



United Nations

**United Nations Entity for Gender Equality
and the Empowerment of Women**

Financial report and audited financial statements

for the year ended 31 December 2023

and

Report of the Board of Auditors

General Assembly

Official Records

Seventy-ninth Session

Supplement No. 5L



**United Nations Entity for Gender Equality and the
Empowerment of Women**

**Financial report and audited
financial statements**

for the year ended 31 December 2023

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Report of the Board of Auditors



United Nations • New York, 2024

Note

Symbols of United Nations documents are composed of letters combined with figures. Mention of such a symbol indicates a reference to a United Nations document.

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Letters of transmittal

Letter dated 30 April 2024 from the Executive Director of the United Nations Entity for Gender Equality and the Empowerment of Women addressed to the Chair of the Board of Auditors

Pursuant to financial rule 1202 of the United Nations Entity for Gender Equality and the Empowerment of Women (UN-Women), enclosed are the financial statements for the year ended 31 December 2023. These statements have been prepared and signed by the Director of the Division of Management and Administration of UN-Women.

(Signed) Sima **Bahous**
Under-Secretary-General and Executive Director
United Nations Entity for Gender Equality and the
Empowerment of Women

**Letter dated 24 July 2024 from the Chair of the Board of Auditors
addressed to the President of the General Assembly**

I have the honour to transmit to you the report of the Board of Auditors, together with the financial report and the audited financial statements of the United Nations Entity for Gender Equality and the Empowerment of Women (UN-Women) for the year ended 31 December 2023.

(Signed) **Hou Kai**
Auditor General of the People's Republic of China
Chair of the Board of Auditors

Chapter I

Report of the Board of Auditors on the financial statements: audit opinion

Opinion

We have audited the financial statements of the United Nations Entity for Gender Equality and the Empowerment of Women (UN-Women), which comprise the statement of financial position (statement I) as at 31 December 2023 and the statement of financial performance (statement II), the statement of changes in net assets/equity (statement III), the statement of cash flows (statement IV) and the statement of comparison of budget and actual amounts (statement V) for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of UN-Women as at 31 December 2023 and its financial performance and cash flows for the year then ended, in accordance with the International Public Sector Accounting Standards (IPSAS).

Basis for opinion

We conducted our audit in accordance with the International Standards on Auditing and the International Standards of Supreme Audit Institutions. Our responsibilities under those standards are described in the section below entitled “Auditor’s responsibilities for the audit of the financial statements”. We are independent of UN-Women, in accordance with the ethical requirements relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with those requirements. We believe that the audit evidence that we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information other than the financial statements and the auditor’s report thereon

UN-Women management is responsible for the other information, which comprises the financial report for the year ended 31 December 2023, contained in chapter IV below, but does not include the financial statements and our auditor’s report thereon.

Our opinion on the financial statements does not cover the other information, and we do not express any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, on the basis of the work that we have performed, we conclude that there is a material misstatement in the other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the financial statements

UN-Women management is responsible for the preparation and fair presentation of the financial statements in accordance with IPSAS and for such internal control as management determines to be necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

In preparing the financial statements, UN-Women management is responsible for assessing the ability of UN-Women to continue as a going concern, disclosing, as applicable, matters related to the going concern and using the going concern basis of accounting unless management intends either to liquidate UN-Women or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the financial reporting process of UN-Women.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatements, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the International Standards on Auditing, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- (a) Identify and assess the risks of material misstatement in the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting one resulting from error, as fraud may involve collusion, forgery, intentional omission, misrepresentation or the overriding of internal control;
- (b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of UN-Women;
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- (d) Draw conclusions as to the appropriateness of the management's use of the going-concern basis of accounting and, on the basis of the audit evidence obtained, whether a material uncertainty exists in relation to events or conditions that may cast significant doubt on the ability of UN-Women to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause UN-Women to cease to continue as a going concern;

(e) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on other legal and regulatory requirements

In our opinion, the transactions of UN-Women that have come to our notice or that we have tested as part of our audit have, in all significant respects, been in accordance with the Financial Regulations and Rules of the United Nations and legislative authority.

In accordance with article VII of the Financial Regulations and Rules of the United Nations, we have also issued a long-form report on our audit of UN-Women.

(Signed) **Hou Kai**
Auditor General of the People's Republic of China
Chair of the Board of Auditors

(Signed) **Dorothy Pérez Gutiérrez**
Acting Comptroller General of the Republic of Chile
(Lead Auditor)

(Signed) **Pierre Moscovici**
First President of the French Cour des comptes

24 July 2024

Chapter II

Long-form report of the Board of Auditors

Summary

By its resolution [64/289](#), the General Assembly established the United Nations Entity for Gender Equality and the Empowerment of Women (UN-Women). UN-Women provides guidance and technical support to all Member States, at their request, on gender equality, the empowerment and rights of women and gender mainstreaming. It is mandated to work in consultation with national machineries for women and civil society organizations and to operate as part of the resident coordinator system within the United Nations country team by leading and coordinating the team's work on gender equality and the empowerment of women.

