

**JIU Review of the governance and oversight
functions of the Executive Boards of
UNDP/UNFPA/UNOPS, UNICEF and UN-Women**

Expert-level debrief
Inspector Conrod Hunte

6 March 2024, virtual meeting

Today's session

Structure of the meeting (2 hours)

- Presentation – 45 minutes
- Q&A

Content of the presentation

- 1) Background
- 2) Approach and methodology
- 3) JIU Benchmark
- 4) Overall observations and recommendations
- 5) Findings and recommendations by JIU benchmark component
- 6) Final considerations

1. Background

1) Key milestones

- February 2023: JIU Chair receives request from Presidents of the three Executive Boards (EBs)
- April 2023: a formal agreement is signed; full team on Board on 1st June
- October 2023: JIU mid-term debrief of member states
- December 2023: English version of the final report is shared with the EB Presidents
- January 2024: final report is published

2) Objectives of the review

- To assess how the Executive Boards execute their governance and oversight functions, including the role and capacity of relevant stakeholders;
- To identify risks, gaps and opportunities among the current practices of the three Executive Boards and the relevant governance and oversight best practices from within and outside the United Nations system, including relevant international standards;
- To recommend specific actions intended to streamline and enhance the governance processes of the Executive Boards.

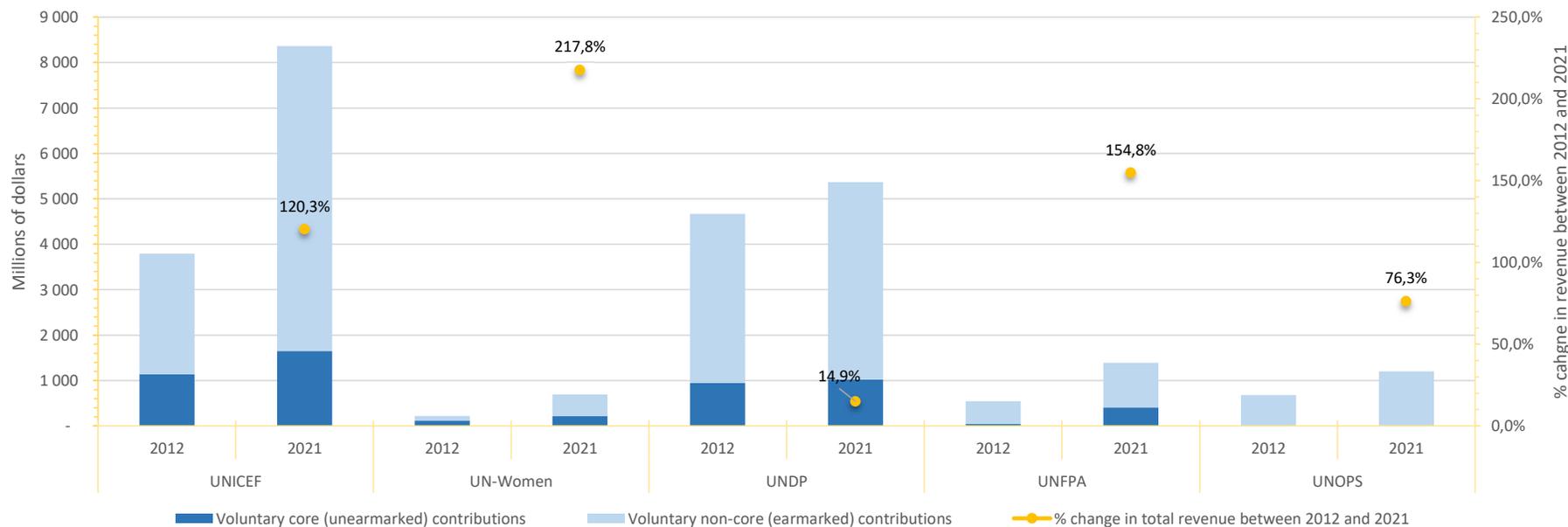
1. Background

3) Context of the request

- UNOPS management failures and allegations of misconduct
- Significant increase in revenue of the relevant funds and programmes:

increase by almost 65 per cent, from \$11 billion in 2012 to almost \$18 billion in 2021

