

**UN-Women's Advisory Committee on Oversight
(ACO) Annual Report
for the period from 1 January to 31 December
2024**

Executive Board Annual Session (June 2025)

**Mei Kit Wan
Chair, Advisory Committee on Oversight**

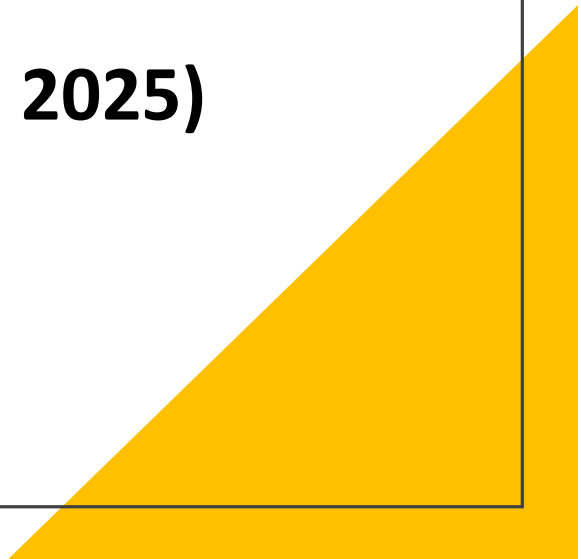



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Advisory Committee on Oversight (ACO)

Terms of Reference

Provide the Under-Secretary-General/
Executive Director with **independent, external
advice** on the Entity's overall systems of
governance, accountability, and internal control.

Composition

Five external, independent experts with skills in
**financial management, governance, evaluation,
internal audit and investigations, external audit
and risk management**

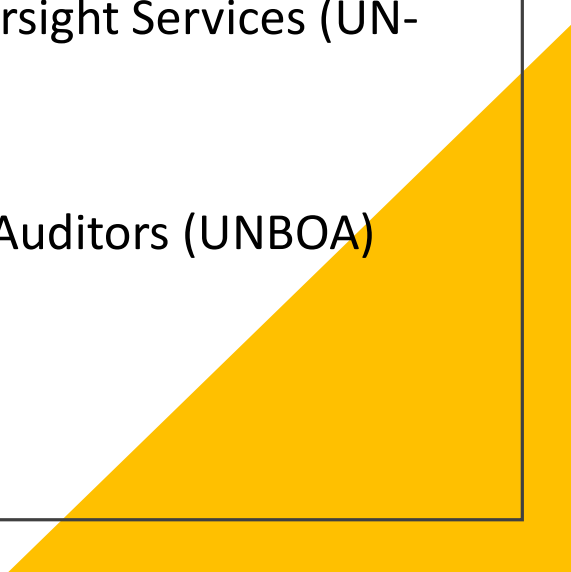
ACO 2024 Annual Report

In line with the ACO's Terms of Reference, the Committee's 2024 Annual Report focuses on two key areas:

- 1. Review of oversight functions** - Providing advice on the functioning of UN-Women's oversight mechanisms
- 2. Review of governance, risk management and control capacity, including financial management and information systems** - Providing advice on accountability systems and internal control processes

ACO's Review of Oversight Functions

Covers:

- Internal Audit Service (IAS)
 - Independent Evaluation Service (IES)
 - Independent Investigation Service (IIS)
 - UN Office of Internal Oversight Services (UN-OIOS)
 - Ethics function
 - United Nations Board of Auditors (UNBOA)
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Review of Oversight Functions: ACO's Opinion

“All functions are providing useful results to the organization. UN-Women should continue to leverage on the findings and work of the oversight functions towards a robust internal governance and risk management framework.”

Review of Oversight Functions: Key Observations

Audit	Evaluation	Investigation
<ul style="list-style-type: none">• IAS continues to deliver independent, high-quality audits and advisory services.• Significant progress made in addressing long outstanding internal audit issues.• Stronger 2nd line functions and management oversight remains important to sustain a robust control environment.	<ul style="list-style-type: none">• IES continues to contribute to corporate evaluations and inform the development of UN-Women's multi-year Strategic Plan.• Ongoing support for decentralized evaluations and training to help build evaluation capacity and skills across regional and country offices.	<ul style="list-style-type: none">• IEAIS now holds the mandate to conduct internal investigations.• An Internal Investigation Function (IIF) has been established to complement the investigation services provided by UN-OIOS.• Sustainable funding is essential to maintain the hybrid model, and potentially to fully internalize the investigation services.

Review of Oversight Functions: Key Observations

Ethics

- Notable growth and impact of the Ethics Function since its inception in April 2023.
- Enhanced staff awareness and compliance with ethical standards and policies through targeted training, clear service channels, and oversight of the Financial Disclosure program.
- Sustained and adequate funding for Ethics Office remains a concern and is critical to maintaining and building on Ethics Office's progress.

UN Board of Auditors

- UN-Women received the 13th consecutive unqualified opinion from UNBOA on its financial statements 2023.
- Notable progress made in the implementation of prior year's UNBOA recommendations.

Review of Governance, Risk Management, and Control: ACO's Opinion

“The ACO recognizes strong management commitment to organizational excellence and business transformation as key drivers for achieving UN-Women’s overall strategic goals. Continued improvements are essential to strengthen corporate governance, align resources effectively and enhance control systems.”

Review of Governance, Risk Management, and Controls: Key Observations

- **Financial Resources** : Repeated concerns about the lack of resources to fully deliver UN-Women's mandate in the field. Enhancement to the budget allocation methodology is essential to align with strategic objectives and better calibrate its operations and field presence in a constrained regular resource situation.
- **HR Function** : Strong and well-resourced HR function is vital to ensure effective alignment of human capital with UN-Women's Strategic Plan 2026-2029.
- **Pivot to the Regions and Countries** : While implementation is progressing well, continuous monitoring is crucial to anticipate challenges, ensure business continuity and proactively address staff concerns at key transition points.

Review of Governance, Risk Management, and Controls: Key Observations

- **Quantum +:** Timely execution of the ambitious Quantum + timeline to ensure the availability of reliable, integrated data for strategic planning, reporting and accountability.
- **Statement of Internal Controls:** Full implementation of Statement of Internal Controls process to demonstrate management's accountability and responsibility for effective risk management and internal control systems.
- **Enterprise Risk Management:** Sufficient investment in risk management and enhanced capacity of first and second line control functions are critical, particularly given financial constraints and ongoing organizational restructuring.