The Board of Auditors audited the financial statements and reviewed the operations of UN-Women for the year ended 31 December 2023. The audit was carried out at headquarters in New York from 9 October to 3 November 2023 and at the Europe and Central Asia Regional Office in Istanbul, Türkiye, from 22 November to 14 December 2023. The final audit of the financial statements was conducted at headquarters in New York from 29 April to 7 June 2024.

Scope of the report

The report covers matters that, in the opinion of the Board, should be brought to the attention of the General Assembly and have been discussed with the management of UN-Women, whose views have been appropriately reflected.

The audit was conducted primarily to enable the Board to form an opinion as to whether the financial statements present fairly the financial position of UN-Women as at 31 December 2023 and its financial performance and cash flows for the year then ended, in accordance with the International Public Sector Accounting Standards (IPSAS). The audit included a general review of financial systems and internal controls and a test examination of the accounting records and other supporting evidence to the extent that the Board considered necessary to form an opinion on the financial statements.

The Board also reviewed UN-Women operations under regulation 7.5 of the Financial Regulations and Rules of the United Nations, which allows the Board to make observations on the efficiency of the financial procedures, the accounting system, the internal financial controls and, in general, the administration and management of operations.

The Board also conducted a detailed follow-up of actions taken in response to recommendations made in previous years.

Audit opinion

In the Board's opinion, the financial statements present fairly, in all material respects, the financial position of UN-Women as at 31 December 2023 and its financial performance and cash flows for the year then ended, in accordance with IPSAS.

Overall conclusion

The Board did not identify significant errors, omissions or misstatements from the review of the financial records of UN-Women for the year ended 31 December 2023. However, the Board identified scope for improvement in the areas of budget

management, programme management, private sector partnership, and information and communications technology.

With total revenue of \$619.06 million (a decrease of \$48.94 million compared with the restated amount for 2022) and expenses of \$546.10 million (an increase of \$9.81 million compared with the restated amount for 2022), the financial performance reflected a surplus of \$79.50 million as at 31 December 2023. The overall financial position of UN-Women remained solvent in 2023, with current assets of more than nine times the current liabilities and total assets of more than seven times the total liabilities.

Key findings

The Board's key findings are as follows:

Outdated methodology for the allocation of core resources

The Board analysed the methodology for the allocation of regular resources and observed that since the year 2009, UN-Women had not evaluated its formula for the distribution of core resources (the "80-20 formula") in order to adapt it to the challenges and changes that the Entity had faced over time. In the same vein, no policy, procedure or guidance was found that established the criteria to be used by the Entity to determine the specific amounts to be allocated from the regional level to the country level.

Weaknesses in the life cycle of assurance activities

The Board reviewed the phases in the life cycle of assurance activities for the financial years 2021 and 2022 and, as a result of this review, detected the untimely submission of programme partners' audit reports, ineffective monitoring of the action plans and delays in the recording of programme partners' expenditure, and that the audit approach policy and procedure had not been reviewed.

Untimely reconciliation of interfund cash clearing account

During the revision of the financial statements, the Board analysed the balances of the "interfund cash clearing" account. From that review, it was noted that as at the date of certification of the financial statements, 30 April 2024, there were unreconciled payments with the United Nations Development Programme (UNDP), given a lack of periodic reconciliation of those payments.

Main recommendations

On the basis of the audit findings, the Board recommends that UN-Women:

Outdated methodology for the allocation of core resources

(a) **Evaluate the methodology used for the distribution rates of core resources at all governance levels in order to incorporate up-to-date information on the reality of the Entity and its operations in the field;**

(b) **Establish criteria for the distribution of core resources from the regional offices to the country offices in order to have an objective process of allocation;**

Weaknesses in the life cycle of assurance activities

(c) **Implement a preventive alert, which allows for efficient monitoring for each phase of the assurance activities' life cycle at all levels of governance;**

(d) Evaluate whether to enlarge the current criteria for the planning of assurance activities in order to ensure that they are implemented efficiently and in a timely manner, providing accurate financial information on the resources transferred to the programme partners;

(e) Accelerate the review of its policies and procedures related to assurance activities, with the aim of consolidating the use of the terms “programme partners” and “projects” to achieve a clear definition for the business units;

Untimely reconciliation of interfund cash clearing account

(f) Address the unreconciled amounts of payments made during 2023 by UNDP on behalf of UN-Women;

(g) Perform a reconciliation with UNDP at least once a month to verify the payments made by UNDP on behalf of UN-Women, in order to avoid long-standing unreconciled payments.

Follow-up of previous recommendations

The Board verified the status of implementation of previous years' recommendations up to the period ended 31 December 2022. Of the 26 outstanding recommendations, UN-Women had implemented 24 recommendations (92 per cent), and 2 recommendations (8 per cent) were under implementation.

