

Background Note: Briefing to the Executive Board, First Regular Session 2024

UN-Women updated management actions on the recommendations of the United Nations Board of Auditors for 2022: Status of implementation

Summary

The Executive Director is pleased to submit the updated status and detailed management actions to implement the recommendations contained in the Report of the Board of Auditors for the United Nations Entity for Gender Equality and the Empowerment of Women (UN-Women) for the year ended 31 December 2022 (A/78/5/Add/12).

The result of the United Nations Board of Auditors' (hereafter referred to as "the Board of Auditors" or "the Board") 2022 audit and the Entity's steady progress in addressing their recommendations attest to the Executive Director's continued commitment to leading UN-Women in promoting fiscal responsibility and integrity. Together with prioritized transparency and accountability, the timely implementation of the Board of Auditors' recommendations supports the Entity's desire to ensure that processes and systems are fit for purpose to increase the impact of UN-Women's work towards the equality and leadership of women and girls worldwide.

UN-Women is pleased to receive another unqualified audit opinion from the Board of Auditors on the Entity's financial statements for the year ended 31 December 2022. This marks UN-Women's twelfth consecutive "clean" audit opinion since its inception. It reaffirms that the Entity's internal governance, risk management, and controls are evolving as a solid framework for effective and efficient operations to achieve UN-Women's strategic objectives.

UN-Women aims to surpass the Board of Auditors' recently reported implementation rate of 70% (19 of 27) for recommendations issued before 2022. As of the fourth quarter of 2023, UN-Women's relentless efforts in addressing the recommendations from the Board of Auditors have already resulted in completed management actions for 11 of the 26 outstanding recommendations as of 31 December 2022 [i.e., 8 remaining from 2020 and 2021 plus 18 newly issued in 2022]. Four (4) of the eleven (11) completed management actions pertain to 50% of the eight (8) main or high-priority 2022 audit recommendations.

As of November 2023, UN-Women is pleased to report that the Entity has no remaining long outstanding audit recommendations (issued prior to 2021) from the Board of Auditors. Needed actions have been completed for all audit recommendations prior to 2021, including those issued for 2020, and the recommendations closed by the Board of Auditors.

Elements of a decision

The Executive Board may wish to: (a) take note with appreciation the twelfth unqualified audit opinion issued by the Board of Auditors on the financial statements of UN-Women for the year ended 31 December 2022; (b) acknowledge the steady progress made by UN-Women in implementing the audit recommendations of the Board of Auditors and support UN-Women's continuous efforts to ensure there are no long-outstanding recommendations.

I. Overview

1. For the twelfth consecutive year, UN-Women has received an unqualified audit opinion on the Entity's financial statements from the Board of Auditors.
2. The report of the Board of Auditors for the year ended 31 December 2022 A/78/5/Add.12 indicated that the Board did not identify significant errors, omissions, or misstatements from reviewing the financial records of UN-Women. However, the Board determined room for improvements in the areas of strategic planning, programme management, programme partners cycle, private sector partnerships, procurement management, and information and communication technology. The Board of Auditors issued 18 recommendations, including 8 main (high priority) recommendations, further elaborated in this document.
3. Presented in the Board's Audit Report, UN-Women completed 70 percent or 19 of the 27 outstanding recommendations that were open at the beginning of the financial year 2022. UN-Women continuously prioritizes the implementation of outstanding recommendations and, as of the fourth quarter of 2023, has completed actions for 42 percent of the outstanding recommendations as of 31 December 2022, or 11 of the total 26 outstanding recommendations (i.e., 8 remaining prior years' (2020-2021) recommendations plus 18 newly issued in 2022). The Board assessed as "implemented" the one remaining 2020 recommendation. UN-Women continues to have no long-outstanding audit recommendations (i.e. issued prior to audit year 2021) from the Board.
4. UN-Women has enhanced the due diligence assessment of potential private sector engagements for sustainable partnerships, improved operational efficiencies by advancing the implementation of the new enterprise resource planning system, and refined assessments of partner capacities to guide programme and project design for effective implementation.

II. Introduction

5. Pursuant to the UN-Women Executive Board decision 2022/1, para 5 on further harmonization with other United Nations funds and programmes of the reporting format of the management response to the report of the United Nations Board of Auditors and the implementation of recommendations, the present management response has been reformatted as agreed with the United Nations Development Programme, the United Nations Capital Development Fund, the United Nations Population Fund, the United Nations Office for Project Services, and the United Nations Children's Fund, to provide the Executive Board with comparable reporting on the key findings and recommendations of the report of the Board of Auditors for the year ended 31 December 2022.
6. The present management response likewise addresses the UN-Women Executive Board decision 2017/9 para 6, which: *"Requests UN-Women to present to the Executive Board the more detailed management response to the United Nations Board of Auditors report prepared for its contribution to the "Report of the Secretary-General on the Implementation of the recommendations of the Board of Auditors on the financial statements of the United Nations funds and programmes for the financial period ended 31 December 2016".*