Total revenue by organization (2012 – 2021 compared)



Source: JIU on data from audited financial [statements](#) of each organization

2. Approach and methodology

Review of relevant technical guidance and good practices

- Technical guidance from various sources
- Governance arrangements and practices of selected United Nations and non-United Nations organizations (chosen based on their ability to provide relevant comparative elements for the review)
- Other JIU reports

Evidence from practices in 3 Boards/5 organizations

- Desk review of current governance arrangements and practices of the three Executive Boards
- Observations of selected sessions of the annual meetings of the three Executive Boards in June 2023
- Survey of EB members (94 questions): 63 responses, 28-50 per cent of total number of Board members of each Executive Board
- Interviews of selected EB members, Executive Heads and key management and oversight staff of the organizations
- Interviews of members of the Board of Auditors and the ACABQ, representatives of other United Nations entities, external comparators

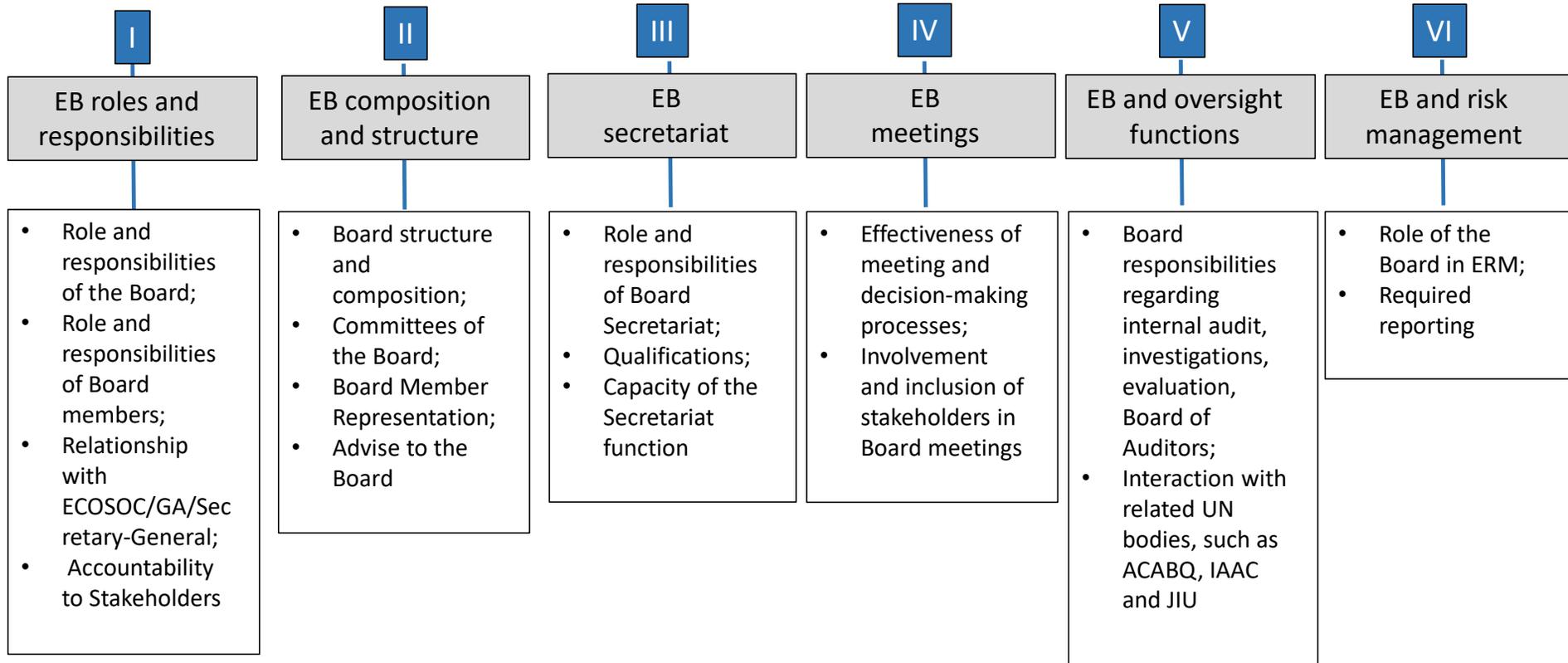


JIU benchmark

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used to assess existing gaps in current arrangements of the three Executive Boards

3. JIU Benchmark



4. Overall observations and recommendations

- The report includes 10 formal recommendations and 21 informal recommendations;
- The majority of recommendations are applicable to all three EBs and all five organizations
- Improvements are needed with respect to all JIU benchmark components:

	Name of component	Reference of recommendation
I	EB roles and responsibilities	1,2,3
II	EB composition and structure	4,5
III	EB secretariat	6
IV	EB meetings	7
V	EB and oversight functions	8
VI	EB and risk management	9
	All components	10



Findings and recommendations for each JIU benchmark component

I. EB role and responsibilities – Findings

- The Executive Boards lack a terms of reference which describe their roles and responsibilities. Current documentation on roles and responsibilities assigned to the Executive Boards – very limited.
- Boards do not have a role in the performance assessment of their executive heads.
- The annual reporting by the Executive Boards to the Economic and Social Council does not describe how the Executive Boards have fulfilled their responsibilities nor makes recommendations to the Economic and Social Council on improvements to field-level coordination, despite this being mandated by the General Assembly resolution 48/162.
- The Executive Boards benefit from advice on financial plans and budgets from the Advisory Committee on Administrative and Budgetary Questions, although the work of the Committee is directed to the General Assembly mostly.
