

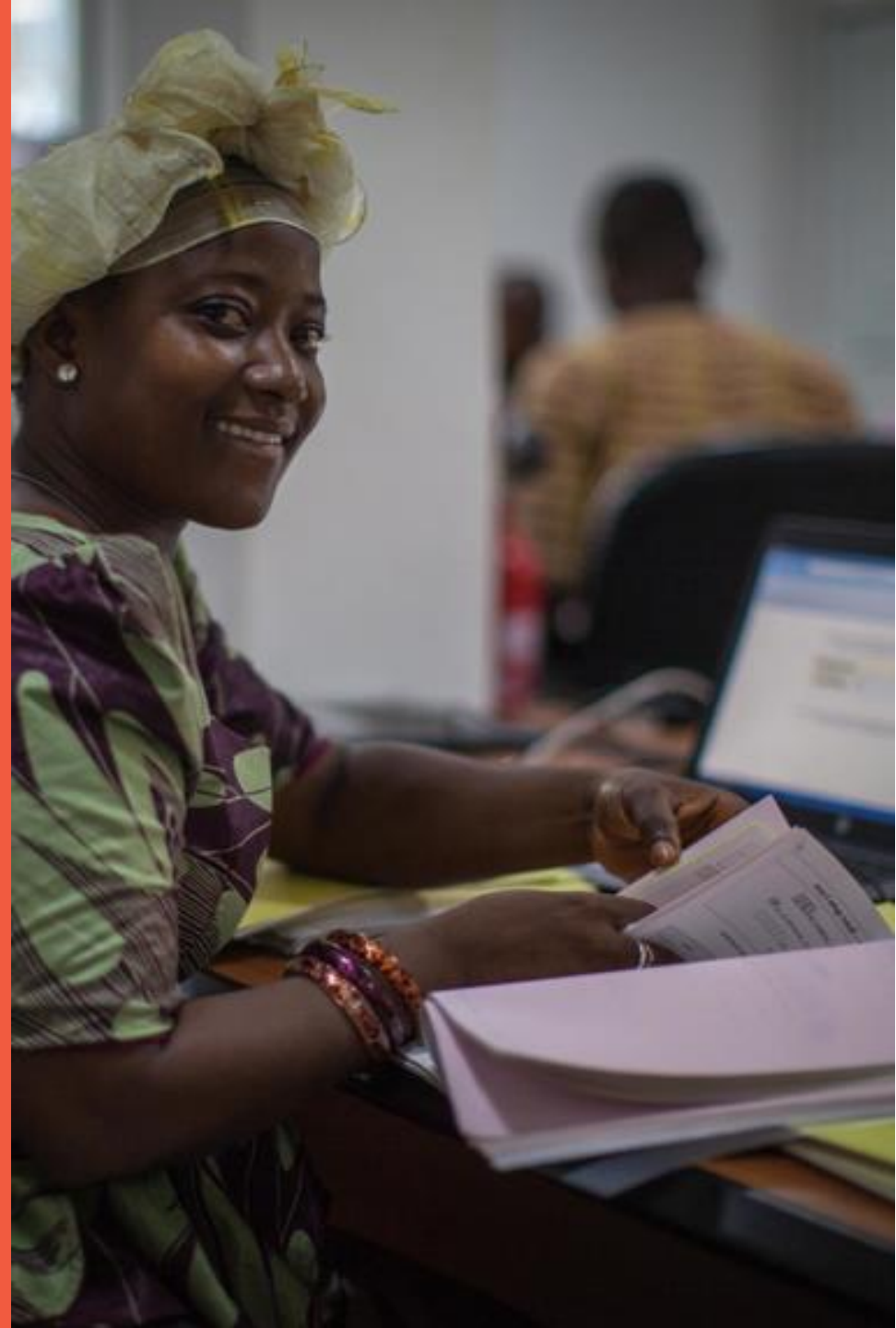
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# Organizational Oversight Reports

