

# Report of the BoA on the Financial Statements for the year ended 31 December 2018



UNITED NATIONS  
BOARD OF AUDITORS



OVERSEEING THE RESPONSIBLE  
USE OF PUBLIC RESOURCES



# Audit opinion

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The BoA issued an unqualified audit opinion on the financial statements of UN-Women for the year ended 31 December 2018.

In opinion of the BoA, the financial statements presented fairly, in all material respects, the financial position of the UN-Women as at 31 December 2018, and its financial performance and cash flows for the year then ended, in accordance with the IPSAS.

# Overall conclusion

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The BoA did not identify significant errors, omissions or misstatement from the review of financial records of UN-Women for the year ended 31 December 2018.

However, the Board identified improvements in the areas of:

- Field Procurement activities,
- Programmes and operations,
- Liquidation of partner advances,
- Compliance with rules, regulations and instructions at both the headquarter and the field offices.

# Follow-up previous years' audit recommendations

**Of the 16 recommendations outstanding as at 31 December 2017:**

1. 6 recommendations had been implemented – 38 per cent
2. 10 recommendations were still under implementation – 62 per cent

2016	3
2017	7

# Key findings

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1. Non compliance on Procurement Plan.
2. Insufficient evidence of the selection and result of the Expenditure Sample, and
3. Delays in creating and approving the accounts payable journal entry.

# Key findings and Recommendations

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## 1. Non compliance on Procurement Plan.

### **Observation:**

The Board observed that seven out of 60 Country Offices reviewed did not submit on SharePoint their procurement plan.

The Board analysed the consolidated procurement plan information available on the online platform of UN-Women. In this context, the Latin American and the Caribbean Regional Office incorporated to their Procurement Plan only some purchasing lines referring to programmes and to the Programmatic Presence Offices, PPOs, of Uruguay.

Additionally, the Board observed that two PPOs and seven Country Offices that depend on the Latin American and the Caribbean Regional Office did not inform about the acquisitions related to their programmes and presented a breach in the opportunity to present the Procurement Plan, respectively.

# Key findings and Recommendations

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## Recommendations:

- a. UN-Women establish a dashboard or system that would knowing the deficiencies that the Country Offices present in complying with the regulations on the matter, with the purpose of identifying improvements in this control and evaluating its impact on the efficiency of the purchasing process, and the due communications.
  
- b. Evaluate the obligatory function of reporting on the purchase plan of the projects that are executed of the programmes' area, within the programmatic formulation stage.

# Key findings and Recommendations

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## 2. Insufficient evidence of the selection and result of the Expenditure Sample

### **Observation:**

In accordance with section 4.1 of Advances of Cash Advances and Other Transfers to Partners Policy of UN-Women, a Project Manager shall determine and review a sample of the Implementing Partner expenditures. However, the policy did not establish a standard format that allows Offices to document the process of sample selection and the outcome of the review.

The Board is of the view that UN-Women has not established a format of revision that reflects all procedures and conclusions of the review of Implementing Partner expenditures liquidation, and that allows leaving evidence of the exceptions that could arise from the review.

### **Recommendation:**

Determine a standard review format when conducting assurance on liquidation of advances to partners, which makes possible that the Offices prove the selection process, the result obtained from the review and allows documenting any exceptions that could arise from the review.



# Key findings and Recommendations

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## 3. Delays in creating and approving the accounts payable journal entry.

### Observation:

The Board observed in the Mexico Country Office that the accounts payable journal entries were created and approved with a delay ranging from 17 to 77 days, instead of the requirement of being done in 10 business days.

### Remommendations:

- a. The Mexico Country Office improve the processing timelines of the FACE Forms to approve and record expenditures in accordance with the Cash Advance Policy and other transfer to Members.
- B Strengthen the training process of the implementing partners, with focus on the processing of the FACE form.

