

## **Background Note: Briefing to the Executive Board, Annual Session 2024 “Management Response to the report of the Advisory Committee on Oversight for the period from 1 January to 31 December 2023”**

***Summary:** The management of UN-Women welcomes the twelfth report of the Advisory Committee on Oversight (ACO) and expresses its gratitude to the distinguished members of the Committee for their ongoing support to the organization’s mandate.*

### **I. Oversight Functions (Independent Evaluation and Audit Service)**

1. UN-Women appreciates and shares the Advisory Committee on Oversight’s (ACO) view that the Independent Evaluation and Audit Service (IEAS) continues to serve as a critical independent resource to strengthen the Entity’s internal governance, risk management and controls for both programming and operations.
2. UN-Women deeply values IEAS’s continued efforts to ensure strategic coverage of its advisory assignments (i.e. evaluations and audits), the outcomes of which provide high-quality inputs and guidance to corporate oversight and risk management efforts. The regular briefings delivered by IEAS to UN-Women’s senior leadership and management in key decision-making bodies are critical to strengthening internal governance for the Entity. UN-Women agrees with the importance of maintaining these focused corporate discussions on IEAS matters moving forward.
3. In 2023, UN-Women has continued to welcome IEAS’s dedicated briefings to its Business Review Committee (BRC) and its subsidiary body, the Technical Management Group (TMG). The Independent Evaluation and Audit Service serves as a permanent observer to both. Briefings have covered key risks and findings from internal audits, evaluations and other independent oversight activities requiring management attention. UN-Women remains committed to replicating these exchanges with IEAS at all levels of its recently revised internal governance structure.
4. UN-Women is pleased to report that the Director of IEAS engages regularly with the Executive Director’s Office and senior management to discuss key findings and recommendations emerging from audits, investigations and evaluations. UN-Women remains committed to maintaining this regular dialogue which provides a valuable independent advisory service to the organization.
5. UN-Women agrees with the ACO’s view that the co-location of the Internal Audit Service (IAS) and Independent Evaluation Service (IES) continues to offer unique efficiency and effectiveness gains and has led to strengthened relevance and impact for the organization’s work.
6. Overall, UN-Women remains deeply appreciative of the continuous support, technical advice and effective oversight provided by the ACO to both its independent evaluation and audit functions.

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

7. UN-Women welcomes the ACO’s ongoing support to its internal audit function, including through its engagement with the annual report on Internal Audit and Investigation Activities, which is submitted to the Executive Board during its Annual Session in June.
8. Similarly to the ACO, UN-Women is deeply appreciative of the Internal Audit Service’s (IAS) efforts to consult with the UN Board of Auditors (UNBoA), the Independent Evaluation Service (IES), and the UN

Joint Inspection Unit (JIU) to coordinate around advisory assignments and maximize strategic coverage, thereby preventing the duplication of efforts and instead promoting the optimization of resources.

9. UN-Women highly values the guidance and recommendations received from IAS. The Services' receipt of the highest possible rating from the Institute of Internal Auditors in 2023 affirms the high quality of the advisory services that it delivers to the Entity on its programming and operations.
10. In recent years, IAS has increasingly focused its analysis on issues with higher risk profiles for the organization. UN-Women has welcomed this shift, noting that it has also driven an increase in the number of audit recommendations that the organization has received. However, UN-Women believes that this focus will also ultimately result in accelerated and strengthened delivery for the organization. In line with this, UN-Women urges IAS to be considerate in its planning and execution of audits, calibrating them to UN-Women's absorptive capacity for change and capacity to respond to simultaneous recommendations emanating from its multi-tiered oversight mechanisms (which include the UNBoA, ACO, IAS, JIU as well as reviews by donors, including MOPAN, EU Pillar Assessments, etc.).
11. Resourcing constraints are a key historical challenge which have impacted UN-Women's ability to respond to this accelerated pace of recommendations. However, UN-Women has prioritized the use of its unallocated resource balances to strengthen corporate (internal) governance, risk management and controls, including by providing funding for initiatives specifically aimed at reducing the number of outstanding audit recommendations. UN-Women regularly monitors open and aging recommendations through its Quarterly Business Review (QBR) held at Technical Management Group (TMG) and Business Review Committee (BRC) level for all regions. This regular monitoring mechanism is intended to strengthen corporate accountability in line with the organization's commitment to full compliance.
12. UN-Women is proud to report on its continued capacity to meet and exceed its performance target on long-outstanding audit recommendations, as articulated in the 2022-2025 Strategic Plan's Organizational Efficiency and Effectiveness Framework (OEEF).

