



**Executive Board of the
United Nations Development
Programme, the United Nations
Population Fund and the
United Nations Office for
Project Services**

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Addendum

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Annual report of the Oversight Advisory Committee

United Nations Population Fund
Oversight Advisory Committee
2023 annual report to the Executive Director

I. Purpose

1. This report is addressed to the Executive Director of UNFPA and provides a summary of the activities and advice of the Oversight Advisory Committee (“OAC, or the Committee”) of UNFPA during 2023. It is submitted pursuant to item 13 of its terms of reference approved by the Executive Board in 2021, and in accordance with paragraph 25 (c) of section IV, subsection I of the UNFPA oversight policy.

II. Oversight Advisory Committee activities in 2022

2. *Members of the Oversight Advisory Committee.* Committee members are appointed for three years, renewable once. Committee members possess expertise in risk management, internal control, oversight, governance, financial management and reporting, ethics, investigation, internal audit, evaluation and development and programme matters. All Committee members are external to UNFPA and independent of its management. The members of the Committee in 2023 were: Mr. Stephen Cutts (UK), Chair of the Committee; Mr. Fayezul Choudhury (Bangladesh); Ms. Nyaradzayi Gumbonzvanda (Zimbabwe);¹ Ms. Kumiko Matsuura-Mueller (Japan); and Mr. Kamlesh Vikamsey (India).

3. *Meetings.* The Committee held three meetings in 2023: an in-person meeting from 3 to 5 April, a virtual meeting on 22 and 25 May, and an in-person meeting from 18 to 20 October. Individuals with whom the Committee met included: the Executive Director; the Deputy Executive Director (Management) and the Deputy Executive Director (Programme); the Chief of Staff; the Director, Office of Audit and Investigation Services (OAIS); the Director of the Evaluation Office; the Ethics Adviser; the Director of the Division for Management Services; the Director of the Policy and Strategy Division; the Director of the Division for Communication and Strategic Partnerships; the Director of the Humanitarian Office (now Humanitarian Response Division); the Director of the Division for Human Resources; the Coordinator for Protection from Sexual Exploitation and Abuse and Sexual Harassment; representatives of the Board of Auditors; and a range of programme and operational senior management. The Chair noted that he met with the JIU in October, as part of the JIU review of management and administration in UNFPA.

4. All members of the OAC completed their annual Declaration of Independence and were also asked to declare at the outset of each meeting any conflicts of interest that they might have. The OAC confirms that it operated freely, independently and without any UNFPA management interference throughout this reporting period.

5. *Field visit.* Three Committee members – Mr. Stephen Cutts (Chair), Ms. Nyaradzayi Gumbonzvanda and Ms. Kumiko Matsuura-Mueller – undertook a field visit to the Mozambique country office (4-6 September) and the East and Southern Africa Regional Office in Johannesburg (6-8 September), and held discussions with UNFPA staff and with government, donor, UN and civil society partners. Other Committee members attended some of the meetings virtually. The visit aimed to familiarize OAC members with UNFPA field operations to better understand and appreciate how the organization’s business objectives are delivered in the field so as to inform the OAC oversight role and responsibilities. In particular, OAC members sought to understand the following better through their visit:

- (a) Operations of UNFPA at the regional and country office levels, including as they relate to supporting national development plans;
- (b) Challenges facing UNFPA in implementing programmes/projects at the field level, and how these are dealt with, including with regard to implementing partners;

¹ Ms. Gumbonzvanda resigned as member of the Committee in January 2024.