# Other findings

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## ***Procurement***

- Purchase order clean up

## ***Internal Control Framework (ICF)***

- Segregation of duties in Atlas ERP

## ***Asset Management***

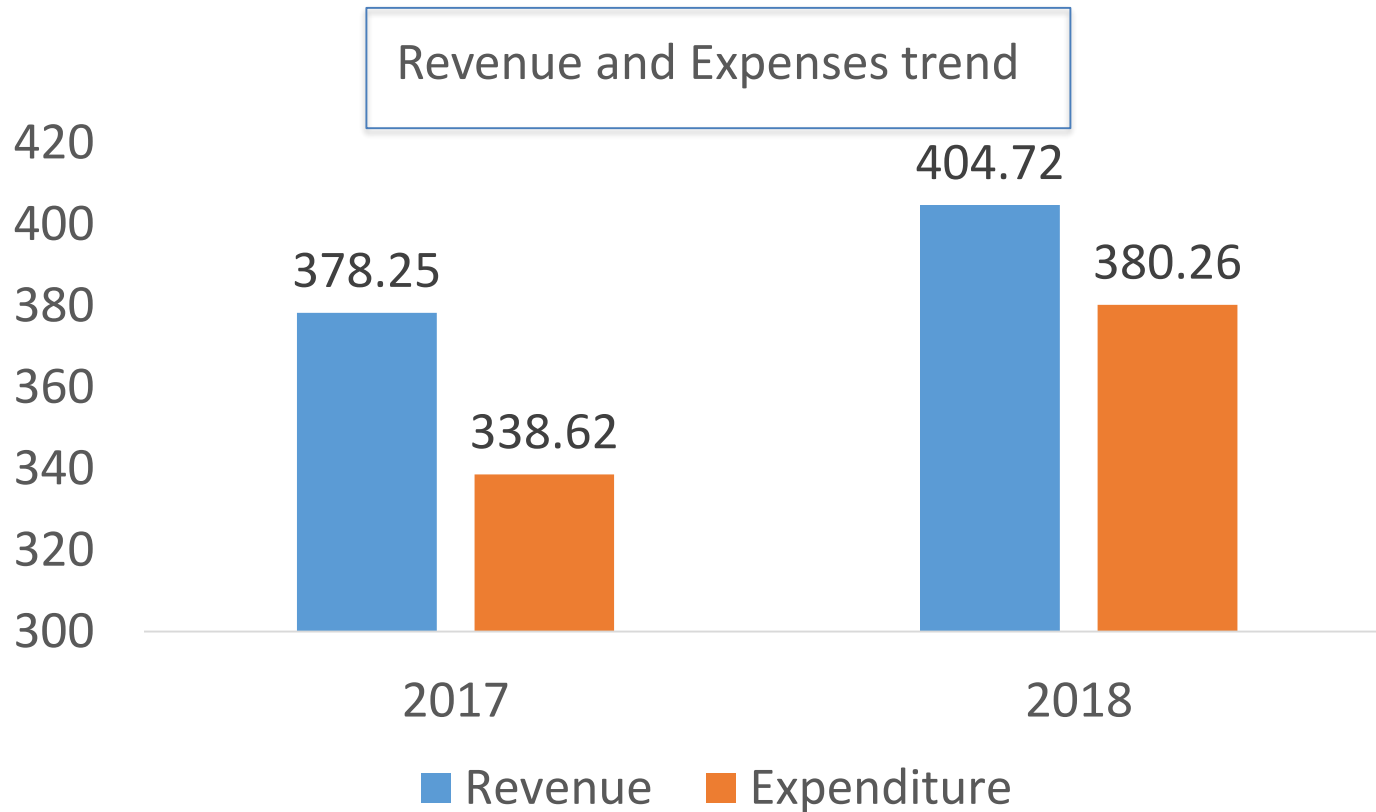
- Physical asset verification
- Unsuitable tagging of assets
- An absence of non-capital asset management

# Financial Overview

Financial performance:

	MM USD\$	
	2017	2018
Revenues	378.25	404.72
Expenditures	338.62	380.26
<b>Surplus</b>	<b>39.63</b>	<b>24.46</b>

# Financial Overview



# Ratio Analysis

<i>Description of ratio</i>	<i>31 December 2018</i>	<i>31 December 2017</i>
<b>Current ratio<sup>a</sup></b>		
Current assets: current liabilities	6.60	6.17
<b>Total assets: total liabilities<sup>b</sup></b>		
Assets: liabilities	4.23	4.07
<b>Cash ratio<sup>c</sup></b>		
Cash plus investments: current liabilities	5.42	4.04
<b>Quick ratio<sup>d</sup></b>		
Cash plus investments plus accounts receivable: current liabilities	5.80	4.99