

# Management response to the report of the Board of Auditors on the financial statements for the year ended 31 December 2016

# IPSAS Financial Statements

## 2016 Statement of Financial Position

- Assets \$457.5m (2015: \$449.2m)
  - Includes Cash, Investments, Receivables, Advances, Other assets, Inventory and Property, plant and equipment, Intangible assets and Other assets
  
- Liabilities \$109.8m (2015: \$90.7m)
  - Includes Accounts payables, Employee benefits and Other liabilities
  
- Net Assets \$347.7m (2015: \$358.5m)

# IPSAS Financial Statements

## 2016 Statement of Financial Performance

- Revenue \$334.6m (2015: \$319m)
  - Includes Voluntary contributions, Assessed contributions, Investment income, Other revenue and Exchange revenue
- Expenditures \$340m (2015: \$314.9m)
  - Includes Employee benefits, Contractual services, Grants and other transfers, Supplies and maintenance, Operating costs, Travel costs, Depreciation, Finance costs and Other expenses
- Deficit for the year \$5.5m (2015: surplus \$4m)

# IPSAS Financial Statements

Comparison of Budget vs. Actual amounts (millions of USD)

Activities	Budget	Actual Expenditure	Variance
<b>Regular budget activities</b>	<b>7.7</b>	<b>8.7</b>	<b>(1.0)</b>
<b>Development activities:</b>	<b>383.2</b>	<b>343.8</b>	<b>39.4</b>
<i>Programme</i>	<i>290.0</i>	<i>265.1</i>	<i>24.9</i>
<i>Institutional budget</i>	<i>93.2</i>	<i>78.7</i>	<i>14.5</i>
<b>Total</b>	<b>\$390.9</b>	<b>\$352.5</b>	<b>38.4</b>

# Highlights of 2016 Audit Opinion and Prior Year Recommendations

- Sixth consecutive **Unqualified** audit opinion received since UN-Women's inception
- Implemented **83%** (or 25 recommendations) of the 30 prior years' audit recommendations
- Significant 51 percentage points increase in implementation rate (2015 32%)
- On-track on the implementation of the remaining 5 recommendations issued in years 2014 and 2015 [UN-Women has assessed 2 out of 5 recommendations as "Implemented" by July 2017 ]

# Highlights of 2016 Audit Recommendations

- Total of 20 audit recommendations issued: 4 recommendations in 3 Key areas and 17 recommendations in other areas
- 4 Recommendations in 3 Key areas:
  - ✓ Need follow-up plans on risk mitigation actions
  - ✓ Need policy on establishment of programme and field presence
  - Improve ICT management of:
    - ✓ ICT user access; and
    - ✓ ICT gateway protections
- 17 recommendations specific to particular issues that relate to the broad areas of financial management, governance, programme and project management, assets management, human resources, Travel, and information and communications (ICT)
- The three implemented recommendations are:
  - ✓ Improve Travel Management
  - ✓ Improve ICT asset disposal processes
  - ✓ Strengthen partner selection process <sup>6</sup>

# Status of 5 Remaining Prior Years' Audit Recommendations as at 31 December 2016

As at August 2017

The 2 implemented prior years' recommendations are:

1. Improve assets management control (issued 2015)
2. Enhance results based budgeting in line with harmonization requirements with other UN Agencies (issued 2015)

The 3 in-progress prior years' recommendations on track with implementation are:

1. Establish baselines and targets in annual work plan (issued 2014)
2. Provide guidance on project documents (issued 2015)
3. Ensure accuracy in Atlas project status data (issued 2015)

# Thank You!

## Q & A