**Management response**

**Agenda item 3**

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Internal audit

# Proactive Management – Internal Audit comments

## 2020 Audits

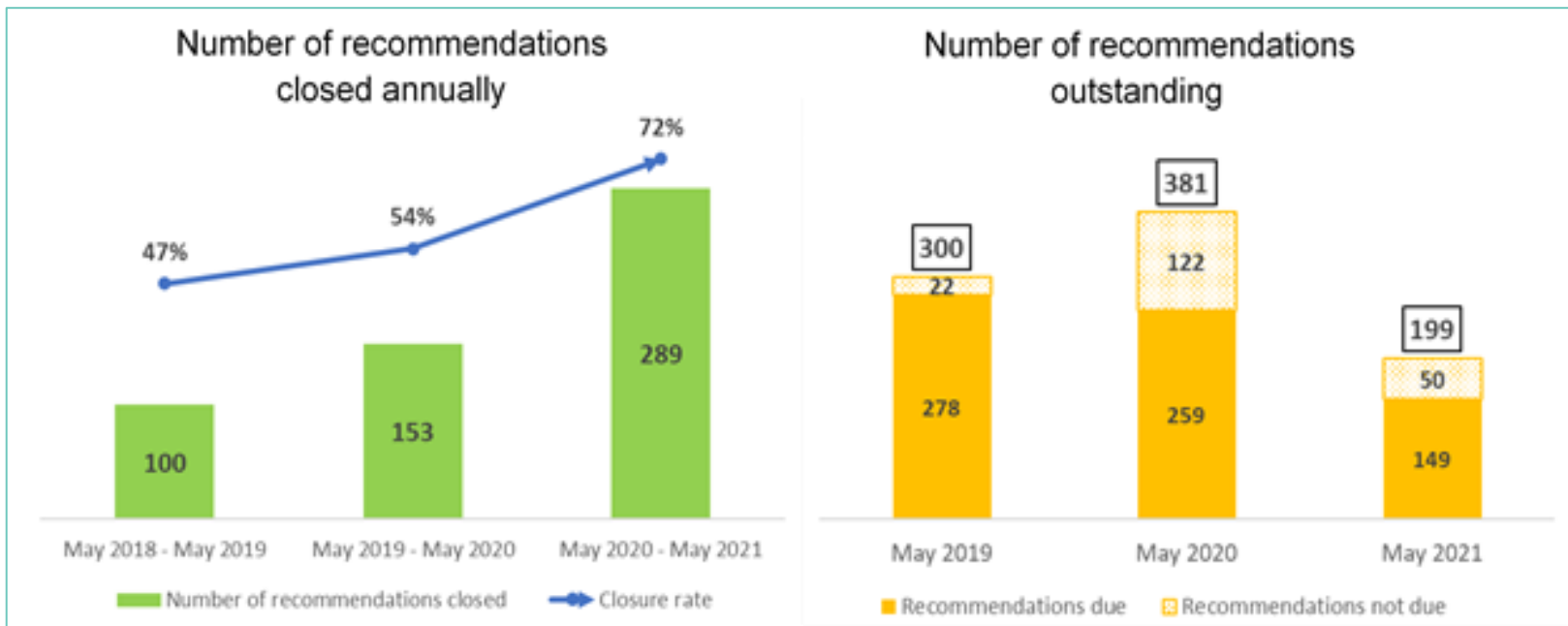
- Decrease in the number of controls with high level of residual risks compared to prior year
- Increase in the overall effectiveness of individual internal controls, up to 68% in 2020 compared to 50% in 2019
- 40 out of the 107 recommendations issued in 2020 are closed, including recommendations from advisory reviews

## Past audit recommendations

- 72% closure rate achieved
- 7 audits fully closed
- Number of open recommendations overdue significantly reduced to 6% compared to 21% in the prior year

# Proactive Management – Internal Audit comments

- Regular monitoring by Senior Management
- Transparency – Organization wide management dashboards, including IOS audits status.
- Proactive coordination from the Geneva Global Centre and strong support from regional support teams.



# Proactive Management – actions already implemented

- Empowerment: increased delegation of authority to field offices
- Decentralization of QA processes to some regions
- Management dashboards including Internal Audit progress

Accountability



- Mutual recognition of UN procurement processes
- Launch of the UNAIDS Procurement Toolkit
- Organisation wide Survey undertaken

Procurement



- Assessment Centers for Country Director positions
- 2020 mobility exercise: taking into consideration not only the job descriptions, but also country-specific needs.