- (c) Functioning of inter-agency work on the ground, including in response and contribution to UN development system reforms, and the strategic partnership environment; and
- (d) Opportunities for achieving UNFPA's objectives more effectively and efficiently.
6. *Executive Board.* To allow members of the Executive Board to have the opportunity to ask questions on the annual report of the Committee for 2022, the Chairperson of the Committee attended the annual session of the Executive Board in June 2023. Also in June, in accordance with the revised OAC terms of reference, the Executive Director invited the OAC Chair and the President of the Executive Board to a trilateral meeting to discuss matters of shared interest.
7. *Reporting.* The Committee prepared minutes for each of its meetings as well as written reports to the Executive Director on the outcomes of the meetings.
8. *Recommendations.* The Committee made recommendations and suggestions to UNFPA management during its meetings and followed up on the implementation thereof.
9. *Annual assessment of the effectiveness of the Committee.* The Committee deferred the external assessment of its effectiveness until the network of oversight/audit advisory committees of the United Nations agree on a common approach and terms of reference. The Committee will undertake a self-assessment of its effectiveness in 2024.

III. Key messages and challenges

10. *Midterm review of the Strategic Plan and the Integrated Budget.* The Committee was updated on the overall progress on the midterm review of the strategic plan and integrated budget, 2022-2025, noting that implementation was on track and the defining priorities for the budget process were unchanged. The midterm review had considered the global environment and trends related to the three transformative results, finding these were not encouraging, with the COVID-19 pandemic a key factor in terms of the data. Significant issues had emerged around the commitment to transform UNFPA, including through 12 strategic shifts, such as from funding to financing the three transformative results. UNFPA was hopeful for the future as key donors had maintained their support, but because of its reliance on ten donors for 73% of total resources (core and non-core), it continued to maintain a conservative planning stance and was systematically diversifying funding, including through individual giving, and through developing closer partnerships with internal financial institutions (IFIs), as well as large philanthropic organisations. The Committee appreciated the presentations and suggested that it would be useful to have in the midterm review evidence of the effectiveness of UNFPA advocacy as well as on the extent to which UNFPA was viewed as a partner of choice. It commended the prudent approach of UNFPA to maintaining its core resources while recognizing the challenges and risks ahead, and in pursuing its diversification strategy.
11. *Funding and strategic partnerships.* The Committee was provided an update on resource targets for 2023. It noted UNFPA had met with some success in its strategy to diversify partners and sustain its resources, although it was still heavily reliant on a relatively small number of donors. It aimed to secure predictable, flexible, multi-year resources while also looking at the wider agenda in terms of the three transformational goals, which required broader leveraging. The Committee supported UNFPA setting conservative targets because it was exposed to changes in donor choices. The Committee agreed that the diversification strategy should centre on getting core and non-core resources from as many sources as possible, with an aim of attracting 100 government donors. The Committee broadly supported the UNFPA strategy of working with the private sector, foundations, IFIs and multilateral development banks, and also looking at innovative financing, although these modalities were often complex. The Committee noted that the individual giving programme generated 5 per cent of private contributions through a digital -first approach to engaging and retaining individual donors. The Committee expressed some concerns about due diligence around reputational risks in general and greenwashing but was assured that UNFPA had an established assessment process to screen for higher risks that disqualified partnerships and that its practices were aligned with those of other UN partners.

12. *Financial statements.* The Committee commended UNFPA for the smooth transition to Quantum, especially as the new platform was implemented during the same period as when the 2022 accounts were being closed in previous ERP, Atlas. The Committee further recognized the challenges associated with implementing the modified revenue recognition policy, which were faced by many United Nations agencies. It noted that UNFPA had caught up with the backlog of payroll, banking and treasury transactions and that the liquidation of advances to implementing partners was back on track. The Committee welcomed the progress made, even amid challenges, and commended the third quarter test closure as a proactive and prudent approach and appreciated the approach of keeping auditors in the loop. It also advised UNFPA to monitor interest rates and their impact on investments.

