



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

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## Annual session 2026

23–25 June 2026

Item 4 of the provisional agenda

**Audit and investigation matters**

## **Report of the Advisory Committee on Oversight for the period from 1 January to 31 December 2025**

### **I. Introduction**

1. In accordance with item 32 of the terms of reference of the Advisory Committee on Oversight (ACO), the fourteenth report of the ACO to the Under-Secretary-General/Executive Director of the United Nations Entity for Gender Equality and the Empowerment of Women (UN-Women) provides a summary of the activities of the ACO in 2025, including the topics reviewed and the observations and recommendations made to UN-Women regarding its governance, accountability and control systems. This report is made available to the Executive Board, and the Chair presents it to the Board upon request.
2. The terms of reference of the ACO outline its purpose, which is to assist the Executive Director of UN-Women in fulfilling her oversight responsibilities in accordance with relevant best practices in governance, internal control and risk management. The ACO has an advisory role and is not a governance body. The terms of reference, which were last updated in October 2023, are available here: <https://www.unwomen.org/sites/default/files/Headquarters/Attachments/Sections/About%20Us/Accountability/UN-Women-Advisory-Committee-on-Oversight-Terms-of-reference-en.pdf>.
3. The members of the ACO are listed in Annex 1 of this report. As a body, the ACO membership represents expertise in financial reporting and programme matters, accounting, governance, internal audit and investigation, evaluation, external audit, internal control, and risk management practices and principles, as well as United Nations intergovernmental and normative work and processes. Members are independent of and external to UN-Women. Additionally, Committee members complete an annual confirmation of independence for the Under-Secretary-General that ensures transparency, without compromising any interests.

## **II. Advisory Committee on Oversight activities as of 31 December 2025**

4. In 2025, the ACO convened three in-person full committee meetings, all held in New York. In addition, the ACO conducted sessions on specific topics, such as a review of UN-Women's 2024 financial statements prior to their submission to the Executive Director, and a review of the Internal Audit and Evaluation risk assessments and plans for 2026. The ACO meeting schedule for 2025 can be found in Annex 2.
5. Participants from UN-Women in full Committee meetings included the two Deputy Executive Directors (DEDs), the Chief of Staff, and relevant senior management representatives responsible for programmes, operations, coordination and internal oversight matters. The ACO also held private sessions with the UN Board of Auditors (UNBoA), the Director of Independent Evaluation, Audit and Investigation Services (IEAIS) and the Ethics Adviser, without management present.
6. In addition, the ACO met with the Director of the Investigation Division of the Office of Investigation and Oversight Services of the United Nations (UN-OIOS), which has been providing investigation services to UN-Women since 2018.
7. The Chair of the ACO attended the Executive Board's annual session in June 2025 to present the ACO's 2024 Annual Report. The ACO Chair also participated in the tenth meeting of the Representatives of the United Nations System Oversight Advisory Committee in December 2025.
8. After each formal meeting, the ACO prepared summary advice for the Executive Director and the two DEDs. Follow-up actions resulting from these discussions were circulated to relevant managers through the ACO Secretariat.

## **III. Advisory Committee review and advice: oversight functions**

9. This section of the report covers the ACO's review of and advice on the various oversight functions relating to UN-Women.
10. Observations related to IEAIS:
  - a. The independent evaluation, audit and investigation functions operate under the oversight of the Director of IEAIS. The Internal Investigation Function (IIF) was established in 2024 to enhance the sustainability and effectiveness of UN-Women's investigation services, complementing the work of UN-OIOS. The IIF operates under a hybrid model with UN-OIOS, providing investigation services to UN-Women under a revised memorandum of understanding dated March 2024.
  - b. IEAIS conducts advisory assignments and assessments on new programmatic efforts and major initiatives, leveraging audit and evaluation expertise. This advisory work has helped to enhance UN-Women's internal governance, risk management and programmatic decision-making while maintaining the function's independence. IEAIS

also supports UN-Women's anti-fraud programme through reviews and lessons learned on fraud- and misconduct-related risks.