Key facts

6	Regional offices
3	Multi-country offices
59	Country offices
7	Liaison offices
1,290	Staff employed by UN-Women
2,546	Non-staff personnel working for UN-Women
\$670.51 million	Final budget for 2023
\$619.06 million	Total revenue for the year 2023
\$546.10 million	Total expenses for the year 2023
\$79.50 million	Surplus for the year 2023
\$103.10 million	After-service health insurance, repatriation benefits and death benefits liability as at 31 December 2023

A. Mandate, scope and methodology

1. The United Nations Entity for Gender Equality and the Empowerment of Women (UN-Women) was established in 2010 to support, address and contribute to gender equality and the empowerment and the advancement of women. UN-Women supports States Members of the United Nations as they set global standards for achieving gender equality and works with governments and civil society to design laws, policies, programmes and services needed to ensure that the standards are effectively implemented and truly benefit women and girls worldwide. It works globally to make the vision of the Sustainable Development Goals a reality for women and girls and stands behind the equal participation of women in all aspects of life, focusing on four strategic priorities: (a) women lead, participate in and benefit equally from governance systems; (b) women have income security, decent work and economic autonomy; (c) all women and girls live a life free from all forms of violence; and (d) women and girls contribute to and have greater influence in building sustainable peace and resilience, and benefit equally from the prevention of natural disasters and conflicts and humanitarian action. UN-Women also coordinates and promotes the work of the United Nations system in advancing gender equality, and in all deliberations and agreements linked to the 2030 Agenda for Sustainable Development. The Entity works to position gender equality as fundamental to the Goals and a more inclusive world.

2. The Board of Auditors has audited the financial statements of UN-Women and reviewed its operations for the year ended 31 December 2023, in accordance with General Assembly resolution 74 (I) of 1946. The audit was conducted in conformity with the Financial Regulations and Rules of the United Nations, as well as the International Standards on Auditing and the International Standards of Supreme Audit Institutions. Those standards require that the Board comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free from material misstatements.

3. The audit was conducted to enable the Board to form an opinion as to whether the financial statements presented fairly the financial position of UN-Women as at 31 December 2023 and its financial performance and cash flows for the year then ended, in accordance with IPSAS. This included an assessment as to whether the expenditure recorded in the financial statements had been incurred for the purposes approved by the governing bodies and whether revenue and expenses had been properly classified and recorded in accordance with the Financial Regulations and Rules of the United Nations.

4. The audit included a general review of financial systems and internal controls and a test examination of the accounting records and other supporting evidence to the extent that the Board considered necessary to form an opinion on the financial statements.

5. The Board also reviewed the operations of UN-Women under regulation 7.5 of the Financial Regulations and Rules of the United Nations, under which the Board may make observations with respect to the efficiency of the financial procedures, the accounting system, the internal financial controls and, in general, the administration and management of the operations of UN-Women.

6. The present report covers matters that, in the Board's opinion, should be brought to the attention of the General Assembly. The Board's observations and conclusions were discussed with UN-Women management, whose views have been appropriately reflected in the report.

B. Findings and recommendations

1. Follow-up of previous recommendations

7. The Board verified the status of implementation of previous years' recommendations up to the period ended 31 December 2022. Of the 26 outstanding recommendations, UN-Women had implemented 24 recommendations (92 per cent), and 2 recommendations (8 per cent) were under implementation. Details of the status and progress in the implementation of all previous outstanding recommendations are provided in the annex to chapter II and in table II.1.

Table II.1
Status of implementation of previous recommendations

Report and audit year	Number of recommendations	Recommendations pending as at 31 December 2022	Implemented	Under implementation	Not implemented	Overtaken by events	Recommendations pending as at 31 December 2023
A/76/5/Add.12 , chap. II (2020)	23	1	1	–	–	–	–
A/77/5/Add.12 , chap. II (2021)	19	7	7	–	–	–	–
A/78/5/Add.12 , chap. II (2022)	18	18	16	2	–	–	2
Total number of recommendations	60	26	24	2	–	–	2

8. The Board acknowledged management's efforts to implement long-standing recommendations, as well as the steady commitment of the Entity to managing the recommendations arising from the audit process, and encourages UN-Women to maintain or improve the implementation rate demonstrated over the past three years.

Recommendations issued over the past six audit periods

9. As a result of the audits performed from 2018 to 2023, the Board has issued 95 recommendations and conducted 137 assessments on previous years' recommendations. A breakdown of recommendations submitted in the indicated audit periods is detailed in table II.2.

Table II.2

Implementation rates of issued recommendations, 2018–2023

Report and audit year	Number of audit recommendations issued	Number of outstanding audit recommendations as at end of audit period	Audit recommendations fully implemented as at end of audit period	
			(Number)	(Percentage)
A/74/5/Add.12 , chap. II (2018)	12	16	6	38
A/75/5/Add.12 , chap. II (2019)	11	22	15	68
A/76/5/Add.12 , chap. II (2020)	23	17	9	53
A/77/5/Add.12 , chap. II (2021)	19	29	21	72
A/78/5/Add.12 , chap. II (2022)	18	27	19	70
A/79/5/Add.12 , chap. II (2023)	12	26	24	92
Total/average percentage	95	137	94	66

10. Most of the 95 recommendations issued in the past six audit periods were related to programme management, enterprise risk management, contributions and the strategic plan. Other recommendations were focused on, among other things, budget management, information and communications technology (ICT) and private sector partnership.