13. *Change management and headquarters optimization process.* The Committee was informed about the decision of UNFPA leadership to embark on a headquarters optimization process to bring certain teams closer to the Global South. It was briefed on the process of redefining the UNFPA footprint in New York and moving some functions to Nairobi. The Committee was told that the planned changes included the integration of the Policy and Strategy Division (PSD) and the Technical Support Division (TD) by 1 August 2024. The majority of the new integrated division would move to Nairobi, along with all of the Evaluation Office, starting in March 2025, while a robust Programme Liaison Bureau would be established to continue to engage with Member States and other UN organizations in New York, including on normative issues. The Division of Communication and Strategic Partnerships (DCS) would also be reconfigured as a new Division for External Relations, incorporating the intergovernmental and inter-agency functions, notably the Intergovernmental, Inter-agency and Policy Dialogue Branch (IIPDB) from PSD. The Committee was informed that the move was intended to adapt to a changing context and accelerate delivery of the UNFPA Strategic Plan and strengthen work from programmatic, normative, partnerships, and knowledge-sharing standpoints. Altogether, 117 positions (including 107, or around 25 per cent, of posts in New York) were expected to move to Nairobi. While the Committee was told that the move was primarily aimed for UNFPA to be closer to the Global South, savings were expected from 2026 onwards: of around \$3 million a year, after a one-time cost of \$9.7 million. UNFPA had developed organigrams and job descriptions, and planned a job-matching exercise.

14. The Committee was advised that, with the aim of delivering the change management process on time and within budget, a project reference group had been formed, with five task teams to work on organizational design, human resources, facilities, budget and communications. The communications and engagement plan included staff meetings, change management sessions, job coaching and psychosocial support, among other elements. The Staff Council was fully engaged and regularly consulted; it participated in three task teams as observers and had weekly meetings with the Division of Human Resources. The Committee was informed that the relocation had been a main point of resistance among staff. The Committee welcomed the detailed presentation, noting that change management can be a complicated process, but it welcomed the emphasis management said that it was placing on broad consultation, and that it was prepared to listen and take on board feedback and explain its decisions. The Committee fully supported strong and extensive consultations and communications, including the engagement of the Staff Council. The Committee noted that the Executive Board had been informed about the change management plans at the same time as the announcement to all staff. It flagged some concerns about the risk of destabilising individuals and teams when people do not know if their job would exist, as this could result in a flight risk leading to understaffing and the loss of people in key functions. The Committee encouraged as much flexibility as appropriate on issues such as contract extensions, to ensure business continuity.

15. *Enterprise resource planning system.* The Committee welcomed the successful transition to the new enterprise resource planning platform – Quantum –noting also that some challenges remained, particularly related to receiving real time data, even though priority given to financial closure. The Committee also welcomed the progress on Quantum Plus, which would eventually replace most if not all non-ERP functions and be integrated into Quantum. Expressing some concern about implementation delays, including around payroll, the Committee looked forward to the integration of the inventory management system into Quantum, given that UNFPA conducted inventory management on a far greater scale than

other Quantum agencies, both to supply its own programmes and its procurement of commodities for third parties, including governments. It welcomed the emerging benefits of the new system, including better tracking of donor funds, improving business processes for resource mobilization and enhancing donor relations. The Committee stressed the need to maximise these benefits going forward. The Committee commended UNFPA for handling implementation so smoothly and expressed its strong support. It encouraged UNFPA to continue to reflect and learn moving forward. Appreciating learning more as implementation progresses, the Committee suggested a future discussion on how to assure the quality of data from implementing partners.

16. *Enterprise risk management.* The Committee welcomed the progress made on enterprise risk management (ERM), including the approval of a risk appetite statement, the ERM calendar and the terms of reference for a headquarters committee, as well as the completion of ERM guidelines and risk control catalogues. It noted that the ERM policy was the umbrella for risk management at UNFPA, and supported the training of risk focal points and reporting of country offices to the Executive Committee managed by the Chief Risk Officer, who was also the Chief of Staff. The Committee otherwise congratulated UNFPA for its systematic and organized approach to ERM.

17. *Procurement and supply chain.* The Committee noted progress made towards the realignment of the Supply Chain Management Unit (SCMU) to leverage it as a driver of the three results of the Strategic Plan and realize the need for quality-assured and reasonably priced commodities, particularly as the demand for humanitarian support increased. The Committee took note that ‘last mile’ assurance, which had been under the Finance Branch, was moved to SCMU; programme and operations teams now worked together to optimize management, including record-keeping, so that products would reach facilities and be used. The Committee queried the use of shorter, 12-month staff contracts, given the specialized expertise required; however, it understood that this was a consequence of the funding model and that a realignment would soon be taking place. It noted further that the role of UNFPA could be a disincentive for governments to develop their own procurement capacity, and welcomed that UNFPA was working on this issue by building government capacity so that UNFPA could eventually step back. The Committee noted from its field visit that in some cases delays in the delivery of UNFPA services could be due to problems in the management of government-owned and controlled warehouses.