III. Status of recommendations for the year ended December 2022

7. The Board of Auditors issued 18 new recommendations for 2022. Tables 1 & 2 below summarize the implementation status as of 27 November 2023 of the main and all recommendations, respectively, for the financial period ending on 31 December 2022

Table 1. Status of main recommendations for 2022 by thematic area

<i>UNBOA Report thematic area</i>	<i>Total</i>	<i>Closure requested</i>	<i>Under implementation</i>	<i>Closed by UNBoA</i>
<i>Strategic Planning</i>	3		3	
<i>Programme Management</i>	2	1	1	
<i>Private Sector Partnership</i>	3	3		
Total	8	4	4	
Percentage	100%	50%	50%	0%

Table 2. Status of all recommendations for 2022 by thematic area

<i>UNBOA Report thematic area</i>	<i>Total</i>	<i>Closure requested</i>	<i>Under implementation</i>	<i>Closed by UNBoA</i>
<i>Strategic Planning</i>	3		3	
<i>Programme Management</i>	2	1	1	
<i>Programme Partners Cycle</i>	5		3	2
<i>Procurement Management</i>	3	1	1	1
<i>Private Sector Partnership</i>	3	3		
<i>Information, Communication, and Technology</i>	2		2	
Total	18	5	10	3
Percentage	100%	28%	55%	17%

8. The following paragraphs provide an update on the status and detailed management action plans for every recommendation the Board of Auditors issued for 2022.

2022 UNBOA Recommendations

Strategic planning

9. In paragraph 36, the Board recommended that UN-Women strengthen its procedures on the traceability of funds used in the Sustainable Development Goals in order to have an objective process that allows monitoring results over the years.

Department(s) responsible: Strategy, Planning, Resources and Effectiveness
Division
Status: Under implementation
Priority: **High (Main rec)**
Target date: Fourth quarter of 2024

10. UN-Women acknowledges the importance of strengthening its procedures to improve the traceability of funds used to achieve the Sustainable Development Goals. It is committed to enhancing these in line with other United Nations partners’ practices under the overall harmonization efforts across the United Nations system. UN-Women finalized a mapping between its strategic plan’s integrated results and resources framework for the period 2022-2025 and the Goals. The mapping allows UN-Women to report its yearly financial contribution to the Goals against overall expenditure to the UN System Chief Executives Board (CEB) through the United Nations data cube. To further address the Board’s recommendation, UN-Women will:

(a) Ensure that the procedure on planning, monitoring, and reporting of the strategic plan better enables tracking contributions towards achieving the Sustainable Development Goals. UN-Women will ensure that the process aligns with the Development Coordination Office’s current efforts to harmonize United Nations agencies’ monitoring and reporting towards achieving the Goals. As part of the mid-term review of the strategic plan, UN-Women assess any needed modifications to the strategic plan integrated results and resources framework and relevant guidance;

(b) Strengthen how projects support tracking contributions towards achieving the Goals through the recently promulgated planning, monitoring, and reporting policy, ensuring that projects implement planned results in the strategic notes linked to relevant Goals;

(c) Continue to enhance its results management system, ensuring links with Quantum, to enable a more robust monitoring and objective oversight of UN-Women’s contributions to the Goals.

11. **In paragraph 37, the Board recommended that UN-Women align the results obtained at the project level with all processes carried out in the Entity’s strategic note and strategic plan, in order to have access to accurate information about the use of its limited resources.**

Department(s) responsible: Strategy, Planning, Resources and Effectiveness
Division
Status: Under implementation
Priority: **High (Main rec)**
Target date: Fourth quarter of 2024

12. UN-Women is committed to optimizing its resources, ensuring that projects align fully with strategic notes and the UN-Women strategic plan. To address the Board’s recommendation, UN-Women will:

(a) Harmonize the monitoring efforts, streamline reporting, and optimize the use of resources in line with the recently promulgated planning, monitoring, and reporting policy. The new policy stipulates the results architecture set to support a coherent alignment of results through projects, strategic notes, and the strategic plan;

- (b) Develop the procedures for country-level, regional-level, and headquarters-level planning, monitoring, and reporting in line with the recently promulgated planning, monitoring, and reporting policy to support adherence to the policy's results architecture;
- (c) Ensure that the forthcoming project-level guidance and procedure align with the planning, monitoring, and reporting policy through cross-functional content analysis;
- (d) Ensure that the relevant results management system and Quantum system requirements align with the planning, monitoring, and reporting policy and are fully integrated into UN-Women's medium-term and long-term systems enhancement work.

13. In paragraph 38, the Board recommended that UN-Women enhance its planning, monitoring, and reporting processes related to its strategic plan in order to have accurate and timely information on all business units, thus strengthening accountability and achievements related to compliance and advances of the strategic plan.