11. With regard to the 137 outstanding recommendations assessed over the past six years, it was observed that, not including the first audit cycle, when the implementation rate was 38 per cent, the average implementation rate was about 71 per cent.

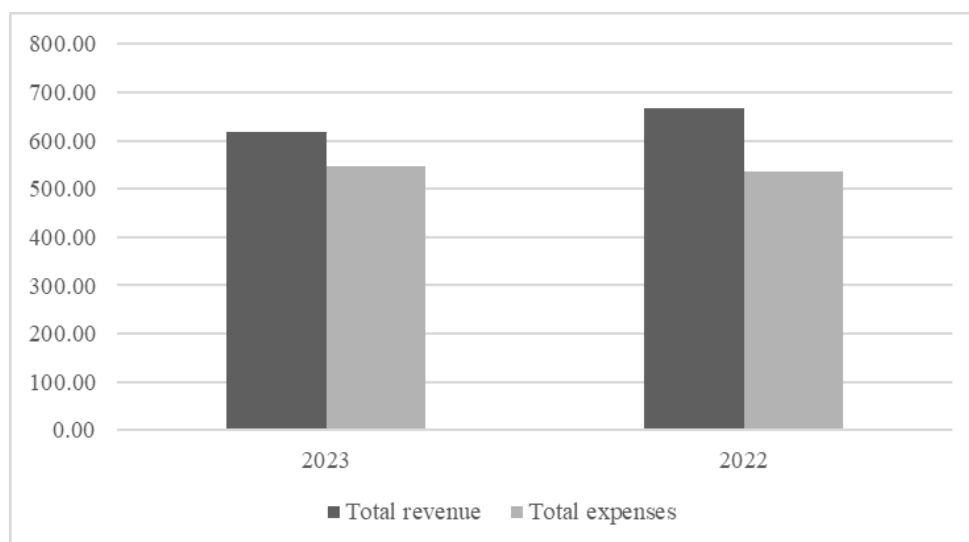
2. Financial overview

Financial performance

12. As at 31 December 2023, total revenue of UN-Women amounted to \$619.06 million (2022 (restated): \$668.00 million), against total expenses of \$546.10 million (2022 (restated): \$536.29 million), resulting in a surplus for the year of \$79.50 million (2022: \$130.82 million), a decrease of \$51.32 million (39 per cent). A comparison of revenue and expenses for the financial years 2023 and 2022 is illustrated in figure II.I.

Figure II.I
Financial performance pattern for 2023 and 2022

(Millions of United States dollars)

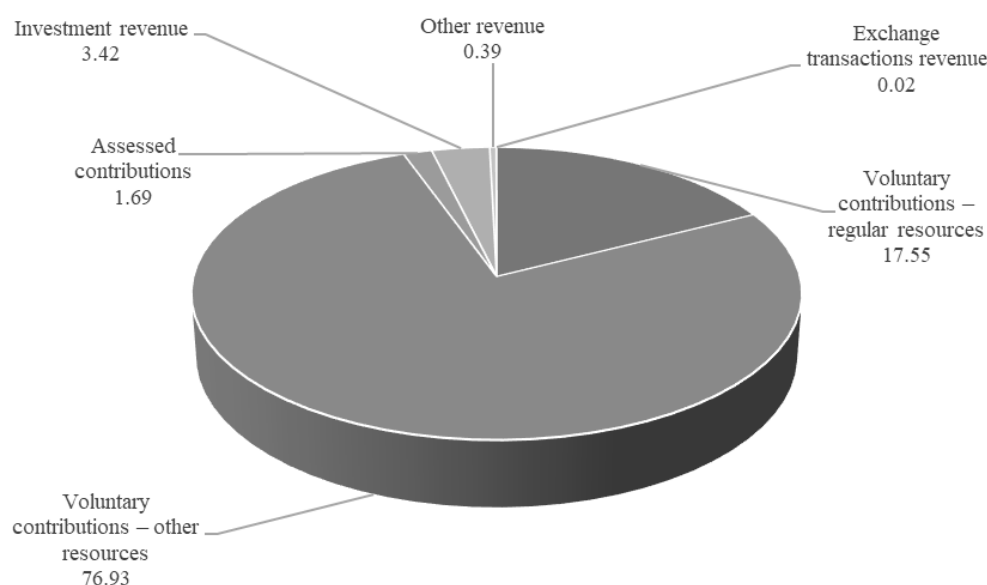


Source: Board analysis of UN-Women financial statements for the years ended 31 December 2023 and 2022.