18. *Humanitarian.* The Committee was informed that UNFPA had made considerable progress in its capacity for humanitarian action in a range of contexts. The Committee recognized the diverse challenges from multiple crises and took note of the management of logistical elements on the ground, including at the onset of the crisis in Gaza. The Committee was told that the Humanitarian Response Division coordinated its actions, as a member of the Inter-Agency Standing Committee (IASC), with UNFPA tapping into the capacity of WHO, UNICEF, WFP and donors for transport and management. Inquiring how the logistics cluster was activated in countries and whether UNFPA had institutional guidance on the humanitarian-development-peace continuum, the Committee appreciated the increase in humanitarian action but underscored the importance of working with other parts of the system in efforts join up the humanitarian-development-peace nexus in order to help prevent crises from occurring. The Committee noted that humanitarian response still seemed separate from other work, despite increased integration, and asked about transitions between emergency and non-emergency procedures. It was assured that having a humanitarian output in the Strategic Plan had been helpful and would help change ways of working. It also noted that, increasingly, the system-wide scale-up was a political and resource mobilization tool rather than an operational emergency response, and that UNFPA had commissioned an independent review of the protocol for scale-up as something it needed to look at more closely. The Committee took note of the unsatisfactory recommendations in the audit report on repositioning but understood that the division had pushed back against the recommended timeframes as not realistic and that it had been a difficult process given the lack of collective understanding of preparedness and stockpiling capacity. **The Committee supported UNFPA efforts to define criteria for country capacity for humanitarian response as part of a pending country classification system. It underlined the need to address shortcomings in the audit reports, agreed on having more knowledge management around the continuum approach, and**

welcomed the steps on working with others in the UN system to help with prevention as vital.

19. *Human resources.* The Committee was updated on the rollout of the People Strategy, and its plan to build a safe and healthy workplace, with an emphasis on empowering people and improving efficiency. It welcomed the efforts to review UNFPA policies for consistency and alignment with the UNFPA mandate, as well as the progress on mental health and psychosocial support. It noted that the new ERP system would allow UNFPA to better track vacancy rates and recruitment timeframes, with targets of 11 per cent and 90 days, respectively, across the organization, and also could reveal variations across regions and countries. It noted the various contract modalities were due to funding issues and the ongoing change management processes related to the headquarters optimization and the realignment of the Supply Change Management Unit. The Committee supported the work on aligning UNFPA and looked forward to further updates in the future.

20. *Implementing partner assurance.* Management informed the Committee that UNFPA in 2023 had about 1,600 implementing partners (IPs), with the majority being NGOs, and that about a third of UNFPA programme expenditure went through IPs. Another UNFPA priority was building alliances and other low-value engagements in upstream work. The Committee noted that, as in previous years, 90 per cent of IP expenditure was covered by an audit or spot check, along with about 60 per cent of IPs. It noted with approval that the vast majority of IP audits in 2022 had been completed on time and that nearly all planned activities had been delivered. A new risk model, introduced in 2022, had kept the same thresholds in 2023 for continuity; that model increased the risk rating for many partners, based on their context, and spoke to the fact that the bulk of UNFPA expenditures were in high-risk humanitarian contexts. The Committee also welcomed the fact that, as UNFPA increased its work upstream, it aimed to reduce the administrative burden of managing low-risk and low-value partnerships, since close to 30 per cent of NGO partners spent less than \$100,000, making up just 4 per cent of IP spending overall. This involved clarifying the line between procuring services and engaging in a partnership, reducing the reporting burden of reports, as well as considering increasing thresholds for grant modalities to build capacity and increase flexibility in engaging in upstream and normative relationships. **The Committee encouraged UNFPA to continue to assess and monitor risk, especially in emerging risk areas.** It noted that UNFPA, correctly, in accordance with the HACT assurance framework, did not accept audits commissioned by IPs and, instead, audited UNFPA expenditures incurred by partners based on preset risk criteria. The Committee appreciated the UNFPA support for local organizations as a good practice, linked to sustainability, noting also that issues of trust and internal systems cannot be compromised. It expressed some concern that the partners with the weakest controls were the smallest ones but appreciated the efforts for cost-effectiveness. **The Committee commended UNFPA for thinking through IP assurance issues and moving in the right direction, with attention to the kinds of partnerships that might be most appropriate. It expressed broad support for the options being considered. It stressed that the capacity of country offices for due diligence and risk management was critical and proposed following up with internal audit to gain more insights on quality assurance and actual operations in country offices.**