<i>Department(s) responsible:</i>	Strategy, Planning, Resources and Effectiveness Division
<i>Status:</i>	Under implementation
<i>Priority:</i>	High (Main rec)
<i>Target date:</i>	Fourth quarter of 2024

14. UN-Women is committed to continuously improving robust planning, monitoring, and reporting processes. In this regard, UN-Women will address the Board's recommendation by:
- (a) Establishing the first procedure for developing, monitoring, and reporting on the strategic plan in line with the promulgated planning, monitoring, and reporting policy, outlining pertinent roles and responsibilities to support timely compliance and adherence to the policy;
 - (b) Building on lessons learned to continuously improve existing annual reporting processes and guidance, including promoting adherence to corporate reporting cycle deadlines. Lessons learned will also inform the development of the above strategic plan procedure;
 - (c) Ensuring that the revised procedures for planning, monitoring, and reporting for field offices and headquarters further strengthen accountability mechanisms within UN-Women so that each business unit takes responsibility for its contributions to implementing the strategic plan. This will involve setting clear performance expectations, monitoring progress, and promoting a culture of transparency and ownership across the organization;
 - (d) Building on the lesson from the strategic dialogue pilot in 2022, the revised country office strategic planning guidance was further piloted in 2023. Based on the recently promulgated planning, monitoring, and reporting policy, the full procedure for country offices is currently being developed, incorporating key lessons from the pilot guidance, ensuring the alignment with the UN-Women strategic plan results and with the United Nations Sustainable Development Cooperation Framework.

Programme management

15. **In paragraph 47, the Board recommended that UN-Women expedite the promulgation of an organization-wide policy to guide environmental initiatives in the programme area, with the purpose**

of involving all the stakeholders related to the execution of programmes to accomplish environmental standards.

Department(s) responsible: Policy, Programme, and Intergovernmental Division
Status: Closure Requested
Priority: **High (Main rec)**
Target date: Third quarter of 2023

16. The Social and Environmental Sustainability Policy and its Procedure, which clearly and comprehensively address internal operational and external programmatic aspects, were promulgated in December 2023.
17. The UN-Women policy and procedures align in full with the relevant United Nations frameworks, such as the Chief Executives Board strategy for sustainability management in the United Nations system and the United Nations model approach to environmental and social standards. The capacity-building rollout plan will be launched in 2024. UN-Women considers this recommendation to be implemented and requests its closure by the Board.
18. **In paragraph 48, the Board recommended that UN-Women provide support that enables its offices to implement concrete actions that contribute to the improvement of environmental indicators in the strategic plan.**

Department(s) responsible: Policy, Programme, and Intergovernmental Division
Status: Under implementation
Priority: **High (Main rec)**
Target date: First quarter of 2024

19. A capacity-building plan to be rolled out in 2024 is being developed to ensure capacity in the organization to implement the new Social and Environmental Sustainability Policy and Procedure. Country and Regional Offices developing new Strategic Notes and new projects will be required to implement the assessment required in the policy. This will contribute to improved reporting against the environmental indicators of the strategic plan.

Programme partners cycle

20. **In paragraph 60 of its report, the Board recommended that UN-Women strengthen the monitoring process and oversight of the existence and validity of the partner capacity assessments in order to have updated capacity information about programme partners who receive funds from UN-Women.**

Department responsible: Policy, Programme, and Intergovernmental Division
Status: Closed by UNBoA
Priority: Medium
Target date: Second quarter of 2024

21. UN-Women has promulgated the recently modified procedure for selecting programme partners, requiring the completion of a new risk-based capacity assessment if the validity of the existing risk-based capacity assessment ends during the implementation of a partner agreement. The recently modified Partner and Grants Agreement Management System now auto-generates notifications to the project manager before the validity

of a risk-based capacity assessment ends while the corresponding partner agreement is in force so that a new capacity assessment is completed. The risk-based capacity assessment has been made mandatory during the creation of the partner agreement as an integral attachment to ensure that the project managers upload the documented assessment used as part of the partner selection exercise.

22. **In paragraph 68 of its report, the Board recommended that UN-Women articulate at all levels of governance the roles and responsibilities of staff involved in the programme cycle in order to ensure effective oversight of its phases and encourage the use of the capabilities that the partners and grants management system provides in real time to reporting and global tracking.**

<i>Department responsible:</i>	Policy, Programme, and Intergovernmental Division
<i>Status:</i>	Under implementation
<i>Priority:</i>	Medium
<i>Target date:</i>	Second quarter of 2024

23. UN-Women has made significant progress towards the implementation of this recommendation and has acted on the second line of defense at the corporate level to provide relevant real-time tools, reports, and related personnel training to facilitate effective monitoring and oversight at all governance levels of the organizations. This is formalized in the recently promulgated Programme Partner Management Policy and Procedures. In addition, UN-Women is updating the Partner and Grants Agreement Management System with real-time tracking functionalities and extensively promoting the use of its dashboard to educate and elevate awareness among staff on the usefulness of the status of action reflected in the dashboard for effective oversight.