- c. The Director of IEAIS and her staff participate as active observers in UN-Women internal governance and decision-making bodies, including the Business Review Committee, the Information and Communication Technology (ICT)/Enterprise Resource Planning Board, and the Global Management Team. Audit, evaluation and investigation findings are discussed regularly with senior management.
- d. In addition, the Director of IEAIS engages bilaterally with the Executive Director, as well as other members of senior leadership as needed, to discuss significant themes and implications arising from IEAIS findings and recommendations, reinforcing both management support to and the independence of the IEAIS function.
- e. The ACO continues to recognize the benefits of co-locating the Internal Audit Service (IAS) and Independent Evaluation Service (IES) within UN-Women. While these services remain distinct and operate independently, with separate staffing and budget structures, they collaborate by jointly conducting evaluations and audits of key Country Offices and exchanging insights on corporate views. The ACO also considers that the hybrid investigation model is a practical and effective way of building the internal capacity of UN-Women in the area of investigations.
- f. The ACO affirms that IEAIS operates independently, ensuring robust oversight of governance, risk management and the control environment within UN-Women.

## **A. Internal audit: Internal Audit Service**

11. The ACO engaged with IAS throughout the year by reviewing its workplan and progress of the plan, as well as any impediments to its work during the year.
12. The ACO has reviewed the report on internal audit and investigation activities for the period from 1 January to 31 December 2025 to be submitted to the Executive Board at its annual session and has taken note of the significant findings contained in it, as well as the results of investigation activities.
13. Common themes for UN-Women's consideration continue to emerge from the work of IAS, including assurance reports covering country and regional offices, headquarters operations, and advisory assessments on specific topics.
14. The ACO notes that IAS has consulted with the UNBoA and IES, and has taken into account the United Nations Joint Inspection Unit's workplan into account when planning and coordinating its audit activities. This approach aims to reduce duplication of efforts and increase the audit coverage and overall assurance available to UN-Women.
15. IAS continues to strengthen its Quality Assurance and Improvement Programme as mandated by professional standards for internal audit. This is achieved through survey feedback from key stakeholders, implementation of recommendations

from the 2023 external quality assessment and ongoing professional development and education for IAS staff.

16. Observations:

- a. The ACO continues to emphasize the importance of timely implementation of internal audit recommendations. The ACO welcomes recent progress, noting that long-outstanding high-priority recommendations were reduced from 45 in February 2024 to 11 remaining unresolved as of 31 December 2025.
- b. The ACO continues to emphasize the importance of second-line functions and management oversight to ensure clear ownership and timely resolution of audit recommendations, for example the remaining high-priority audit issues related to trust fund management, cybersecurity and the need for an outsourcing governance and policy framework. The ACO welcomes the adoption of a consolidated corporate policy on security management.

## **B. Evaluation function: Independent Evaluation Service**

17. The ACO continued to engage closely with the IES throughout 2025, reviewing progress against its approved workplan and discussing the relevance and use of evaluation findings in an increasingly constrained and volatile operating environment. In its 2025 deliberations, the ACO placed importance on the role of evaluation as a source of timely and credible evidence to inform strategic prioritization, trade-offs and management decision-making, rather than solely as a retrospective learning function. The ACO participated in the external independent assessment of the implementation of the Evaluation Policy, noting the findings that the UN-Women evaluation function was demonstrating steady and commendable progress in delivering on its key performance indicators (KPIs). However, the review emphasized that delivery of KPIs is an important – but not the only – factor that should inform strategic decisions and enhance UN-Women’s operational impact. Stronger cogeneration of recommendations, synthesis of key themes and communication of evaluation results are helping to demonstrate UN-Women’s integral contribution to long-term change. The ACO reviewed and welcomed the 2026–2029 Corporate Evaluation Plan and Evaluation Strategy to be implemented in parallel with the Strategic Plan 2026–2029.
18. The ACO noted positively that IES maintained regular engagement with senior management and corporate decision-making forums, including the Business Review Committee, and contributed actively to strategic and organizational transformation processes at global and regional levels. Collaboration between IES and the Strategy, Planning, Results and Effectiveness Division (SPRED) continued to support the integration of evaluation evidence into Strategic Notes and into the formulation and early implementation considerations of the Strategic Plan 2026–2029. In the context of heightened resource uncertainty highlighted in the ACO’s 2025 discussions, this linkage was seen as increasingly critical to ensuring that strategic ambitions remain evidence-based and feasible.