21. *Oversight coordination and compliance.* The Committee noted that the UNFPA Oversight Compliance Monitoring Committee (OCMC) reviews internal audit recommendations at its monthly meetings. The Committee noted that in 2022, the organization had no recommendations that were more than 18 months old; and in 2023, only one or two. On the United Nations Board of Auditors (BOA), the Committee noted there were 46 new recommendations for 2023, with the largest number (13) directed at the Supply Chain Management Unit (SCMU), which was undergoing a realignment of its structure. **The Committee noted with concern the delayed implementation of BOA recommendations. The Committee also stressed the importance of ensuring that the oversight, compliance and risk management functions are adequately resourced to support these areas of work and mitigate key person risk.**

22. *Evaluation function.* The Committee was briefed on the findings of the independent peer review of the evaluation function, which concluded that the revised evaluation policy had strengthened the function and that the Evaluation Office was considered independent and

functioning well overall with some areas remained for improvement, such as the evaluation of humanitarian interventions and the strengthening of decentralized evaluations. Regular discussions with the Director of Audit and Investigation Services (OAIS) had led to improving coordination through quarterly meetings and in sharing workplans for audits and evaluations, including at the country level. It took note of a proposal for the OCMC to monitor implementation of internal audit recommendations and centralized evaluation management responses, in order to sustain improvements in their implementation rates. The Committee was informed there would be a substantial increase in decentralized evaluations, governed by the new evaluation policy, through a combination of country and regional programme evaluations and project-level evaluations, with possibly some country and humanitarian evaluations managed by regional offices. The Committee noted that UNFPA total expenditure on the evaluation function in 2022 was \$9.7 million, representing 0.8 per cent of total programme expenses and 2.5 per cent of regular resources. Since additional resources for evaluation were mainly from other resources, which have increased at a higher rate, UNFPA was considering a phased approach to establishing a pooled evaluation fund, and the inclusion, on a voluntary basis, of a budget line for evaluation in upcoming donor agreements that were over \$5 million. **The Committee welcomed the proposed reporting lines and stressed that central evaluation should be involved in project evaluations because methodologies could become compromised where country offices were interested in increasing funding. It also welcomed the Evaluation Office strategy for communicating evaluation results, to make sure evaluations are relevant and to facilitate their use within the organization. The Committee noted the new evaluation policy, and encouraged exploring a systemwide approach to funding project evaluations.**

23. Office of Audit and Investigation Services (OAIS) – audit. The Committee welcomed the approval by the Executive Director of the revised OAIS charter, which was a clear milestone and in response to a recommendation by the BOA. However, it took note with concern of a recent assessment finding that UNFPA had audited only half of country offices in 10 years, and that some had never been audited. **It agreed with the OAIS Director that this represented a significant risk exposure for the organization, and supported updating of the risk assessment model to reflect this. The Committee took note of some of the issues emerging from audits in 2023, including on quality control and the storage of commodities related to the repositioning of humanitarian supplies, and it noted that the organization needed to work on these issues, given the risks and concerns around accountability. The Committee noted that there was a critical need for an enhanced operational strategic framework for humanitarian preparedness and capacity, given the high share of humanitarian activities in the organizational budget. It recognized that some of challenges included the need for OAIS auditors to keep up with the changing service-delivery environment.**