24. **In paragraph 69 of its report, the Board recommended that UN-Women define a formal and precise deadline to conduct the performance evaluation of the programme partners.**

<i>Department responsible:</i>	Policy, Programme, and Intergovernmental Division
<i>Status:</i>	Closed by UNBoA
<i>Priority:</i>	Medium
<i>Target date:</i>	Fourth quarter of 2023

25. UN-Women has recently promulgated the Close and Learn from Programme Partner Project Procedure to include a formal and precise deadline for performance evaluation in selecting programme partners. It is specified in the procedure that the programme partner's final performance evaluation must be carried out no later than sixty (60) calendar days after the work has been completed or the programme partner agreement expired or is terminated.

26. **In paragraph 78, the Board recommended that all governance levels of UN-Women provide regular trainings to the Project Managers to ensure they request submission of funding authorization and certificate of expenditure forms in a timely manner, as these forms evidence the completion of activities which allow for recognition of project expenses.**

<i>Department(s) responsible:</i>	Policy, Programme and Intergovernmental Division and Management and Administration Division
-----------------------------------	--

Status: Under implementation
Priority: Medium
Target date: Fourth quarter of 2024

27. The UN-Women’s Policy, Programme, and Intergovernmental Division, jointly with the Management and Administration Division, will prepare updated training materials by March 2024 and conduct joint training for project personnel in all regional and field offices and at headquarters by the end of 2024.
28. **In paragraph 79, the Board recommended that all governance levels of UN-Women provide regular trainings and strengthen the capacity of programme partners in the correct and timely use of funding authorization and certificate of expenditure forms.**

Department(s) responsible: Policy, Programme and Intergovernmental Division and Management and Administration Division
Status: Under implementation
Priority: Medium
Target date: Fourth quarter of 2024

29. UN-Women’s Policy, Programme and Intergovernmental Division and Management and Administration Division will jointly update training materials that field personnel can use to train programme partners. They will finalize a training plan and conduct joint training for field personnel by 2024.

Private sector partnership assessment

30. **In paragraph 93, the Board recommended that UN-Women perform awareness activities for all personnel from the different governance levels, to highlight the relevance of having accurate and rigorous information that will be considered as a base of the risk-informed decision-making process to establish partnership with the private sector.**

Department(s) responsible: Strategic Partnerships Division
Status: Closure Requested
Priority: **High (Main rec)**
Target date: Fourth quarter of 2023

31. The new Private Sector Engagement Policy and Procedure was promulgated in November 2023. The immediate global webinar carried out covered all aspects of the new policy and procedure, including the revised private sector engagement assessment process and the newly defined roles and responsibilities at each step. In addition, risk management and communication tools were introduced as mandatory components of the due diligence assessment process that allow for risk categorization. This webinar was followed up by a second session in mid-November that provided further training on using the new Due Diligence Request system that promotes compliance with each step in the new process. UN-Women considers this recommendation to be implemented and requests its closure by the Board.
32. **In paragraph 94, the Board recommended that UN-Women establish a clear interconnection between the documents that are the inputs for up-to-date company level risk categorization, which informs decision-making based on risk for the partnership with the private sector.**

Department(s) responsible: Strategic Partnerships Division
Status: Closure Requested
Priority: **High (Main rec)**
Target date: Fourth quarter of 2023

33. The new Private Sector Engagement Policy and Procedure was promulgated in November 2023 following consultation with the Business Review Committee and a thorough quality assurance review process. The new procedure provides revised templates for each step that informs: 1] decision-making, from risk profile categorization to risk tolerance benchmarking; 2] the engagement design and conditions thereof; and 3] the development and integration of risk management measures before the engagement is approved. The newly developed Due Diligence Request system that uses the Global Service Tracker platform serves as a repository for supporting documents required at each stage of the assessment process and in determining the risk profile. UN-Women considers this recommendation to be implemented and requests its closure by the Board.
34. **In paragraph 95, the Board recommended that UN-Women strengthen the process for assessing private sector partners, by clearly defining decision-making aspects and their actions to be followed, key concepts and the frequency in which an event could occur and may impact the Entity, aiming to enable a more efficient and refined company risk categorization.**

Department(s) responsible: Strategic Partnerships Division
Status: Closure Requested
Priority: **High (Main rec)**
Target date: Fourth quarter of 2023

35. In line with the new Private Sector Engagement Policy and Procedure, the process for assessing private sector partners provides clear pathways for decision-making based on the risk profile categorization cross-checked with the risk tolerance boundaries developed in line with UN-Women's Private Sector Engagement Strategy. In addition, the newly developed Due Diligence Request system supports the assignment of roles and responsibilities for decision-making with complete documentation of each step of the assessment process. The new policy and procedure specify the role of the Risk Management Committee as the oversight committee to determine the organization's appetite in pursuing engagements beyond UN-Women's risk tolerance boundaries according to its risk profile. UN-Women considers this recommendation to be implemented and requests its closure by the Board.