13. The total revenue reported by UN-Women in 2023 fell by \$48.94 million, a decrease of 7 per cent over 2022. Voluntary contributions amounted to \$584.83 million (2022: \$647.60 million), representing 94 per cent of total revenue in 2023. The main component of voluntary contributions is represented by other resources, which are earmarked for specific programmes and projects. In 2023, this component increased by 11 per cent to \$476.20 million (2022: \$428.07 million), relating primarily to the resources for the implementation of a project costing approximately \$60 million in South Sudan. Regular resources or core contributions totalled \$108.63 million (2022: \$219.52 million), a decrease of 51 per cent, owing to multi-year agreements having been signed in previous years for the strategic plan period, and the revenue having been recognized as the contracts were signed and cash having been collected in accordance with the payment schedule detailed in the agreements. Moreover, donors of regular resources do not usually make additional annual contributions. The sources of revenue for 2023 are illustrated in figure II.II.

Figure II.II
Revenue by source in 2023

(Percentage)



Source: Board analysis of UN-Women financial statements for the year ended 31 December 2023.

14. The total expenses reported by UN-Women in 2023 increased by \$9.81 million, a rise of 2 per cent compared with 2022. The most significant increase under this item was that of employee benefit expenses, which reached \$186.16 million (2022: \$175.86 million), an increase of 6 per cent, related to salary and wages and the hiring of 70 employees, the revision of the salary scales and the increase in the post adjustment multiplier. Another relevant variation is an increase of 20 per cent in travel costs, reaching \$39.39 million (2022: \$32.74 million), associated with the rise in costs of tickets and the result of the changes in the mapping of the procurement catalogue to the general ledger accounts in the Quantum enterprise resource planning system.

Financial position

15. UN-Women had total assets of \$1,455.16 million (2022: \$1,324.70 million), total liabilities of \$192.97 million (2022: \$134.09 million) and total net assets of \$1,262.19 million (2022: \$1,190.60 million).

16. With regard to the composition of the assets, cash and cash equivalents increased by 72 per cent, totalling \$210.30 million (2022: \$122.04 million). This increase was attributable mainly to an increment in the money market and term deposit instruments of \$92.16 million, resulting from the classification as cash of those highly liquid investments with maturity before March 2024 that in the year 2022 were classified as investments.

17. The distribution of investments at amortized cost was 2 per cent in money market instruments, amounting to \$9.84 million (2022: \$24.90 million), and 98 per cent in bonds and notes, totalling \$512.84 million (2022: \$561.24 million). Current investments in the money market at amortized cost decreased by \$15.06 million, totalling \$9.85 million (2022: \$24.90 million), and in bonds at amortized cost amounted to \$216.53 million (2022: \$205.11 million), an increase of \$11.41 million. Likewise, non-current investments in bonds at amortized cost amounted to \$296.31 million (2022: \$356.14 million), a decrease of \$59.83 million. This shift in

allocation was attributed to the underlying interest rate. The average yield on investments for 2023 was 2.69 per cent (2022: 1.04 per cent).

18. Accounts receivable increased by 9 per cent, totalling \$528.61 million (2022: \$485.57 million). Current accounts receivable increased by 29 per cent, reaching \$341.80 million (2022: \$264.18 million). Non-current accounts receivable decreased by 16 per cent, amounting to \$186.80 million (2022: \$221.39 million). The non-current contribution receivables decreased due to multi-year contributions receivable moving to current contribution receivables and not being replaced by a similar volume of multi-year contribution agreements, owing mainly to different project lengths and existing ongoing unearmarked multi-year revenue contribution agreements being in place.

19. Liabilities reported in 2023 rose by \$58.88 million, or 44 per cent, compared with 2022. Of total liabilities, \$122.81 million (2022: \$108.09 million), equivalent to 64 per cent, represented obligations for employee benefits. The liabilities arising from post-employment benefits are determined by independent actuaries, and the 2023 actuarial report resulted in a significant actuarial loss attributable mainly to the decrease in the equivalent discount rate (from 5.37 per cent in 2022 to 5.03 per cent in 2023) in after-service health insurance.

Financial ratios

20. Despite the drop-off observed in the UN-Women ratios, the entity continues to show a sound financial position. Current assets reached \$899.36 million against current liabilities of \$93.17 million, resulting in net current assets of \$806.19 million. The current ratio decreased from 14.54 to 9.65, which was attributable mainly to the increase in accounts payable.

21. Regarding the solvency ratio, its decrease from 9.88 to 7.54 was attributable mainly to an increase in cash and cash equivalents, accounts receivable and accounts payable. Total assets exceed total liabilities by \$1,262.19 million, which indicates a healthy financial position.

22. The cash and quick ratios decreased from 7.50 to 5.12 and from 13.13 to 8.79, respectively, owing mainly to an increase in cash and cash equivalents. In this regard, the current liabilities are still covered by cash and cash equivalents, short-term investments and current accounts receivable. Table II.3 contains key financial ratios derived from the UN-Women financial statements for the years ended 31 December 2023 and 31 December 2022.