## **B. Evaluation Function: Independent Evaluation Service (IES)**

13. UN-Women appreciates the ACO's close engagement with the independent evaluation function, including through its review and input to its annual report.
14. UN-Women welcomes the ACO's view that there has been a positive evolution in the uptake of evaluation findings and evidence in its corporate planning tools. A significant investment has been made in the organization's new Planning, Monitoring and Reporting (PMR) Policy to ensure that recommendations and lessons generated from evaluations and audits inform planning, monitoring and reporting on UN-Women Strategic Notes and workplans at country, regional and HQ levels.
15. UN-Women welcomes IES's comprehensive and strategic evaluation coverage of both the development results and organizational effectiveness and efficiency aspects of the Entity's 2022-2025 Strategic Plan. The Entity believes that the regional, thematic and country portfolio evaluations led by IES provide robust evidence on UN-Women's performance while also driving corporate accountability and learning.
16. For example, in response to the evaluation on women's economic empowerment, UN-Women released a revitalized Women's Economic Empowerment Strategy in March 2024. This document articulates a clear definition and scope of UN-Women's work in this thematic area as well priority initiatives, cross-cutting themes and clear pathways to action. This was done in direct response to IES's recommendation that UN-Women continue to support global discourse, develop a definition and framework for women's economic empowerment, strengthen engagement with international financial institutions, enhance knowledge management, and embrace sustainable approaches that tackle structural barriers and social norms to leave no one behind.

17. UN-Women also welcomed the findings, conclusions and recommendations of the corporate formative evaluation of the Entity’s work in the area of climate change. The evaluation was helpful in pointing to ways to strengthen and deepen UN-Women’s climate and environment work across thematic and geographic areas, building on the Strategic Plan (2022-2025). As the evaluation highlighted, UN-Women has done considerable strategic work in the gender and climate/environment nexus in line with its triple mandate. Key partnerships have been forged and are being consolidated through the Gender Equality Accelerators and through normative work with the Rio Convention Secretariats and their women and gender constituencies. With the leadership of the Economic Empowerment and Intergovernmental Support sections, a climate strategy is being developed and a corporate coordinating structure for climate and environmental work is being strengthened to enhance the coherence and visibility of UN-Women’s efforts in this area.
18. UN-Women appreciates the findings of the Corporate Evaluation of UN-Women’s support to gender statistics work. The evaluation noted that the Entity has made significant strides in gender statistics over the last several years. However, important gaps remain, and the Entity has yet to fully realize its potential in this area. The Gender Equality Accelerator 10 – Women Count – which builds on the successful Women Count programme provides a unique opportunity to scale-up UN-Women’s work in this area. UN-Women will leverage its triple mandate to support Member States to produce and use gender statistics and to enhance coordination and collaboration with key regional and global actors, while continuing to build its own capacity in key areas including, for instance, in humanitarian action and conflict settings and on gender and the environment.
19. Finally, UN-Women appreciates the ACO’s overall recognition of IES’s leadership on evaluation. The Entity is committed to supporting all efforts of the independent service – including the use of new communication products and platforms to promote the use of evaluation findings globally and its engagement with gender responsive evaluations across the UN System. UN-Women will continue to work closely and collaboratively with IES to strengthen its internal evaluation capacity as part of its commitment to programmatic excellence.