Procurement management

36. **In paragraph 105 of its report, the Board recommended that UN-Women review its procurement guidelines and procedures to determine inconsistencies and harmonize the provisions included therein, such as the mandatory amount for the creation of a purchase order.**

Department responsible: Management and Administration Division
Status: Closed by UNBoA
Priority: Medium
Target date: Not applicable

37. UN-Women has revised the relevant procedures and guidelines and mandated the use of purchase orders for all procurement activities. Users must now utilize the Oracle SmartForm, an automated system that generates touchless purchase orders for all procurement transactions ranging from \$0 to

\$5,000. This development eliminates the risk of not using a purchase order for qualified activities. UN-Women considers this recommendation to be implemented and requests its closure by the Board.

38. **In paragraph 106 of its report, the Board recommended that UN-Women carry out an assessment regarding the use and needs of purchase orders presented by the offices and, on that basis, develop a training plan that promotes the use of this procurement control mechanism.**

<i>Department responsible:</i>	Management and Administration Division
<i>Status:</i>	Closure requested
<i>Priority:</i>	Medium
<i>Target date:</i>	Not applicable

39. UN-Women makes it mandatory for all users to utilize purchase orders for all types of procurement activities, regardless of value. The organization has introduced the automated Oracle SmartForm to mitigate non-compliance risks regarding using purchase orders for qualified activities effectively. Accordingly, UN-Women has ensured that pertinent procurement guidelines have been updated and all personnel have received comprehensive training on its use. UN-Women considers this recommendation to be implemented and requests its closure by the Board.

40. **In paragraph 113, the Board recommended that the UN-Women East and Southern Africa Regional Office and Kenya Country Offices undertake processes for the award of long-term agreements for recurrent local procurement of goods and services, with the purpose of increasing the efficiency and effectiveness of the procurement process.**

<i>Department(s) responsible:</i>	Eastern and Southern Africa Regional Office and Kenya Country Office
<i>Status:</i>	Under implementation
<i>Priority:</i>	Medium
<i>Target date:</i>	Fourth quarter of 2023

41. The UN-Women East and Southern Africa Regional Office and the Kenya Country Office have pursued the establishment of long-term agreements, a participation level agreement for recurring needs with substantive procurement volumes. This has been done mainly through the United Nations' common procurement mechanisms, through which the offices benefit from improved negotiating power as One United Nations. Long-term agreements already established and in use include travel management for the Somalia Country Office, leveraging a UNOPS long-term agreement for transportation services in use for the Somalia Country Office, and hotel and conference services with multiple service providers within and outside Nairobi. In addition to the locally established long-term agreements, the offices now utilize global long-term agreements for vehicles and information and communications technology equipment. The evaluation process for two new LTAs for Graphic designing and editing services is in progress, and contractual arrangements will be in place by the 1st quarter of 2024.

Information and communication technology

42. **In paragraph 125, the Board recommended that UN-Women strengthen the information technology change management process by integrating the change management process using**

the platform available for global in-take, review, and monitoring of all change requests and ensure that it will be carried out in a timely manner.

Department(s) responsible: Management and Administration Division
Status: Under implementation
Priority: Medium
Target date: Second quarter of 2024

43. UN-Women maintains a robust change management process for all system-related modifications and enhancements. The process ensures that all changes are appropriately logged, reviewed, and approved before implementation, providing a practical framework for maintaining the stability and integrity of the systems.
44. Building on this, UN-Women is already integrating the change management process with the Global Service Tracker (GST) platform. The platform will thus provide a global solution for the intake, review, and monitoring of all information technology change requests. This integration will leverage the platform’s capabilities to enhance the visibility, accountability, and efficiency of the change management process.
45. As part of a commitment to continuous improvement, UN-Women is actively socializing this mechanism with the end-users of UN-Women Information and Communications Technology (ICT) systems. It is essential to capture all projects and changes in the system as soon as they are received. The UN-Women ICT team has thoroughly reviewed the change management process at UN-Women. UN-Women has already launched an Idea Lab on the Intranet platform to foster collaboration and idea sharing. This initiative is a dynamic space for end-users across the organization to share ideas or suggestions for changes or new concepts they wish to discuss within the UN-Women community. UN-Women Information Systems and Technology (IST) Section has already implemented a structured change request process within the GST platform to manage system-related changes efficiently. This process encompasses submitting end-user requests, technical review by the IST Team, and the subsequent implementation and release management of approved changes.
46. UN-Women will introduce an additional request type in the GST platform to refine the change management approach further. This new request type will enable requesting departments to capture potential changes to the system for pipeline requests as a centralized location to track all change requests. Once a change request is materialized, the release management process will be initiated to ensure its successful implementation into the production environment.
47. **In paragraph 126, the Board recommended that UN-Women perform a cost-effectiveness analysis of the best available resource mobilization pipeline systems, including the Leads system that allows the Entity to define the operational benefit of the selected system.**

Department(s) responsible: Policy, Programme, and Intergovernmental Division
Status: Under implementation
Priority: Medium
Target date: Fourth quarter of 2023

48. A plan for improvements in the Leads management system is complete. Implementation is pending a cost-benefit analysis between the Leads system and possible options for pipeline management, as well as any requirements for possible integration into the new enterprise resource planning system,

Quantum. An analysis with recommendations will be developed, drawing on the lessons from the private sector unit's experience in piloting Salesforce.

