adjusting its schedule to better deal with the realities of remote meetings and developing a charter workplan to assure coverage of all topics in its Terms of Reference.

52. Going forward, with the anticipation of some relief from the restrictions and effects of the pandemic, the ACO will continue to promote proper governance systems in UN-Women including progress on more robust assurance, control and accountability systems. It will also continue to promote the development of a corporate wide Statement of Internal Controls which should reflect the increased assurance work.

53. The ACO would like to thank Roberta Patellaro and Yaindy Nuesi of UN-Women for providing very high quality secretariat services to the Committee during 2020. Their strong competencies and timely approach to their tasks was a great support to the ACO's work. As they have moved to other assignments, we wish them well in future endeavours.

VI. Annex

A. Audit Advisory Committee Membership in 2020

<i>Member Name</i>	<i>Comments</i>
Ms. Mary Ann Wyrsh (United States of America)	Current Chair of the ACO. Member since August 2016; serving on second term, which ends on July 31, 2022.
Ms. Mei Kit Wan (Singapore)	Member since February 2019; serving on first term which ends in February 2022.
Ms. Aicha Pouye (Senegal)	Member since February 2019; serving on first term which ends in February 2022.
Ms. Amalia Lo Faso (Italy)	Member since October 2019; serving on first term which ends in October 2022.
Mr. Robert Lahey (Canada)	Member since October 2019; serving on first term which ends in October 2022.