- Executive Boards lack a formally defined mandate in several areas, such as oversight, risk management, and ethics, despite having taken on aspects of most of these responsibilities in practice.
- No terms of reference for Executive Board members.

I. EB role and responsibilities - Recommendations

Formal recommendations:

Recommendation 1: The Executive Boards should request that the Economic and Social Council clarify the definition of new initiatives, as outlined in General Assembly resolution 48/162, and define a process by which such initiatives will be recommended for approval, through the Council, to the General Assembly, as necessary.

Recommendation 2: The Executive Boards should develop terms of reference that fully describe their governance responsibilities and adhere to the best practices in relation to the JIU benchmark and submit them for approval by the Economic and Social Council and the General Assembly.

Recommendation 3: Based on their own approved terms of reference, the Executive Boards should develop terms of reference for Board members that are aligned with the JIU benchmark, including for specialized positions, such as Bureau members.

Informal recommendations

- There should be a clearly defined responsibility of the Executive Boards and a mechanism to review the performance of the executive head
- The role of the Advisory Committee on Administrative and Budgetary Questions should be formally considered in the governance framework of the Executive Boards as it provides a source of financial advice
- The purpose and requirements of annual reporting to the Economic and Social Council should be clearly described and used to fully report on areas in which the Executive Boards are responsible to the Economic and Social Council and the General Assembly
- The Executive Boards should consider implementing a process by which to assess periodically their overall performance against their mandates



II. EB composition and structure - Findings

- Executive Boards do not make use of formal Board committees to deal with complex and specialized areas of their mandates.
- With exception of UNOPS, the three Executive Boards and their organizations have not adopted the JIU recommendation to strengthen the independence of their oversight advisory committees.
- Executive Boards ability to review reporting from and communicate directly with the internal oversight functions is sufficient, but this task would be better delegated to an expert and independent oversight committee of the Executive Board.

II. EB composition and structure - Recommendations

Formal recommendations:

Recommendation 4:

The Executive Boards should, as part of their overall structures, consider creating appropriate committees and corresponding terms of reference.