Table II.3
Ratio analysis

Description of ratio	31 December 2023	31 December 2022
Current ratio^a		
Current assets: current liabilities	9.65	14.54
Total assets: total liabilities^b		
Assets: liabilities	7.54	9.88
Cash ratio^c		
Cash and short-term investments: current liabilities	5.12	7.50
Quick ratio^d		
Cash and short-term investments and accounts receivable: current liabilities	8.79	13.13

Source: Board analysis of UN-Women financial statements for the year ended 31 December 2023.

^a A high ratio indicates an entity's ability to pay off its short-term liabilities.

^b A high ratio is a good indicator of solvency.

^c The cash ratio is an indicator of an entity's liquidity by measuring the amount of cash, cash equivalents or invested funds there are in current assets to cover current liabilities.

^d The quick ratio is more conservative than the current ratio because it excludes inventory and other current assets, which are more difficult to turn into cash. A higher ratio means a more liquid current position.

3. Budget management

23. The strategic plan 2022–2025 outlines the strategic direction, objectives and approaches of UN-Women to support efforts to achieve gender equality and empower all women and girls at the global level. In this context, the Entity uses strategic notes to align its global directions with the local priorities that the field offices face.

24. As defined in the UN-Women technical guidelines,¹ the workplan is a key management tool to achieve the results outlined in the strategic notes on an annual or biennial cycle. These guidelines also stipulate how funds and resources are allocated and provide the basis for monitoring, reporting and assessing value for money.

25. In addition, these guidelines state that the regular resource allocations will continue to be approved on an annual basis to accommodate the updated regular resources, and also indicate that all costs should be reviewed to ensure that they are aligned with the allocation ceilings. Regarding the non-core resources, the guidelines establish that business units are required to provide realistic resource estimates at the time of submission of the workplan, which include both available resources and resources to be mobilized.

26. The United Nations Development Fund for Women (UNIFEM) criteria and methodology for regular resources allocation, issued on 20 July 2009, provide the criteria by which UN-Women allocates core resources. This methodology considers only global databases, since UNIFEM was organized at the regional and subregional levels but not at the country level; it therefore establishes a formula for the distribution of core resources in accordance with this structure, where 80 per cent of these types of resources are distributed to geographic regions and the remaining

¹ The Entity has guidelines for two-year periods, namely the 2022–2023 headquarters workplan step-by-step technical guidance; the 2023–2024 regional office workplan step-by-step technical guidance; and the 2023–2024 country office workplan step-by-step technical guidance.

20 per cent are for other activities, such as thematic, cross-regional and outreach activities, among others (hereinafter referred to as the “80-20 formula”).

27. It should be noted that the 2024-2025 headquarters workplan guidance, issued on 2 October 2023, maintains the above-mentioned methodology.

Outdated methodology for the allocation of core resources

28. The Board analysed the methodology for the allocation of regular resources and observed that since the year 2009, UN-Women had not evaluated its 80-20 formula for core resources in order to adapt it to the challenges and changes that the Entity had faced over time. This becomes even more relevant if it is considered that in 2009 the total amount for core resources was \$31 million, and that it currently stands at \$65 million.

29. The above was reflected in the following situations:

(a) The methodology was based on indicators originating from 2004 to 2009 for the regional estimations, such as the gender development index and the human development index, among others, which resulted in the percentage used to allocate resources to each regional office being maintained with no adjustments and at the same proportion to date;

(b) There was no policy, procedure or guidance that established the criteria to be used by the Entity to determine the specific amounts to be allocated from the regional level to the country level;

(c) When comparing the aforementioned guidelines for the 2022–2023 and 2024–2025 bienniums, it was observed that the methodology for core resources was not mentioned in the guidance that covered the first period but appeared in the guidance covering the second biennium;

(d) Despite the fact that the methodology prepared by UNIFEM in 2009 established that any changes were to be implemented gradually in the 2012–2016 strategic plan cycle, the Board found that the methodology had been maintained in the subsequent strategic planning cycles (2018–2021 and 2022–2025) and there had been no updates as of October 2023.

30. The Board considers that the distribution of core resources, based on a methodology established in 2009 by UNIFEM and transferred to UN-Women, without an appropriate review in more than 10 years, could affect the regular resource allocation process that is carried out by the Entity, since the variables related to the current reality of the countries where its mandate is deployed are not being incorporated adequately.

31. The Board also deems that the distribution of core resources only at the regional level needs to consider an objective criterion for allocating resources at the country level in order to ensure accuracy in the determination of the resources to be allocated at that level.

32. The Board recommends that UN-Women evaluate the methodology used for the distribution rates of core resources at all governance levels in order to incorporate up-to-date information on the reality of the Entity and its operations in the field.

33. The Board recommends that UN-Women establish criteria for the distribution of core resources from the regional offices to the country offices in order to have an objective process of allocation.