24. The Committee, in light of issues during its recent field trip, queried whether auditees were given enough time to respond to the auditors' question. Stressing that meeting deadlines should not come at the cost of quality, it recommended a phased approach to reviewing drafts of reports, based on standard guidelines, so that auditees can plan and prepare properly as consult with the regional office when needed. The Committee asked about discrepancies between regional and country office audits and whether regional audits necessarily captured issues such as the adequacy of regional office support to country offices. It supported the current OAIS workplan involved auditing at least one regional office every year, and also the audit methodology, which now included triggering a root cause analysis of the regional office, based on similar findings across country offices, and efforts to ensure a focus on both compliance and performance. **The Committee also recommended presenting recommendations more clearly in audit reports so that critical issues are more clearly communicated to management.**

25. Office of Audit and Investigation Services (OAIS) – investigation. The Committee commended OAIS for making progress in clearing the backlog of cases while also addressing new ones, noting that the 409 current cases in 2023 represented an increase of 130 per cent over 2018. It appreciated that OAIS was closely tracking the clearance of its backlog of cases and that it had also been tracking patterns and lessons that could be considered for the future. The Committee was informed that half of new cases related to fraud/financial issues but that

a large share was also related to allegations of sexual misconduct and other prohibited conduct, many of which involved implementing partners. It agreed that clear controls were needed, particularly related to sexual exploitation, abuse and harassment cases. It also noted that the rising number of cases overall reflected the fact that UNFPA had almost doubled its programme delivery, with more partners and risks involved. **The Committee stressed that having cases open for an extended period would lead to concerning breakdowns in trust and credibility; it also suggested that the current change management process should emphasize prevention so that issues do not move forward to investigation. Since the total number of investigation cases might mask the complexity of some cases, it also suggested reporting against a typology of cases to clarify some differences, possibly employing a sub-analysis of prohibited conduct cases as well as a clearer breakdown of data based on cases involving internal staff, implementing partners and third-party personnel.**

26. The Committee noted with concern that in some fraud cases, the amounts were high, with a considerable number of high-priority cases involving senior staff. The Committee was briefed by OAIS on its experience of outsourcing some investigations and agreed that while contractors could help clear the backlog of cases, it is important for OAIS to monitor the quality of their work and their interactions with staff. Accordingly, it supported the segmented approach used by OAIS, hiring certain companies to work specifically with implementing partners on the ground. The Committee welcomed the provision, where appropriate, of advisory services by OAIS, such as on funding agreements, policies, personnel management and donor engagement, among others. It also agreed that the lessons emerging from audits and the new risks identified could be more systematically included in advisory notes.

27. *Ethics office.* The Committee met with the Ethics Advisor at each of its Meetings and was given an overview of the range of requests for advice from the office, and its continued efforts to improve the Financial Disclosure Programme, and received assurance that the office was receiving the support it needed from senior management and was able to operate with the necessary independence and resources.

28. *Protection against sexual exploitation and abuse and sexual harassment (PSEA/SH).* The Committee welcomed the strong emphasis UNFPA continued to place on PSEA; it also acknowledged efforts to develop a uniform PSEA reporting template by UNFPA, UNDP and UNOPS, which would be more evidence-driven and equipped to analyse trends and patterns. This would help organizations be more proactive in minimizing and preventing factors that contributed to SEA/SH permissive environments. On issues around reporting, the Committee learned that women-led organizations are often the first point of contact for survivors, and it affirmed that survivor-centred principles should be globally applied in investigation processes. The Committee welcomed the intention to build a cadre of women investigators who are experts on protection, and suggested a pilot country could provide a valuable demonstration. On building sensitivity in a multicultural institution, the Committee stressed that UNFPA worked so much with young people and sexual and reproductive health issues that it needed a strong approach. It endorsed the notion of UNFPA leadership as “best in class” on these issues, something that the Committee had advocated previously, including on the survivor-centred approach and its focus on reported and unreported cases. It also expressed support for management efforts to build staff capacity in PSEA/SH.