19. At the same time, the ACO underscored the need for continued evolution in the evaluation function. While welcoming the agility demonstrated by IES through rapid and formative evaluative work undertaken in 2025 to inform time-sensitive corporate initiatives, the ACO reiterated the importance of conducting necessary corporate evaluations and supporting a portfolio of decentralized evaluations, while remaining aware of the risks of stretching resources in a manner that could compromise evaluation quality. The ACO stressed the importance of stronger synthesis, prioritization and follow-up mechanisms to ensure that evaluation findings meaningfully inform organizational learning, resource allocation decisions and performance management at regional and country levels, especially under conditions of fiscal constraint.

### **C. Investigation function**

20. Throughout the year, the ACO received updates on investigation activities from the Director of IEAIS, who under the 2024 memorandum of understanding with UN-OIOS, is the designated liaison for coordination with UN-OIOS. There were no significant high-profile investigations in UN-Women during 2025.
21. Under the 2024 IEAIS Charter, IEAIS was given a mandate to conduct investigations, and IIF was set up with two temporary investigators funded from UN-Women's one-time unallocated cash balance. As a result, investigation services in UN-Women are carried out under a hybrid model, under which IIF can initiate and conduct investigations referred by UN-OIOS. The latter remains the point of entry for reports of suspected misconduct, carrying out preliminary assessments and making decisions on whether alleged misconduct should be investigated either by UN-OIOS or by referral to IIF.
22. This hybrid investigation model provides a framework that will eventually allow UN-Women to build up and fully internalize the investigation function, as is the case in other United Nations entities, such as the United Nations Development Programme (UNDP), the United Nations Population Fund (UNFPA), the United Nations Children's Fund (UNICEF) and the United Nations Office for Project Services (UNOPS).
23. The ACO met with both the Director of IEAIS and the Investigations Director of UN-OIOS during the year to discuss how the hybrid model was functioning. Based on those discussions and information, the ACO has the following observations:
24. **Observations:**
  - a. The investigation function plays a critical role in any agency to promote accountability, compliance with established rules of conduct and expected behaviours by internal and external stakeholders with which UN-Women engages, and ultimately to promote and enhance trust in the Entity as a body deserving of support for its endeavours.
  - b. The ACO supports the goal of internalization of the investigations function as a way of optimizing the timeliness, accountability and effectiveness of investigations. The hybrid model is a practical pathway for achieving this goal. Based on information provided to the ACO,

demand for the hybrid model continued to grow and complaints of misconduct received and examined by the UN-OIOS covered a broad range of misconduct. According to the available metrics, improvements were noted in completion time rates for misconduct complaints in the first part of 2025 as compared with average times in 2024, which is to be commended.

- c. The current funding for IIF under the hybrid model is on a two-year basis, with temporary funds expiring in 2025. The ACO notes that transitional funds have been made available for an additional two years. While the ACO commends the commitment by UN-Women's management to ensuring the viability of the hybrid model and the eventual internalizing of the investigations function, the ACO underscores the desirability of funding the function from the institutional budget to provide greater predictability and continuity.