Recommendation 5: The Executive Boards should implement the recommendations made by JIU in its 2019 report on audit and oversight committees, including on strengthening the independence of an oversight committee by having a direct reporting line to the Executive Board.

Informal recommendations

- The Executive Boards should have an independent oversight committee that reports directly to the Board

III. EB secretariat - Findings

- The formal role of Board secretariats is too general and limited to the secretariats being the focal points of the organizations for Board matters.
- Full range of Board secretariat activities is not documented, allowing for no visibility of the extent of their role and the work they should perform.
- Basic training content for new Board members varies significantly among the three Executive Boards and is not aligned with the provisions in the benchmark.
- The role of the Board secretary is not clearly defined.
- Available resources vary in terms of staffing capacity and budget allocations, with no clear explanation for the variations.

III. EB secretariat - Recommendations

Formal recommendation - Recommendation 6:

The Executive Boards should request that their secretariats collaborate on the preparation of harmonized terms of reference for all Board secretariats, aligned with the JIU benchmark and submitted to their respective Boards for approval.

Informal recommendations

- The Executive Board members may benefit from a common basic training programme that covers aspects that are common to all three Boards, such as the role and responsibility of Board members, rules of procedure and practices and other general governance and oversight principles relevant in the United Nations, which could be supplemented with separate organization-specific training
- The Executive Boards will need to take action to clarify the role, reporting requirements and accountability of their secretaries, as well as the requirements regarding qualifications and experience, and to reinforce the need for impartiality, secretaries should have a job description that is available to the Bureau and Board members
- It would be appropriate for the Executive Boards to consider the level of resources to be provided to their secretariats and ensure that such resources are commensurate with the respective roles, responsibilities and performance indicators

IV. EB meetings - Findings

- Executive Boards lack mechanisms by which to assess the effectiveness of their meetings.
- Time allocated for standard agenda items for consideration and decision across all three Executive Boards varies greatly.
- The joint segment within the sessions of the Executive Board of UNDP/UNFPA/UNOPS is relatively limited and not sufficiently leveraged to discuss cross-cutting topics, especially oversight.
- Informal meetings lack a clear purpose with no direct inputs to the decision-making processes of the formal sessions.
- Executive Boards do not have a specific portal to share documents among board members or members of a more restricted group.
- Executive Board members and executive heads are often not in attendance throughout all Board sessions and participation is uneven.
- The Executive Board decision-making process is based primarily on consensus rather than voting.
- Executive Board members spend a lot of time drafting detailed decisions during and between sessions.

IV. EB meetings - Recommendations

Formal recommendation - Recommendation 7:

The Executive Boards should assess their current rules of procedure and working methods to support more engaged participation by all Board members and more efficient and effective means for discussion and decision-making.

Informal recommendations

- The Inspector encourages the Executive Board of UNDP/UNFPA/UNOPS to reconsider its decision to group, at its annual session, all the agenda items related to oversight in the same morning, instead of discussing them under the segments for each organization
- The utility of informal meetings should be assessed, and actions should be considered to focus them clearly on informing the decision-making in formal meetings by providing information and advice resulting from the discussions
- The Inspector encourages all Executive Board secretariats to consider introducing a common portal to facilitate communication among Board members, the Boards and the secretariats thereof before, during and after Board meetings
- The Inspector encourages Executive Board members to assess whether the current process of formulating Board decisions would benefit from a review
- The Executive Board of UNDP/UNFPA/UNOPS should reassess the duration of the UNOPS segment of its sessions and consider options for engaging directly with the organization

V. EB and oversight functions - Findings

- The length of time dedicated to independent oversight issues during the sessions of the Executive Boards is concerning.
- None of the Executive Boards currently approve the charters for their oversight functions, although three of the five organizations do share them for information.
- The Executive Boards play no explicit role in the approval, selection, performance assessment, and renewal and termination of contract of the heads of the oversight and evaluation functions, although they are consulted in certain cases.
- There are no subcommittees, working groups or other mechanisms dedicated to oversight.
- Reports on the follow-up to oversight recommendations are provided to the Executive Boards but they are generally fragmented and neither comprehensive nor integrated.