### **C. Investigation Function**

20. UN-Women is deeply appreciative of the investigation function and its contributions to ensuring integrity, including by preventing and addressing, where necessary, prohibited conduct, fraud and corruption.
21. The Entity takes its corporate anti-fraud activities seriously and appreciates efforts from IAS to support the Strategy, Planning, Resources and Effectiveness Division (SPRED) to further strengthen, promote and safeguard integrity, including through the preparation of a corporate fraud risk assessment and fraud prevention training.
22. UN-Women is pleased to report that steps are being taken to establish and fund a hybrid model for investigation. As of mid-April 2024, two professional investigators have been onboarded as part of this initiative. UN-Women recognizes the need for sustainable funding for the internal investigation function and will ensure that this recommendation is considered in future budget planning discussions, including those around 2026-2027 Integrated Budget.

### **D. Ethics Function**

23. UN-Women appreciates the ACO’s view that the creation of an Ethics Advisor role was a positive step for the organization. UN-Women remains committed to promoting an ethical organizational culture and in ensuring that the Ethics Advisor is able to implement their mandate in line with the principles of independence, impartiality and confidentiality. In line with this, the Entity is pleased to report that having

an in-house ethics function has been critical to strengthening ethical conduct, transparency and accountability within the organization.

24. With respect to resourcing, UN-Women is pleased to report that the Ethics Advisor has received funding which will allow the recruitment of a temporary staff member for one year to support this function. The funding will also support travel by the Ethics Advisor to conduct select outreach and training sessions at the regional level in 2024.

## **E. Board of Auditors**

25. UN-Women appreciates the Committee's acknowledgment of its 12<sup>th</sup> unqualified audit opinion. It acknowledges this milestone and appreciates the work of the Committee for its annual review of financial statements in support of this achievement.
26. UN-Women is pleased to report strong progress on its compliance with the United Nations Board of Auditors (UNBoA) recommendations. UN-Women remains committed to implementing UNBoA recommendations in a timely manner within the context of available resources, particularly those identified as high risk.
27. As of April 2024, the Entity had implemented 70% of prior years' outstanding recommendations (i.e. dating from 2020 and 2021). Of the remaining eight recommendations from these two years, the 2020 recommendation relating to the Enterprise Resource Management (ERM) has been assessed as implemented; management actions have been completed for an additional two recommendations and are awaiting closure from the UNBoA; while the five remaining recommendations are considered in-progress and on-track.
28. Of the eighteen total recommendations issued by the UNBoA in 2022, six have already been assessed as implemented, including those around private sector partnership assessment and environmental safeguarding guidelines; for three, management actions have been completed and are awaiting assessment from the UNBoA, and for the remaining nine, management actions are in-progress and on-track.
29. Furthermore, for the third year in a row, UN-Women has had no long-outstanding recommendations from the UNBoA.
30. UN-Women appreciates the ACO's recommendations relating to the roll out of Quantum. Mitigation efforts have been put in place to minimize risks resulting from the reduced scope of Quantum's design. UN-Women remains deeply appreciative of the quality assurance that the ACO provides to the financial statement finalization process on an annual basis.

## **II. Advisory Committee Review and Advice: Internal Governance, Risk Management and Control Systems; Operational and Programme Management**

### **A. Resource Level Risk**

31. UN-Women takes note of the ACO's recommendations on strengthening overall resourcing levels and managing its corporate core to non-core ratio. The Entity recognizes that decreasing overseas development assistance (ODA) and a disproportionate growth in non-core funding (as compared to core) are UN system-wide trends. UN-Women continues to monitor the impact of these elements of the financing landscape while also developing strategic measures to mitigate their impact.
32. Although UN-Women has historically experienced shortfalls against the Integrated Budget targets for core, it has consistently exceeded the internal revenue projections against which it spends. In line with this approach, UN-Women reports that its organizational footprint is not based on Integrated Budget targets, but

rather internal revenue projections, thereby ensuring that the organization's structure is aligned with realistic resource estimates. UN-Women also regularly develops contingency planning with specific mitigation measures should it ever face a shortfall in core resources (as compared to its annual internal projections).