34. UN-Women accepted the recommendations.

Inaccurate allocation of workplan resources

35. The Board examined the resources estimated in the workplans at the corporate, regional and country levels in the results management system² as at 19 October 2023, and compared them to the resources allocated for 2023 activities, observing that there were cost centres with significant underestimation and overestimation of resources. The details of these cases were as follows:

(a) Headquarters cost centres:

(i) Eighteen cost centres showed an overestimation of at least 20 per cent between the estimated core resources in the workplans and the allocated resources, representing a gap of \$6.19 million;

(ii) Six cost centres presented an underestimation between the institutional budget resources estimated in the workplans and the allocation of at least 40 per cent, amounting to a gap of \$4.66 million;

(iii) Eighteen cost centres showed an underestimation of at least 24 per cent between the non-core resources estimated in the workplans and the allocated resources, representing a gap of \$47.4 million;

(b) Regional and country offices cost centres:

(i) Eleven country offices cost centres presented an overestimation of at least 45 per cent between the core resources estimated in the workplans and the allocated resources, amounting to a gap of \$5.04 million;

(ii) Six country offices cost centres showed an overestimation of at least 20 per cent between the institutional budget resources estimated in the workplans and the allocation, with a gap totalling \$1.1 million;

(iii) Six cost centres (four country offices and two regional offices) showed an underestimation of at least 35 per cent between the non-core resources estimated in the workplans and the allocated resources, representing a gap of \$12.42 million.

36. In addition, the Board noted that UN-Women had no defined mechanisms that included parameters to detect significant deviations between planned resources and actual allocations.

37. The Board considers that an inaccurate estimation of resource requirements and an imprecise costing of the planned activities could have an impact on the achievement of the operational objectives and results outlined in the strategic notes by each UN-Women business unit.

38. The Board deems that the non-alignment between the workplans and the respective regular resources allocations or resource mobilization targets for non-core resources could affect the deployment commitments made by UN-Women and disbursements related to its activities.

39. The Board recommends that UN-Women redesign the controls prior to workplan approval, with the aim of ensuring that the resources estimation has been precisely identified and accurately costed, and has sufficient funds.

40. The Board recommends that UN-Women redefine its monitoring mechanisms in order to have parameters in place to detect significant deviations between workplans and resource allocations, enabling the Entity to implement corrective actions in a timely manner.

41. UN-Women accepted the recommendations.

² The results management system is the corporate tool for all field offices and headquarters units to plan, monitor and report against the workplan and provide linkages to the strategic plan of the Entity.

4. Programme management

Weaknesses in the life cycle of assurance activities

42. The UN-Women audit approach policy, issued on 13 December 2012, establishes a risk-based model to carry out audits over projects executed by programme partners. Likewise, the audit approach procedure, also issued on 13 December 2012, establishes the phases of control activities (planning, preparation, audit and reporting and compliance phases), and the dates when they happen. This procedure also indicates that the audit report, prepared by the audit partners, should be submitted to the nationally implemented audit focal point in the Division of Management and Administration, at the headquarters of UN-Women, by 30 April of the year following the financial closure.

43. Both the above-mentioned policy and procedure state that the main criterion for planning the assurance activities is the partners' expenditures registered in the enterprise resource planning system used by UN-Women.

44. In addition, the document entitled "Procedure for the resolution of audit recommendations arising from project partner audits", issued on 30 October 2020, provides the method to ensure that all findings, recommendations and risks identified during the audit of programmatic and project activities are addressed, implemented and monitored by partners in a timely manner, that is, no later than 31 December of the year in which the relevant partner audit took place.

45. This document also indicates the life cycle of assurance activities, including the review of the partner audit report, which should consider the findings and recommendations and tailor corrective actions accordingly.

46. Moreover, the document states that a financial finding is a detection of an unsupported amount or ineligible expenditure in the partner audit report. In this regard, not all financial findings may necessarily become an ineligible expenditure.

47. The Board analysed the phases in the life cycle of the assurance activities for the financial years 2021 and 2022, and, as a result of this review, the following came to light:

(i) Untimely submission of programme partners' audit reports and action plans not addressed

48. UN-Women planned its assurance activities for programme partner expenditures for 2022 in November of the same year and communicated to all business units this plan on 16 February 2023. These assurance activities had to be finalized by 30 April 2023, as indicated by the policy; however, owing to the delay in the recording of the expenditures in the accounting books, UN-Women decided to establish a different completion date in the terms of reference (31 May 2023), together with the auditors in charge of performing the assurance activities.

49. Likewise, once the final expenditure for all programme partners had been received, the Entity decided to carry out a second partner audit plan on 20 April 2023, in order to reach an appropriate level of assurance on the partner expenses.

50. The Board reviewed the programme partners' audit report for both audit plans and the following situations were detected:

(a) As at 17 October 2023, there were still audit reports to be submitted by the auditors in charge of the assurance activities. The detail of the audit plans was the following:

(i) First audit plan: there were six programme partners with audit reports that had more than four months of delay in their submission. These reports were related to partners' expenses amounting to \$597,623;

(ii) Second audit plan: 62 out of 153 audit reports (41 per cent) were still pending submission by the auditors in charge of the assurance activities;

(b) A total of 135 out of 455 audit reports (30 per cent) of the first plan were delivered after the closure of the 2022 financial statements, on 28 April 2023. In this context, 48 out of those 135 reports contained financial audit findings totalling \$374,999.