#### **D. Ethics function**

25. The ACO met with the internal Ethics Adviser during its first two sessions in 2025 and noted the positive and growing contribution of the dedicated Ethics Advisory function to embedding ethical values and thus mitigating risks for the organization. It notes that with the departure of the Ethics Adviser at the end of June 2025, the Ethics Advisory function has continued and UN-Women management has been exploring different options for providing ethics services to the Entity.
26. The ACO welcomes the steps taken to continue to promote awareness and adherence to ethical standards through training, clear service channels, and oversight of the financial disclosure programme. The Ethics Office continued to make progress on the revision of important policies such as the anti-fraud policy and the hospitality and gifts policy, and on conducting awareness training and outreach across UN-Women offices. These efforts are aimed at positively influencing organizational culture. This is complemented through the provision of timely ethics advice to proactively mitigate and manage conflict of interest risk by strengthening the ethical culture of the Entity.
27. Ethics advice and services provided by the Ethics Office are available to staff members and to affiliate employees. The relatively small size of the Ethics Advisory function nevertheless constrains its ability to promote and strengthen the ethical culture of the Entity, which poses an inherent risk for the organization.
28. **Observations:**
  - a. The ACO's concerns about the viability of the internal ethics function were heightened with the departure of the Ethics Adviser at the end of June 2025. During the first half of the year, the office operated with two ethics professionals: the Ethics Adviser and a temporary Ethics Analyst at P2 level. The lack of a dedicated travel budget continued to hinder essential field training and orientation activities, leaving the office reliant on ad hoc funding for outreach travel.

- b. With the departure of the Ethics Adviser, the ethics function continued its operations throughout the second half of 2025, delivering the full portfolio of services, with the Ethics Analyst designated to perform the duties and responsibilities of the Ethics Adviser. In the face of the increased resource constraints facing UN-Women, the ACO encourages management efforts to explore alternative ways of delivering the ethics function under a hybrid model through partnering and cost-sharing with another United Nations agency.
- c. The ACO continues to emphasize that a well-resourced ethics function is critical for effective risk management and for the organization. The ACO urges UN-Women to prioritize efforts including dedicated budgetary resources to build on the progress made in promoting awareness of ethical standards and providing timely ethics advice and support effectively to the entire workforce. As the workforce becomes more decentralized with the implementation of the pivot to the field exercise, the retention of strong in-house ethics capabilities becomes more important, even if some aspects of the ethics function are outsourced.

## **E. Board of Auditors**

29. The ACO met the current UNBoA and its representatives from the Brazilian Tribunal de Contas da União (Brazilian Federal Court of Accounts) in a private session at its October 2025 meeting, where it reviewed the UNBoA report for the financial year 2024. UNBoA briefed the ACO on the management letter issued for the financial year 2024 and the implementation status of past audit recommendations.

### **30. Observations:**

- a. The UNBoA management letter for 2024 identified six main recommendations related to weaknesses in the timing of revenue recognition, inconsistencies between Quantum records and those contained in the partner and grant management system, and risk monitoring and control analysis, notably in the field. UNBoA reported mixed progress in the implementation of UNBoA audit recommendations, which reached a 21 per cent implementation rate for the prior year's recommendations. The ACO notes an improvement in the implementation of long-outstanding UNBoA recommendations and urges prompt implementation of the remaining outstanding recommendations from prior years, as well as those newly arising from 2024.
- b. The ACO notes that UN-Women received the fourteenth consecutive unqualified audit opinion from UNBoA on its 2024 financial statements. The ACO also noted that the audited 2024 financial statements included the first statement of internal controls on financial reporting.

## **IV. Advisory Committee review of governance, risk management and control systems, and operational and programme management**

This section of the report provides a summary of the ACO's advice to the Executive Director on good practices regarding UN-Women's accountability framework and systems, including governance, risk and financial management.

### **A. Financial resources**

31. UN-Women faced significant external threats to its funding in 2025. The implementation of the Pivot to Regions and Countries initiative – undertaken prior to the emerging 2025 global funding shocks – has proved both relevant and timely. While cost savings were not the primary motivation for this initiative, it offered a concrete opportunity to optimize expenditures.
32. The ACO acknowledges UN-Women's swift actions in managing costs, such as the implementation of travel ceilings and the non-renewal of consultant contracts. However, these are of necessity short-term, ad hoc measures that do not fully address the underlying sustainability of UN-Women's finances. The ACO also underlines the need to allocate sustainable funding sufficient to maintain key second and third line of defence functions – specifically ethics, investigations and a strengthened human resources (HR) function.
33. The ACO has consistently highlighted the shortfalls in regular resources (core and institutional budget), which have not represented the majority of the Entity's funding since 2014. The increasing reliance on non-core resources has diminished the proportion of total resources to corporate functions, both in the field and at headquarters.
34. The ACO remains cognizant of the ongoing challenges in mobilizing both core and non-core resources faced by the United Nations as a whole, including UN-Women. While the 2025 financial situation was manageable, the outlook for 2026 and beyond is uncertain. The ACO continues to believe that UN-Women is at an inflection point in shaping its financial structure to ensure sustainable financing for its triple mandate. With rapid growth in non-core resources, ongoing field deployment and an increasingly complex geopolitical landscape, there is a need for fresh thinking and innovative approaches to resource mobilization.
35. The ACO therefore supports discussions around a worst-case funding scenario and the development of corresponding mitigation measures. The ACO welcomes efforts during 2025 to identify core functions, assign appropriate funding sources and develop a modular organizational structure that promotes both efficiency and responsiveness. Proactive planning will allow for strategic rather than reactive decision-making, should further cost-cutting become necessary. The ACO emphasizes that UN-Women's integrated budget should reflect the evolving funding landscape and be firmly aligned with a sustainable funding model and organizational footprint.
36. The ACO also welcomes the consideration of new strategies, such as forming partnerships with the private sector and multilateral development banks,