Recruitment



- Expansion of management accountability dashboards available to all staff
- Expanded use of E-signatures contributing to enhancing efficiency

Innovation



- 100% completion rate for the Internal Control questionnaire.
- Integration of risk and dashboard platforms providing an at a glance overview
- Statement of Internal Control for 2020

Internal Control & risk management



# Proactive Management – actions to be implemented

## Accountability

- Further delegations of authority to regional and country offices
- Declaration of Interests for experts under UNAIDS contracts
- Inclusion of accountability targets in performance appraisals

## Procurement

- Simplification of selection processes for services
- Integration of procurement planning into new ERP (project start Q3 2021)

## Award Management

- Framework and revised TORs for Award Managers
- Real time dashboards and automated notifications to support implementation

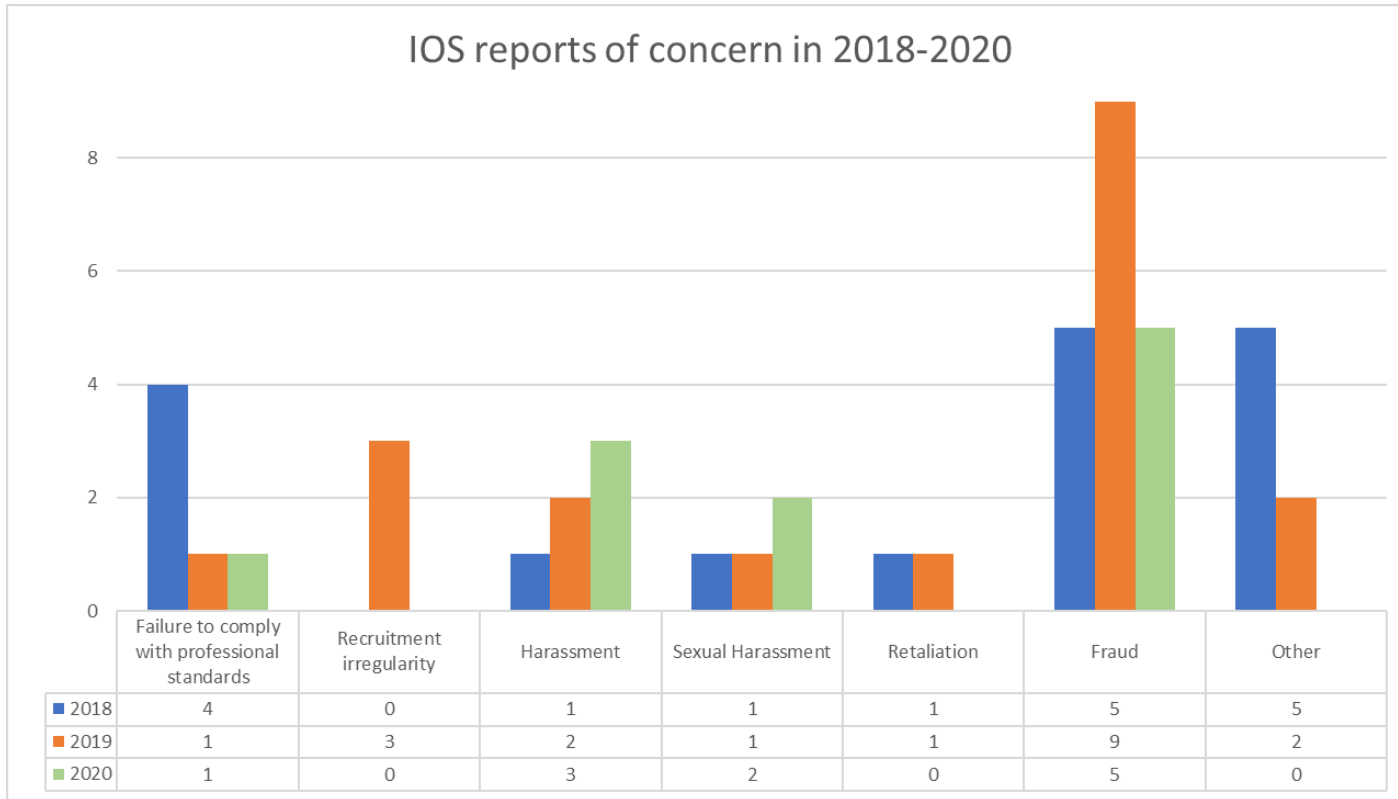
## Innovation

- Contractor performance evaluation and Implementing partner assessment platforms
- New ERP development and testing

## Internal Control & risk management

- Mandatory training on risk management
- Expansion of online risk platform to facilitate risk escalation
- Promote integration of risk management into new ERP

# 2020 Investigations



- 11 reports of concern received in 2020 (42% reduction compared to 2019)
- 7 cases were unsubstantiated (5 already closed, 2 are pending closure)
- 4 cases are under investigation

External audit



# 2020 External Audit – Recommendations and responses

- **Unmodified opinion** on the UNAIDS Financial statements on 31 December 2020.
- **8 audit recommendations** related to Headquarters and UCO Myanmar.