IV. Status of recommendations from prior financial periods (i.e., 2020 and 2021)

A. Implementation of the recommendations contained in the report of the Board of Auditors for prior financial periods

49. In the annex to its report for the year ended 31 December 2022 (A/78/5/Add.12), the Board provided a summary of the status of the implementation of recommendations for previous financial periods. Information is provided below on the eight (8) recommendations the Board assessed as under implementation. The information is set out below in the order in which the recommendations are presented in the annex.

50. Table 3 summarizes the overall situation as of November 2023.

Table 3 – Prior Period (2020-2021) Recommendations

The status of implementation of recommendations from prior periods considered under implementation from the last assessment was presented by the Board of Auditors in their 2022 audit report. This table reflects the implementation progress made since then.

(Presents the number of recommendations)

<i>UNBOA Report thematic area</i>	<i>Total</i>	<i>Closure requested</i>	<i>Under implementation</i>	<i>Closed by UNBoA</i>
<i>Enterprise Risk Management</i>	1	0	0	1
<i>Programme Management</i>	2	0	2	0
<i>Procurement Management</i>	1	0	1	0
<i>Contributions</i>	1	1	0	0
<i>Human Resources</i>	2		2	
<i>Information and Communication Technology</i>	1	1		
Total	8	2	5	1
Percentage	100%	25%	63%	12%

Report of the Board for the year ended 31 December 2020

Enterprise risk management

51. **In paragraph 32 of its report, the Board recommended that UN-Women set and incorporate the risk tolerance levels to guide the process of risk assessment, in order to include the risk tolerance at the time of implementation of additional mitigation measures to reduce the risk rating or severity to an acceptable level.**

<i>Department responsible:</i>	Strategy, Planning, Resources and Effectiveness Division
<i>Status:</i>	Closed by UNBoA
<i>Priority:</i>	High
<i>Original target date:</i>	Fourth quarter of 2022
<i>Revised target date:</i>	Fourth quarter of 2023

52. UN-Women implemented risk tolerance boundaries linked closely to the quarterly business review process. The risk tolerance boundaries guide management on the degree of risk acceptable to UN-Women to achieve its objectives while operating within the broad risk appetite. Furthermore, this will be used to flag risk tolerance breaches to risk owners to ensure that, where required, this triggers the need for changes to mitigating actions to reduce the likelihood or impact of identified risks. This process will occur during the risk identification and evaluation phase and through the risk monitoring phase. In addition, a risk appetite and tolerance guidance note will also be finalized and shared with all risk owners and focal points to provide further support.

Report of the Board for the year ended 31 December 2021

Programme management

53. **In paragraph 41, the Board recommended that UN-Women address the partners' audit financial findings in a timely manner, with the aim to generate certainty regarding the proper use of the resources transferred to the partners.**

<i>Department(s) responsible:</i>	Policy, Programme, Intergovernmental Division
<i>Status:</i>	Under implementation
<i>Priority:</i>	High
<i>Original target date:</i>	Fourth quarter of 2022
<i>Revised target date:</i>	Fourth quarter of 2023

54. UN-Women has gained traction and steadily resolved partners' audit financial findings, reaching a 70 percent closure rate of the outstanding financial findings as of November 2023. UN-Women continues to work closely with the offices to address the identified root causes of the findings by reviewing the partners' audit reports, considering the findings and recommendations, and tailoring corrective action accordingly for the closure of the remaining financial findings.
55. **In paragraph 42, the Board recommended that UN-Women resolve the long-standing partners' audit financial findings in a swift manner, in order to clarify the use of the funds transferred to partners in the prior years.**

Department(s) responsible: Policy, Programme, Intergovernmental Division
Status: Under implementation
Priority: High
Original target date: Fourth quarter of 2022
Revised target date: Fourth quarter of 2023

56. UN-Women has resolved all the outstanding financial findings during the period 2012–2017 through the one-time conclusive assessment. With regard to the 2018–2020 period, UN-Women has resolved 74 percent of the financial findings mentioned in the Board’s report and is working closely with the country offices to close the remaining 26 percent.

Procurement management

- 57. In paragraph 74, the Board recommended that UN-Women coordinate with business owners and the future users of the new enterprise resource planning “Quantum” of the procurement process, to raise system requirements in order to generate standard, timely and useful reports for users, which capture global data for all stages of the procure-to-pay cycle.**

Department(s) responsible: Management and Administration Division
Status: Under implementation
Priority: High
Original target date: First quarter of 2023
Revised target date: Fourth quarter of 2023

58. UN-Women has disseminated the procurement dashboard requirements among our affiliated agencies implementing Quantum. In addition, outside of Quantum, UN-Women has also created a proprietary monitoring and oversight procurement dashboard. UN-Women remains dedicated to ensuring the completion of the Quantum dashboard by the fourth quarter of 2023. Acknowledging the vital role of a robust dashboard, UN-Women pledges commitment to its successful deployment to enhance effective oversight.