33. In addition, UN-Women is pleased to flag that according to preliminary data, in 2023, the growth rate of its core revenue has exceeded the growth rate of its non-core resources, thereby improving its overall core to non-core ratio.
34. UN-Women agrees with the ACO's opinion that a declining trend in the core to non-core ratio is not optimal. In response, UN-Women has implemented management actions to accelerate the full implementation of its cost recovery policy, with a specific focus on the systematic and full implementation of direct project costing as per the approved policy -- including through the development of additional tools, guidance and capacities for UN-Women personnel. This is intended to ensure that core funded capacity is not being diverted to support non-core funded work. By establishing specific mechanisms to cover direct project costs for services (e.g. human resources, legal, procurement, or finance support) related to the implementation of non-core projects, UN-Women is seeking to ensure improved internal governance, management and oversight capacity that is proportionate to the demands emanating from its non-core agreements.
35. UN-Women shares the ACO's opinion that sustainability and diversity of funding can be strengthened at country level, for instance by seeking more flexible and higher-quality non-core, including increasing the share of direct funding to Strategic Notes. However, the organization also acknowledges that it often faces calls for an expanded organizational footprint in order to cover emerging crises or newly critical contexts and seeks to balance these calls for expansion with the funding realities it faces.
36. UN-Women's Country Office Typology and Presence Governance Framework ensures that no new presences can be opened unless sustainable funding is secured. The organization will continue to invest in more stringent organizational performance management including through Executive Leadership Team (ELT) review of country office performance as part of regular field performance assessments. This aims to ensure that existing country offices adhere to minimum financial sustainability targets. This is intended to, in turn, address critical issues around short-term staffing, high turnover and lack of retention.
37. UN-Women agrees with the importance of transparently communicating results, including those achieved through the use of regular resources. The Entity relies on several tools to ensure accountability in this regard. The Integrated Results and Resources Framework (IRRF) of the 2022 - 2025 Strategic Plan and its current 2024 - 2025 Integrated Budget, provide a breakdown of planned results against the use of both core and non-core resources. In addition, the UN-Women Transparency Portal, which is also an official Annex to the Executive Director's Annual Report, provides real-time and data-driven information on the use of both core and non-core resources aligned with the results achieved under the Strategic Plan.
38. UN-Women management appreciates the recent audit by IAS on resource planning, budgeting and allocation and is committed to implementing its recommendations in a timely manner, with management actions underway and implementation on track for completion by 31 Dec 2025. Some immediate achievements include the establishment and regular functioning of a new internal governance body: the Budget Allocation Committee (BAC) which is intended to support decision-making on corporate priorities for the allocation of resources arising (e.g. from other revenue and interest income earned).

## **B. Change Management and Restructuring**

39. UN-Women appreciates the ACO's recognition that recent change management initiatives and the organization's current emphasis to deliver on pivot to the field have been motivated by a desire to strengthen organizational effectiveness and efficiency. The Entity fully aligns with the ACO's recommendation that these processes be undertaken in line with the highest principles of transparency and accountability in order to minimize corporate risk and disruption to both personnel and operations.

40. UN-Women is pleased to report significant progress on pivot to the field. The organization has increased delegation of authority from HQ to regional offices and also strengthened the redistribution of resources across the organization – via the unallocated resource balance – to strengthen field operations. In addition, effective 1 January 2023, the allocation of core programmable aligns with the Executive Board-approved distribution, with 80 percent going to the regions and 20 percent for corporate priorities. UN-Women is exploring how to deliver both of these shifts alongside enhanced risk management at the regional level to ensure a strong control environment. UN-Women’s current focus is now on finalizing its strategy to pivot personnel to regional and country offices in order to ensure that the Entity’s human resources are closest to the women and girls, men and boys that UN-Women serves.
41. For this stage of its pivot to the field, UN-Women is in full agreement around the need to carefully align the work of the consultants who have developed the business case for pivoting personnel to the regions and countries, with that of those who will develop the operational plan to do so. The Entity can confirm that the work of the two consultants is strictly aligned and that significant efforts have been made to ensure knowledge transfer between the two. UN-Women has established an Inter-Divisional task team, led by the Deputy Executive Directors and the Chief of Staff, that is driving the work around pivot to the field, including the advisory services provided by external consultants. The team has developed a preliminary timeline and will be finalizing a roadmap for action on pivot to the field by June 2024, with all significant implementation expected to be completed by end of 2025.
42. UN-Women is committed to maintaining strong internal communication and close collaboration with all relevant stakeholders in order to deliver on its pivot to the field. It nevertheless recognizes that all change management processes have the potential to impact staff morale. UN-Women will rely on ongoing engagement with the Staff Council as well as learnings emerging from similar initiatives at UNICEF, UNFPA, and UNAIDS to mitigate challenges arising from this pivot.