strengthening ties with non-traditional donors, and expanding individual giving. It also emphasizes the importance of maintaining a sufficient core funding base and encourages the further development of benchmark financial targets (for example, defining what constitutes a well-resourced UN-Women) and innovative thinking on a sustainable financial structure.

## **B. Human resources**

37. During 2025, the ACO received briefings on the HR function, including key challenges and opportunities; it was also briefed on the Pivot to Regions and Countries exercise. The ACO was kept informed of the status and progress of the development of the People Strategy and was briefed on key findings and recommendations.
38. The ACO welcomes UN-Women's efforts to strengthen its HR leadership and resourcing, even in the face of the financial challenges facing the Entity. The commissioning and completion of a functional review of HR by an external consultant is a positive step in this direction, as its human resources are the most important element in carrying out UN-Women's mandate and executing its Strategic Plan 2026–2029. The review also represents an important step in conducting change management in the Entity.
39. The ACO took note that, among the important conclusions of the external review, were the need to strengthen HR services in the field, and to invest in talent management programmes, including leadership development and succession planning, learning and professional development, and performance development to improve the overall performance of the organization. The study also made critical observations in other key HR areas, such as the under-resourcing of HR client services, strategic HR services and the lack of an adequate management structure within the HR department itself. The study concluded that these factors have adversely impacted the HR department's ability to deliver.
40. The ACO considers that the options proposed by the external consultant represent a practical way of dealing with long-standing issues, while recognizing the realities of the financial situation. The ACO underscores the importance and urgency of putting in place a revised operating model for the HR function aimed at bringing HR closer to its comparator group and importantly, improving the HR to employee ratio. All three options would require additional staffing resources for HR, while recognizing that current resource constraints may require that changes be implemented on a phased basis.
41. Notwithstanding these constraints, the ACO welcomes the ongoing execution of the Pivot process, with relocations to Bonn and Nairobi expected to continue throughout the second and third quarters of 2026. The ACO notes that while the funding situation did have some impact on a few roles identified for pivoting, these were expected to be minimal, and importantly, affected staff were being kept informed of funding conditionality and timelines.
42. The Pivot exercise also provides an opportunity to promote effective change management throughout the institution, which will enhance delivery of UN-Women's mandate by being responsive to the increasingly constrained

environment, and in line with potential changes that may arise out of the restructuring exercises being discussed across the United Nations system.

#### 43. **Observations**

- a. The ACO welcomes the launch of a People Strategy to address persistent areas of need in the delivery of HR services. The ACO also notes the progress made in transitioning service contracts to the Personnel Services Agreement engagement modality; however, the consistent use of affiliate contracts for staff functions remains a concern. The ACO remains concerned that while workforce numbers reduced by 5 per cent in 2025, the ratio of affiliates remained high at 63 per cent.
- b. The ACO continues to be concerned about the risks to the organization caused by the ongoing under-resourcing of the HR function, especially considering the Pivot to Regions and Countries exercise. While the progress made on the Pivot exercise is to be commended, the decentralization brings into sharper focus the urgent need to dedicate additional and adequate resources to HR management in the field, and to address the risks relating to talent retention as a result of the Pivot exercise.
- c. The Pivot exercise appears to be progressing well, and the ACO continues to emphasize the importance of ensuring timely and effective communication with staff to ensure transparency and engagement. There should continue to be close monitoring of the potential for challenges, including legal challenges that may arise from the exercise, to safeguard business continuity and address staff concerns at key milestones. The ACO also reiterates the importance of a comprehensive approach to conducting an evaluation of the Pivot's outcomes to assess its impact on operational efficiency and effectiveness, as well as any unintended effects on performance, stakeholders or staff that may require attention.