Contributions

- 59. In paragraph 89, the Board recommended that UN-Women include all regular resources and other resources contribution agreements into its enterprise resource planning system, to automatically convert these resources in foreign currencies into United States dollars.**

Department(s) responsible: Management and Administration Division
Status: Closure Requested
Priority: Medium
Original target date: First quarter of 2023
Revised target date: Not applicable

60. UN-Women demonstrated to the audit team that it amended its procedures to ensure that all regular resources funded through contributions agreements were entered into the now obsolete Atlas system. UN-Women also showed that the automated Atlas statement of contributions report was updated with the regular resources donor agreements before UN-Women completed its financial statements for the year ended 31 December 2021.

61. The same procedures are adopted and implemented in the new enterprise resource planning system, Quantum, for regular resource contributions. The setup and transactions are ready to be demonstrated to the Board in Quantum. UN-Women considers this recommendation to be implemented and requests its closure by the Board.

Human resources

62. **In paragraph 109, the Board recommended that UN-Women implement a workplan in order to correct the lack of compliance with the mandatory training courses.**

<i>Department(s) responsible:</i>	Human Resources Division
<i>Status:</i>	Under implementation
<i>Priority:</i>	Medium
<i>Original target date:</i>	Second quarter of 2023
<i>Revised target date:</i>	Second quarter of 2024

63. UN-Women has progressed in 2023 in its actions to implement an organizational-wide mandatory training courses completion month. It is finalizing the appropriate timing in harmony with other planned organizational initiatives and the phased approach to implementing required technical improvements to the Quantum learning management system.

64. **In paragraph 110, the Board recommended that UN-Women redesign the monitoring control related to mandatory training courses in order to mitigate risks of non-compliance, encouraging the engagement of all governance levels with these personnel obligations in a preventive manner.**

<i>Department(s) responsible:</i>	Human Resources Division
<i>Status:</i>	Under implementation
<i>Priority:</i>	Medium
<i>Original target date:</i>	Second quarter of 2023
<i>Revised target date:</i>	Second quarter of 2024

65. UN-Women continues to work to improve the Quantum learning management system course monitoring features to enable course completion, tracking, and notification/reminder functioning in line with UN-Women's business requirements. Planned management action is ongoing in line with the phased approach to addressing pending gaps and improvements for Quantum.

Information and communication technology

66. **In paragraph 125, the Board recommended that UN-Women update and document the activities related to information security, with timely monitoring, in order to mitigate the risks regarding information security at all governance levels (global, regional and country).**

<i>Department(s) responsible:</i>	Management and Administration Division
<i>Status:</i>	Closure Requested
<i>Priority:</i>	Medium
<i>Original target date:</i>	Second quarter of 2023
<i>Revised target date:</i>	Not applicable

67. UN-Women continues to update the field office minimum security baseline based on input from the cybersecurity minimum baseline standard adopted by all agencies under the High-Level Committee on Management's Digital and Technology Network. This process represents a continuous journey toward improving the organization's information security maturity level.
68. The publication of baseline main key performance indicators in the Quarterly Business Review has effectively highlighted the information security across all country offices. This has resulted in a significantly improved understanding of the importance of information security at all organizational levels, signifying its integral role in operations.
69. In addition, the Information Systems and Telecommunications Section has been organizing quarterly Information and Communications Technology (ICT) network meetings, represented by field office operations managers and ICT focal points for each country office. These meetings are valuable for sharing critical information technology-related updates, including cybersecurity news. The proactive approach is a significant stride towards gaining insight into the specific needs of field offices and encourages discussions on how to approach standard solutions.
70. By incorporating information security into the agenda of each country office and facilitating regular information technology meetings, UN-Women is taking significant steps towards cultivating a comprehensive understanding of information security across the organization. These efforts are instrumental in building a robust information security culture and ensuring that all personnel are well informed of the risks and the measures necessary to safeguard sensitive information and systems. Engaging with field offices through collaborative discussions further strengthens the organization's ability to address its unique requirements and potential challenges in information technology and cybersecurity. These implemented measures sufficiently address the above recommendation regarding information security. UN-Women considers this recommendation to be implemented and requests its closure by the Board.

V. Impact of implemented recommendations

71. As requested by Executive Board decision 2023/1, the following paragraphs summarize the impact on UN-Women of implementing audit recommendations. Overall, the implementation of the recommendations advanced the organization's culture of accountability, continuous improvement ambitions, and orientation of its service to benefit the field. UN-Women monitors the impact of implementing the Board's audit recommendations in driving progress to the Strategic Plan 2022-2025 in line with the five organizational effectiveness and efficiency output areas.