### **C. Generation Equality**

43. UN-Women appreciates the ACO’s recognition of progress made on Generation Equality, most notably through the appointment of a Project Executive to lead communication and implementation efforts.
44. UN-Women notes the ACO’s concerns regarding the need for greater clarity on the integration and alignment of Generation Equality with UN-Women’s 2022 – 2025 Strategic Plan. Efforts continue to introduce greater transparency around this issue and improve communications with all key stakeholders.
45. UN-Women wishes to emphasize that it has two key roles in the context of Generation Equality that are directly derived from and in alignment with its mandate and strategic priorities. In alignment with its coordination mandate, it serves as convener for the Generation Equality multi-stakeholder initiative. This role has been highlighted in the combined 2023 Executive Director Annual Report (EDAR) and 2022-2025 Strategic Plan Mid-Term Review. To complement this role, UN-Women is also a commitment maker for Generation Equality in areas that are aligned with its Strategic Plan (i.e., on the elimination of violence against women; on women’s economic empowerment; and on support to feminist movements and leadership).
46. On results reporting, UN-Women is pleased to report that accountability frameworks are in place for Generation Equality Action Coalition Leaders and Commitment Makers as well as for signatories to the Generation Equality Compact on Women, Peace and Security and Humanitarian Action. These frameworks are intended to strengthen accountability by enabling participants to report regularly and transparently on their commitments and to generate data for analysis. Commitment tracking and reporting is carried out annually and progress is captured via a self-report survey with Action Coalition Leaders, Commitment Makers, and other stakeholders and subsequently communicated via the Generation Equality commitments

dashboard and an annual accountability report that aggregates survey results and findings across the frameworks.

47. In alignment with its coordination mandate, UN-Women has also facilitated the development of a Generation Equality Global Acceleration Plan (GAP) that sets out global blueprint targets for gender equality that build on and complement Sustainable Development Goals (SDG) targets. Priority actions aligned with each Generation Equality commitment drive progress towards these targets and, by extension, towards achieving the SDGs. Every two years, UN-Women assesses progress towards the global blueprint targets and reports on these.
48. In 2024, the following efforts are underway to further strengthen governance around Generation Equality and UN-Women's convenor role: i) the development of a performance monitoring and evaluation framework supported by dedicated monitoring and evaluation capacity; ii) an updated resource mobilization action plan, supported by dedicated resource mobilization capacity; and iii) a strategy and action plan for the localization of Generation Equality.