### **C. Financial statements and systems**

44. The ACO reviewed the draft financial statements for the year ended 31 December 2024. It welcomed the comprehensive overhaul of the financial statements undertaken as part of this year's preparation process. This substantive effort has significantly improved the clarity and usability of the financial statements, aligned them more closely with practices in other United Nations agencies, and providing new donor-relevant disclosures. The ACO commends the UN-Women financial team for its efforts and for its constructive response to the ACO's recommendation to pursue such a review.
45. The ACO's working review of UN-Women's 2024 financial statements was conducted on 10 April 2025, followed by a formal meeting on 15 April 2025 to deliberate the findings of the review. During these sessions, the ACO engaged with UN-Women personnel to discuss key issues, resulting in some adjustments to the draft financial statements to correct certain items and enhance clarity in the disclosures. Following these revisions, the ACO advised that it had no objection to the financial statements being sent to UNBoA.

46. The Entity has received an unqualified audit opinion from UNBoA for the fourteenth consecutive year since its inception in 2010. The ACO welcomes the timely finalization of the 2024 audited financial statements, which included the first statement of internal controls over financial reporting and a clean audit opinion.
47. The ACO received regular updates from the Division of Management and Administration (DMA) on financial issues and SPRED on budgetary matters. It also received regular briefings on cross-cutting corporate functions, including strategic planning and results-based management, corporate transparency and reporting, enterprise risk management and fraud prevention. The ACO also received positive feedback from UNBoA on the cooperation they received from the finance function and management in the process of auditing the financial statements.

#### **D. Information and communication technology**

48. The ACO continued to monitor UN-Women's ICT environment, with a sustained focus on the implementation and stabilization of the Quantum enterprise resource planning system and associated data governance and cybersecurity risks. In its 2025 discussions, the ACO increasingly framed ICT as an operational enabler for active contribution to decentralization to support the Pivot to Regions and Countries as well as a strategic necessity for greater efficiency in financial management and results reporting under the Strategic Plan 2026–2029 and with a view to UN80 imperatives.
49. With respect to Quantum Phase 1, the ACO considered the findings of the joint audit, which assessed implementation as generally satisfactory but identified persistent weaknesses requiring management attention, including cybersecurity controls, data protection, change management and partner payment reconciliation. The ACO noted that, while progress has been made in addressing recommendations, residual risks remained important, particularly in an environment of reduced staffing, cost-containment measures and increasing reliance on integrated systems to support decentralized operations.
50. The ACO took note of progress in the implementation of Quantum Phase 2 (Quantum+), which is intended to strengthen integration across objectives, results and resource allocation and to enhance monitoring and reporting functionality. The ACO emphasized that delays or functionality gaps in Quantum+ would pose a significant risk to UN-Women's ability to establish credible baselines, track performance and demonstrate results from the outset of the Strategic Plan 2026–2029. In this regard, the ACO stressed the need for clear governance, prioritization and realistic sequencing in the delivery of Phase 2 under current resource constraints and the potential of new risks arising from the decentralization and transition of functions into new locations. The ACO therefore emphasized the importance of sustained investment in ICT governance, cybersecurity and data management, noting that weaknesses in these areas would undermine not only operational efficiency, but also organizational credibility with Member States, donors and partners at a time of heightened scrutiny and competition for resources.