V. EB and oversight functions - Recommendations

Formal recommendation - Recommendation 8:

The Executive Boards should direct their respective organizations to ensure that the charters, frameworks and terms of reference of independent and advisory functions and committees reflect the roles and responsibilities of the Boards, including in relation to reporting lines, access to the Board and consultations on human and financial resources, to ensure independence.

Informal recommendations

- To ensure the independence of oversight functions, a consistent approach is necessary so that the Executive Boards are responsible for the approval of all oversight charters
- In accordance with best practices, the selection, performance assessment, and renewal and termination of the contracts of the heads of the independent oversight functions should require consultation with the Executive Boards and should be reflected in their terms of reference
- Dedicated board oversight committees focused on the oversight and accountability responsibilities of the Executive Boards are logical mechanisms for fulfilling the requirements in relation to independent oversight and advisory functions and committees, as outlined in the benchmark
- The terms of reference of the Executive Boards should incorporate comprehensive tracking and follow-up of oversight recommendations to hold management accountable for implementation as this is an essential responsibility of governance
- The terms of reference of the Executive Boards should ensure that the Boards recognize the need for appropriate provisions for engagement with independent oversight functions and their independent oversight committees in accordance with previous JIU recommendations

VI. EB and Risk Management - Findings

- Executive Boards have taken on some review responsibilities in absence of a formal role in risk management.
- There are significant differences among the five organizations regarding the number and location of staff dedicated to risk management.
- The Executive Boards have been more active in requesting additional information on risks, both from the heads of the internal audit and the investigations functions and, to a certain extent, from management.

VI. EB and risk management - Recommendations

Formal recommendation - Recommendation 9:

The Executive Boards should direct their respective organizations to ensure that the roles and responsibilities of the Boards for risk management are appropriately reflected in the organizational policies on risk management.

Informal recommendations

- The Inspector urges the Executive Boards to ensure that they are provided with at least annual updates from the organizations on risk, as well as information on the outcome of the organization's comprehensive review of risk management, as recommended by JIU in its 2020 report on enterprise risk management
- The Inspector reiterates the responsibility, as outlined in the benchmark, of the Executive Board for risk management and requests that attention should be paid to making this explicit in the development of the Board's terms of reference, as requested in recommendation 1 of the present review



Concluding remarks

Final remarks

- **Maintaining the status quo is not a viable option for achieving adequate governance and oversight**
 - EB members must acknowledge their roles and responsibilities while making a commitment to undertake a thorough reassessment of current practices related to governance and oversight
 - Understanding the framework of accountability (to whom and for what) remains fundamental
 - EB should remember that governance processes extend to all facets of the organization/entity (e.g. for UNDP it also includes the activities of UNV, UNFST, UNCDF, etc.)
 - EB members should remain alert to the peculiar inherent risks of UNOPs and the need for adequate oversight – including but not limited to the need for adequate representation of UNOPs interests in the decisions of the joint UNDP/UNOPS/ UNFPA Secretariat, the duration of relevant EB segment and the oversight of delegations of authority to the Executive Head.
- **It is important to adopt a holistic approach:** failure to apply a well-rounded approach can lead to an increase of the risks faced by the organizations
 - E.g. any changes in current Financial Rules and Regulations need to address the risks identified in this report*
- **Positive signals from recent EB meetings (e.g. information on risks, and interaction with BoA)**
- EB members should leverage the fact that many of them are EB members in more than one organization – leverage synergies

Next steps

- **Recommendation 10:**

Inspector recommends Executive Boards to create an ad-hoc committee to assess both formal and informal recommendations arising from this review and prepare an action plan to address and implement them, including setting clear target dates and having regular reporting on the progress of implementation.

The Inspector encourages the Presidents of the three Executive Boards to liaise with the President of the Executive Board of the World Food Programme to identify any potential synergies between the two review processes.



Thank You - www.unjiu.org

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