#### **D. Human Resources (HR)**

49. UN-Women appreciates the ACO's support for the human resources (HR) function and the Committee's acknowledgement of its contributions to the good functioning of the organization. UN-Women's commitment to strengthening its HR function has been two-pronged and has included: i) the allocation of resources to address immediate needs and gaps and ii) support for a benchmarking study to ensure longer-term strategic planning around the function.
50. In line with UN-Women's recognition of the centrality of this Division and its work, resources have been earmarked from the unallocated resource balance to strengthen HR capacity until the end of 2025, including by creating additional posts. This initiative has strengthened UN-Women's ability to support humanitarian deployments and response, although other gaps remain, particularly in the area of talent management.
51. UN-Women has taken note of the findings of the benchmarking exercise and is committed to a well-resourced HR function. The Entity will ensure that recommendation on improving the HR staff to UN-Women personnel ratio is considered in future budget planning discussions, including those around 2026-2027 Integrated Budget.
52. In parallel, UN-Women will continue to implement key initiatives that allow HR to support UN-Women's corporate objectives. These include ensuring that HR continues to give guidance to managers on the use of appropriate contract modalities, thereby reducing the high percentages of affiliate staff in the organization, which are accompanied by a risk of high turnover and associated legal and reputational risks. It must be noted however, that this issue is not solely the result of UN-Women's HR capacity, but is also linked to the Entity's increased proportion of non-core resources and short-term/earmarked funding, which do not allow for the establishment of longer-term and more sustainable contracts for personnel. Nevertheless, UN-Women remains committed to working on the adaptation of the new Personnel Service Agreement (PSA) modality via UNDP to ensure higher-quality working conditions for temporary personnel and resolving discrepancies in contractual modalities across teams.
53. Finally, UN-Women's HR Division continues to actively contribute and participate in interagency space, including the Chief Executive Board's (CEB) human resource network to ensure that the Entity is able to adapt best practices and leverage innovative initiatives initiated by other UN organizations.
54. UN-Women remains deeply appreciative of and committed to HR's full engagement in all relevant working groups, discussions and decision-making relating to pivot to the field.

## **E. Anti-Fraud Programme**

55. UN-Women confirms that fraud risk assessments are already managed under Enterprise Resource Management (ERM) within the Strategic Planning, Resources and Effectiveness Division (SPRED). This Division was created to ensure integrated, risk-informed and data-driven management of resources, bringing strategic planning and budgeting closer together and enhancing accountability, oversight and organisational performance. The Director, SPRED, serves as the Chief Risk Officer of UN Women, supported by the Enterprise Risk Management (ERM) function. Sitting within the second line of defense, ERM - alongside the Audit Coordination function which is similarly located in SPRED – is expected to adopt an independent posture in providing oversight and coordination of risk management activities, working closely with HQ business process owners as well as with regional and country offices. With this in mind, management believes that the placement of the ERM function within SPRED remains valid.
56. Beyond this, UN-Women management will consider the current designation of the broader Anti-Fraud Framework and discuss with relevant stakeholders in senior leadership, the Division of Management and Administration and SPRED in order to determine any further implications for potential shifts in ownership.
57. UN-Women confirms that it is committed to finalizing its Anti-Fraud policy. Work on revising this document is underway. Of the twelve recommendations issued on the anti-fraud policy, five are in progress. A consultant has been engaged to finalize the revision of the Policy as well as to develop a clear action plan and a full costing for implementation by Q3 of 2024. The revised draft policy is currently undergoing internal review and consultation with all relevant business process owners.

## **F. Financial Statements and Systems**

58. UN-Women appreciates the Committee’s acknowledgment of its 12th unqualified audit opinion. UN-Women would also like to thank the ACO for its acknowledgment of the positive feedback received from the UNBoA regarding its cooperation with UN-Women during the annual financial statement review process.
59. UN-Women is pleased to note that Brazil is the newly elected member of the United Nations Board of Auditors for a term of six years. Their new UN external audit mandate will be carried out by Brazil’s Supreme Audit Institution, the “Tribunal de Contas da Uniao (TCU) (i.e., Federal Court of Accounts translated in English), which will start to lead the UN-Women external audits for the 2024 audit cycle which will be initiated at UN-Women headquarters in September 2024. UN-Women has briefed the incoming external auditors on its programming and operations and looks forward to a fruitful collaboration moving forward.

## **G. Information Communication and Technology**

60. UN-Women acknowledges that as a result of a reduction in scope by UNDP on design and roll out, Quantum’s current functionality is not fully aligned with initial ambitions. Nevertheless, the Entity would also like to highlight that this Enterprise Resource Platform (ERP) project was never intended to cover the full scope of all UN-Women corporate applications, especially not as a part of its initial launch.
61. Phase 1 of the ERP Project included the development, configuration and launch of Quantum, with the key objective being the full replacement of the functionality of the prior ERP (Atlas) by end of 2024. Phase 2 will deliver additional scope not covered in Phase 1, with a primary focus on expanding results-based management / results-based budgeting (RBM/RBB) functionality. UN-Women’s internal Quantum Project Board has approved the plan to deliver a dedicated closure of Phase 1 of Quantum roll out, including by further adapting system functionality to address remaining bottlenecks, and the subsequent roll out of Phase 2.