Principled Performance

72. UN-Women continuously strives to improve its ability to reliably achieve strategic objectives, manage risks, and operate with integrity. Below are some illustrations of the value-add to the Entity's operational effectiveness, economy, and efficiencies gained from the implementation of the Board's recommendations.
73. The enhanced programme management procedures strengthened UN-Women's monitoring controls for effective oversight by ensuring that valid and up-to-date partner capacity assessment documents are accessible as ready reference across the organization. This is a result of the immediate implementation of the updated procedures for the selection of programme and project partner that includes a formal and precise deadline to conduct performance evaluation in selecting programme or project partners maintained in the partner and grant agreement management system. The updated process facilitates risk-informed

selection of programme and project partners and ensures the optimum design of programmes and projects, thus minimizing risks on funds entrusted by UN-Women to partners for project implementation.

74. The precise definition of roles and responsibilities at various governance levels specified in the newly promulgated Private Sector Engagement Policy and Procedure improved the objectivity of the due diligence review for private sector engagement. The enhancements to the assessment templates enabled a better flow of the assessment and monitoring of the due diligence process, resulting in transparent and risk-informed decision-making for private sector engagement.

Advancing Partnerships and Resourcing

75. UN-Women continuously advanced the landscape of its partnerships and resourcing initiatives, now grounded with a newly promulgated robust Private Sector Engagement Policy and Procedure. UN-Women has observed an up-trend in capacities across the organization to purposely assess the risks and sustainability of any potential pursuit to engage with the private sector viably. Ensuring risk-informed development of partnerships with the private sector is key to maximizing meaningful opportunities to advance gender equality within and through the private sector.

Business Transformation

76. Balancing all organizational effectiveness and efficiency output areas, UN-Women strives to continuously improve its operations with risk-informed decision-making. UN-Women diligently progressed with its maturity in risk awareness and Enterprise Risk Management practice. Following the promulgation of the Risk Appetite Statement, UN-Women, in line with the recommendation from the Board of Auditors, has finalized and embedded the risk tolerance guidance note for application in pertinent business processes. The risk tolerance boundaries guide management on the degree of risk that is acceptable to UN-Women and flag risk tolerance breaches for immediate management action, including adjusting risk mitigating measures in place.
77. UN-Women continues to advance with its entity-wide information security maturity level. The documentation, dissemination, and close monitoring of information security improvement activities recommended by the Board has increased staff awareness and understanding of information security practices. UN-Women is pleased to report the steady rise of key performance indicators included in the Quarterly Business Review on the practice of information security across all country offices.
78. UN-Women's new policy on planning, monitoring, and reporting was promulgated in October 2023. This policy represents a foundational building block to ensure that UN-Women plans, monitors, reports, and communicates its results in a harmonized and streamlined way, from the Strategic Plan to Strategic Notes, plans, and Projects. A first-of-its-kind for UN-Women, it applies to development, humanitarian, and peace operations contexts and will be followed by a set of dedicated procedures in 2024.

Empowered People

79. UN-Women's principal asset is its mission-committed personnel. Hence, UN-Women strives to continually enhance leaders' and personnel skills and capacity to remain responsive to the demands of a complex and dynamic work environment to fulfill our mandate efficiently and effectively.
80. UN-Women managers and personnel have undergone training on the upgraded procurement business processes supported by the newly implemented enterprise resource system, Quantum. Leveraging the automated system that seamlessly and efficiently generates touchless purchase orders for procurement transactions by using the Oracle SmartForm for UN-Women, the related system control in place ensured that non-compliance risks regarding the required use of purchase orders for qualified procurement activities had been mitigated. In addition, this automated process improvement facilitated efficiency in procurement activities, alleviating limited capacity on the field.
81. Consistent with UN-Women's practice on knowledge management and sharing to advocate an empowered workforce, the Information Systems and Telecommunication Section has effectively organized quarterly ICT network meetings. In these meetings, attended by field office operations managers and ICT focal points, critical information technology-related updates and cybersecurity news are exchanged to foster discussions on solutions and practical approaches to mitigate increasing information security threats and proactively protect vulnerabilities. The active promotion of a comprehensive understanding and awareness of information security across the organization is our essential defense for cybersecurity.

Products, Services, and Processes

82. The UN-Women amended procedure for recording contributions has ensured that all regular resources funded through contributions agreements are correctly recorded in the enterprise resource and planning system. Accordingly, the automated statement of contributions report shows up-to-date data from donor agreements for regular resources that support a reliable UN-Women's financial statement for the year-end.

VI. Conclusion

83. UN-Women welcomes the report of the Board of Auditors for UN-Women's financial statements for the year ended 31 December 2022 and its overall conclusion that UN-Women closed 2022 in good financial health through its sound financial management practices and effective processes and controls designed in place to keep expenses within the available financial resources. UN-Women is committed to responsibly exercising its fiduciary responsibilities and continually assuring stakeholders by receiving consistently unqualified audit opinions from the Board of Auditors.
84. UN-Women is steadfast in addressing the areas of improvement identified in the report and will continue to invest resources for the most feasible and expeditious implementation of the audit recommendations from the Board of Auditors.