Recommendation - Performance reporting	UNAIDS response and action
UNAIDS should adhere to the UBRAF performance indicator guidance	Enhanced progress tracking, rating and reporting conventions are being implemented
UNAIDS should consider improving the performance reporting system	Management agrees to consider enhancements and will take the recommendation into account during the UBRAF 2022-2026 development and its new performance and monitoring framework.
Recommendation - Ethics – Promote an enabling workplace and misconduct reporting	UNAIDS response and action
UNAIDS should continue monitoring its action plan closely and enhance its efforts to achieve the goal of making UNAIDS a healthy, equitable and enabling workplace for all staff	Management agrees with the recommendation and notes the recognition from the external audits that efforts are ongoing and have been for some time.
UNAIDS should continue to undertake concerted steps to encourage and enable staff to report misconduct, discrimination or harassment without any fear of retaliation.	Management agrees with the recommendation and notes the recognition from the external audits that efforts are ongoing and have been for some time.

## 2020 External Audit – Recommendations and responses (continued)

Recommendation – Target monitoring, country data, contractors and awards	UNAIDS response and action
<p>Continue to closely monitor progress to prevent any slippage in the significant gains made so far</p>	<p>Myanmar Country Office will continue to closely scrutinize the progress on targets and take concerted action if slow progress is identified in specific areas.</p>
<p>Ensure that the country data on key parameters is consistent, complete, accurate and comparable.</p>	<p>Management takes note of the recommendation that country data on key parameters, disclosed in various reports should be consistent, complete, accurate and comparable.</p>
<p>Award Managers to ensure a plan is available and monitoring for utilization of funds</p>	<p>Management notes that for the awards highlighted in the report the donor had been contacted well in advance of the end date. Management accepts however that improvements can be made and will develop an organization wide notification system.</p>
<p>UNAIDS to develop an organization wide online platform for contractors’ performance evaluation to ensure diligent assessments are made in a timely manner.</p>	<p>Management accepts the recommendation as improvements can always be made. To this end the Secretariat will develop of an organization wide online contractors’ performance evaluation platform.</p>

# Past external audit recommendations

Performance reporting	UNAIDS response and action
Revisit and enhance the progress tracking, rating and reporting conventions to ensure that the criteria and required processes established for the purpose are applied	Enhanced progress tracking, rating and reporting conventions are being implemented
Enhance alignment between the upcoming 2018-2019 PMR and the UNAIDS 2018-2019 Workplan and Budget	Management has already provided information on how progress was reported in the 2018-2019 PMR against the UNAIDS 2018-2019
Ensure that future reporting efforts are supported by well-established data collection and review process to ensure that information is better managed.	Efforts will continue to ensure reports are informed by well-established data collection and review process
Reconcile ratings and achievements provided in the PMR with that of the UNAIDS Transparency Portal	Corrective actions already taken to reconcile ratings and achievements in provided in the PMR.
Management Action Plan	UNAIDS response and action
Management to push forward the implementation of the MAP	Implementation is ongoing, as reflected in the latest recommendation from the audit undertaken in 2021.

Ethics report

## 2020 independent report of the Ethics Office – management response

- Management is grateful for the work of the office, its ongoing contributions to a culture of ethics and accountability in the organization.
- Global Staff Survey implemented in November 2020 as part of Management Action Plan commitments.
- Survey reflects high commitment of staff (88% of respondents said they felt proud to work for UNAIDS), as well as burdens and workloads associated with major change processes, HLM, Covid.
- Executive Director is very concerned in particular about reports of alleged abuse of power and harassment, and why some groups within UNAIDS have more negative experiences in the organization.

# 2020 independent report of the Ethics Office – management response

- Senior management is committed to actions and initiatives that will be key for building staff trust, and guaranteeing a safe, equal and empowering workplace, recognizing this takes sustained and visible efforts.
- Three areas of focus:
  - Low trust: 360-degree assessments and coaching; performance objectives linked to the survey; SLT personal commitments.
  - Harassment and abuse: Raising awareness of strengthened policy prohibiting harassment, abuse of authority; enhanced HRM legal/advisory capacity; strengthened compliance; new MoU with WHO IOS;
  - Exclusion: Team values charters; wellbeing and healing; anti-racism.

**Thank you**