29. *Follow up to JIU and internal and external audit recommendations.* The Committee welcomed the rate at which recommendations had been closed and appreciated the continued strong organizational push by management to track and monitor these recommendations. It noted that the UNFPA approach of using the Oversight Compliance Monitoring Committee (OCMC) to monitor and track progress was a best practice. It stressed that the long outstanding audit recommendations needed to be addressed and suggested that those recommendations unresolved for too long should be discussed at Executive Committee meetings. The Committee welcomed the use of root cause analysis as part of the management review in addressing JIU recommendations. UNFPA was encouraged to continue its analyses of audit findings to identify cross-cutting challenges and persistent risks.

30. *Meetings with the United Nations Board of Auditors.* The Committee met with representatives of the Board of Auditors (BOA) in closed sessions, in which it discussed, *inter alia*, issues around the Board of Auditors’ workplan, as well as its 14 recommendations on

supply chain management. It endorsed the BOA focus on the ERM system Quantum going forward.

31. *Executive Board-related matters.* The Committee was informed by management on the outcomes of all Board sessions in 2023; it was also informed of the JIU review of the governance and oversight functions of the Executive Boards of UNDP/UNFPA/UNOPS, UNICEF and UN-Women, which concluded at the end of 2023.² The Committee noted that one of the JIU recommendations involved the reporting lines of the OAC.

IV. Conclusion

32. In 2024, the Committee will continue to review relevant activities, records, risks and controls, particularly those relating to the achievement of results set out in the UNFPA Strategic Plan, 2022-2025, and the 2030 Agenda for Sustainable Development. It will also review potential risks and identify opportunities for improvements in organizational effectiveness and efficiency.

33. The Committee will continue to follow up, among other matters within its mandate, on the following:

- (e) Any significant risk and exposure to UNFPA, and the steps management has taken to minimize or manage such risks, including the risks related to information and communication technology, the implementation of the new ERP system, as well as the ongoing UNFPA headquarters optimization process;
- (f) Policies significantly impacting financial management and reporting; the internal audit, investigation, evaluation and ethics functions; and the effectiveness of the UNFPA systems of internal control and accountability. The Committee will also continue the dialogue with the external auditors on issues of mutual interest;
- (g) Management response to issues identified by the internal audit and investigation function and assess the status of implementation of recommendations made, including those of the vendor review and sanctions mechanism;
- (h) UNFPA fraud prevention and detection policies and activities, including the arrangements in place to raise concerns in confidence about fraud, ethics, conflict of interest, violations of rules and regulations, and other oversight matters, and how these are expedited;
- (i) The work of the Evaluation Office, including in relation to the revised evaluation policy, to ensure it can continue to conduct its work without restrictions or limitations, as well as the opportunities for organization-wide learning from the evaluations conducted;
- (j) The implementation of the internal and external audit and evaluation recommendations as well as those from the Joint Inspection Unit and Board of Auditor reports;
- (k) The Ethics Office scope, plans, activities, resources, staffing and organizational structure, including the whistle-blower protection and financial disclosure programmes, as well as advisory services, and the adequacy of management response to issues identified by the Ethics Office;
- (l) The continued development and realignment of the structure and funding of the Supply Chain Management Unit and its work, particularly in relation to procurement and ‘last mile’ assurance, including in humanitarian response;
- (m) Developments in addressing sexual exploitation and abuse as well as harassment, including the investigation of these types of allegations.

34. The Committee wishes to thank the Executive Director, the Deputy Executive Directors past and present, senior staff, the staff of OAIS and the ethics and evaluation offices, the Board of Auditors and other UNFPA management and staff who participated actively in the Committee’s activities and cooperated with OAC as it performed its role in supporting the

² The report of that JIU review (JIU/REP/2023/7) was issued in January 2024.

Executive Director discharge her fiduciary responsibilities to the Executive Board as per the Oversight Policy approved by the Executive Board.