## **E. Third-party risk management**

51. The ACO continued to monitor developments in third-party risk management and identified this area as an increasingly significant enterprise-level risk rather than a continuing compliance issue. The ACO acknowledged management's actions following the data leakage incident involving information hosted by a third-party service provider, including efforts to strengthen user awareness, accountability and information security procedures. However, the ACO noted that reliance on external service providers is expected to increase further in the context of cost-containment measures, outsourcing and organizational pivot.
52. In this context, the ACO expressed concern that long-standing internal audit recommendations related to third-party risk management, particularly in ICT and data-related areas, remained only partially implemented. The ACO reiterated the importance of establishing and maintaining a comprehensive, centralized inventory of major outsourced service providers, clarifying ownership and escalation mechanisms, and systematically assessing and monitoring third-party risks. The ACO emphasized that failure to address these issues in a timely manner could expose UN-Women to heightened operational, reputational and fiduciary risks at a time when institutional scrutiny was already increasing.

## **F. Other significant internal governance and control matters**

53. The ACO continued to monitor the developments on other internal governance and control issues it has raised in recent years. These include the following:
  - a. The Enterprise Risk Management programme continues to mature but there remains room for improvement in corporate risk reporting to enhance risk escalation and top-down monitoring of mitigation actions. Given the challenges posed by uncertain financial resources and major restructuring initiatives, the ACO continues to stress the importance of adequate resourcing in risk management and strengthening the first and second-line control functions.
  - b. Finalizing the Statement of Internal Controls process to demonstrate management accountability and responsibility for risk management and internal controls. DMA has been assigned this responsibility and has planned to include a Statement of Internal Controls as part of the 2025 financial reporting. A comprehensive Statement of Internal Controls will be developed at a later stage.
54. Regarding financial and budget reforms, the ACO welcomed the reorganization of DMA, including the creation of a Chief Financial Officer function, which is expected to improve coherence and accountability in budget and finance management; and implementation of the PRISM 1 results management system, which marks an important advance in preparing for improved tracking of results. The ACO also believes that the active participation by headquarters and Regional Directors in the 2026 budget formulation process is indicative of, and should

result in, a more integrated and inclusive workplan and budget process. This approach will help to promote greater ownership and accountability by managers.

## **V. Conclusion**

55. UN-Women's efforts to collaborate and expand engagement with partners and stakeholders both within and outside the United Nations system are ever-more critical in achieving its strategic objectives of advancing gender equality and promoting women's empowerment globally, especially in the current geopolitical climate.
56. The ACO commends UN-Women for its continued commitment to organizational excellence and business transformation, as this is fundamental for attaining the strategic goals enshrined in the Entity's Strategic Plan 2026–2029.
57. A key focus for the ACO in 2026 is to engage with management in the roll out of the new Strategic Plan 2026–2029, and the steps taken to manage the impact of the evolving geopolitical and possible structural changes stemming from the UN80 initiative. In this context, the ACO encourages a continued focus on, and review of risk mitigation measures aimed at navigating any attendant threats to, UN-Women's ability to deliver on its mandate.
58. Finally, the ACO wishes to thank UN-Women management and staff, as well as the ACO Secretariat for facilitating all its meetings and ensuring high-quality participation and productive discussions during 2025.

## VI. Annexes

### Annex 1: Advisory Committee on Oversight membership 2025

<b>Member name</b>	<b>Comments</b>
Ms Mei Kit Wan (Singapore)	Member since February 2019: served as Chair January to September 2025; second term ended in October 2025.
Mr Robert Lahey (Canada)	Member since October 2019: served as Vice-Chair; second term ended in October 2025.
Mr Chris Hemus (South Africa and United Kingdom of Great Britain and Northern Ireland)	Member since August 2022, serving a second three-year term.
Ms Jennifer M. Lester (Jamaica)	Member since October 2023, serving a first three-year term. Began serving as ACO Chair in October 2025.
Ms Dorothy Lucks (Australia)	Member since October 2024, serving a first three-year term.

**Annex 2: Advisory Committee on Oversight 2025 meeting dates**

<b>2–4 April 2025</b>	First ACO meeting (in-person, New York)
<b>24–26 June 2025</b>	Second ACO meeting (in-person, New York)
<b>7–9 October 2025</b>	Third ACO meeting (in-person, New York)