62. To date, UN-Women is pleased to report that the Quantum system is not only launched but also integrated with key UN-Women corporate systems. Quantum covers a broader scope than the previous ERP system (Atlas) and represents a significant step forward in terms of functionality. By 2023, all mission critical corporate transactions were able to be fully carried out in this new system.
63. Nevertheless, UN-Women continues to address challenges raised with UNDP around scope and functionality. Until these are resolved, the Entity continues to invest in the streamlining of processes and the development of automated reports in order to replace the manual workarounds that were initially used to bridge this gap. A key indicator of Quantum's relative success (despite initial challenges), has been the system's ability to enable and then track UN-Women's increased corporate delivery in 2023, which has, according to preliminary data, exceeded the prior year's delivery in absolute volume and represents around 90% of budgeted totals.
64. UN-Women recognizes the value of IAS assessments and has adopted the recommendations of both the prior assessment of the Quantum project in 2021 and current assessment of 2023. For the 2021 assessment all recommendations have been addressed; UN-Women is now progressing on closing the recommendations from IAS's 2023 assessment.

## **F. Other Significant Internal Governance and Control Matters**

65. UN-Women is committed to strengthening risk management and elevating its Enterprise Risk Management programme to the highest levels of maturity. The Entity thanks the Committee for its acknowledgement of recent progress in this area, including on the development of risk appetite statements and the corporate risk report.
66. Within UN-Women, the risk management function leads efforts to provide annual training on enterprise risk management which is open to all personnel. UN-Women will continue to work with risk owners, risk focal points and with relevant HQ functions such as the Programme Management Support Unit, to carry out risk assessments and develop corresponding mitigation plans at global, regional and country levels. It will furthermore continue to encourage the systematic integration of risk management into corporate planning, monitoring and reporting mechanisms. This will ensure that risks are linked to key deliverables and are monitored as part of broader performance management mechanisms, so that the Entity operates in alignment with previously established risk appetite statements and its risk tolerance boundaries.
67. UN-Women is pleased to confirm that responsibility for developing the Statement of Internal Control has been assigned to the Division of Management and Administration (DMA). This decision included dedicated funding to support this work for two years. It is currently expected that UN-Women will issue a statement of internal controls for financial reporting as part of its 2024 financial statements. A full statement of internal controls will be issued thereafter.
68. UN-Women agrees with the need to continue to enhance investments in the first and second lines of defense to strengthen oversight and control functions for the organization. In line with senior leadership's commitment to this, and as part of the recent unallocated resource balances exercise, the strengthening of organizational effectiveness and efficiency, oversight and transparency was identified as a key corporate priority for additional investment. This has led to, for example, the allocation of dedicated funding to enhance corporate capacities to implement outstanding audit recommendations by 31 Dec 2025.

## **III. Conclusion**

69. UN-Women remains committed to actively leveraging its 2022-2025 Strategic Plan and its commitments to organizational excellence and business transformation, to strengthen corporate accountability and the

delivery of results. The design of the Strategic Plan's Organizational Effectiveness and Efficiency (OEE) framework has proven a valuable tool to regularly monitor and improve corporate performance against key performance indicators relating to internal governance, risk management and controls.

70. UN-Women notes with appreciation the ACO's emphasis on the full implementation of direct project costing as a key lever to address some of the internal governance and control issues that the organization is facing. UN-Women agrees with this assessment and has implemented management actions to this effect. Further improvements aimed at ensuring an optimal and sustainable corporate funding structure will also be considered in the context of the ongoing pivot to the field exercise. These will be reflected in discussions around the 2026 - 2027 Integrated Budget.
71. As in previous years, UN-Women remains deeply appreciative of the advice and support received from the ACO in 2023.