51. In the same vein, during the review of the action plans related to the findings detected in assurance activities for the programme partners' expenditures for 2021, it was verified that, as at 17 October 2023, there were 69 action plans out of 615 (11 per cent) without an implementation status of the findings arising from those assurance activities.

52. The Board considers that belated submissions of programme partners' audit reports and the lack of follow-up of the action plan could result in an untimely resolution of financial findings. In addition, the late submission of programme partners' audit reports could lead to the late recognition of potential ineligible expenditures identified in programme partner audits, thereby affecting the recognition of those resources. Likewise, this situation may affect the certainty that these funds were properly utilized for the purpose for which they were intended.

53. The Board recommends that UN-Women implement a preventive alert, which allows for efficient monitoring for each phase of the assurance activities' life cycle at all levels of governance.

54. UN-Women accepted the recommendation.

(ii) Delay in the recording of programme partners' expenditure

55. The migration of balances of programme partners' advances for 2022 in the Quantum enterprise resource planning system was finalized at the beginning of the third quarter of 2023. Thus, the liquidation of partners' advances and project closure was still in progress and was expected to normalize by year-end 2023.

56. In this context, the Board reviewed the programme partners' expenditures recorded in Quantum general ledgers and it was noted that, from January to October, the level of expenditure of programme partners recorded as at 31 October 2023 was 63.40 per cent lower than in 2022 and 70.07 per cent lower than in 2021, delaying the planning process for the 2023 assurance activities, given that the main criterion for this process is the expenditures incurred by the partners.

57. In addition, the amount of outstanding partner advances recorded as at 31 October 2023 was \$106,399,722, which was 42.86 per cent higher than the amount recorded as at 31 October 2022 (\$74,477,409) and 42.91 per cent higher than the amount recorded as at 31 October 2021 (\$74,450,873).

58. The above-mentioned becomes even more relevant considering that the Board of Auditors had already established room for improvement in the recording of programme partners' expenditures in its previous report ([A/78/5/Add.12](#), chap. II, paras. 71–79).

59. The Board considers that using programme partner expenses as the main criterion to design the audit plan of the assurance activities could mean that partners who have an underexecution of activities and outstanding advances may not be included, owing to delays in the recording of these transactions.

60. **The Board recommends that UN-Women evaluate whether to enlarge the current criteria for the planning of assurance activities in order to ensure that they are implemented efficiently and in a timely manner, providing accurate financial information on the resources transferred to the programme partners.**

61. UN-Women accepted the recommendation and indicated that it had been moving forward with drafting a new assurance activities policy and procedures that consider the evaluation of new planning criteria for this matter.

(iii) *Overdue policy on assurance activities*

62. Despite the fact that the Entity had been drafting new regulations related to assurance activities, the Board verified that, as of October 2023, the audit approach policy and the audit approach procedure had not been reviewed by UN-Women, which is not aligned with the review date of April 2023 established in the above-mentioned policy and procedure.

63. Furthermore, although the Entity had defined risk levels for programme partners, neither the policy nor the procedure had any parameters for defining project risk levels.

64. In addition, it was noted that the definitions of “project” and “programme partner” were used indistinctly for the same purpose within the above-mentioned policy and procedure. For instance, paragraph 5.4.1 of the audit approach policy indicates that “the targeted overall audit coverage is at least 40 per cent of the total non-government, government, and non-United Nations intergovernmental organizations project expenditures during the audit period”.

65. The Board deems that the indistinct use of the terms “programme partners” and “project” in the policy and procedure could lead the business unit in charge of carrying out this process to misinterpret them when referring to risk levels and the different phases of the assurance activities’ life cycle.

66. **The Board recommends that UN-Women accelerate the review of its policies and procedures related to assurance activities, with the aim of consolidating the use of the terms “programme partners” and “projects” to achieve a clear definition for the business units.**

67. UN-Women accepted the recommendation.

5. Finance payment process

Untimely reconciliation of interfund cash clearing account

68. In January 2023, UN-Women implemented a new enterprise resource planning system called Quantum, which supports the preparation of the Entity’s financial statements and is managed by the United Nations Development Programme (UNDP). Quantum replaced the former Atlas system.

69. For establishing a collaboration framework and defining the roles and responsibilities related to the operation and management in Quantum of Entity-specific information, UN-Women and UNDP subscribed to a memorandum of understanding in March 2023 and a service level agreement in May 2023. These documents emphasize that UN-Women is the owner and is responsible for the management of the information housed in the system.

70. Regarding the functionalities of Quantum, unlike Atlas, which considered UNDP and UN-Women as two business units under the same legal entity, the architecture of the new enterprise resource planning system requires a separate treatment for these entities. Thus, each of them has its own ledgers in Quantum.

71. Moreover, UNDP provides UN-Women with administrative support in different areas, including being in charge of the Entity's treasury; therefore, UNDP makes payments to suppliers on behalf of UN-Women.

72. In this manner, from an accounting treatment perspective, the "expenditure" account is initially debited to reflect the invoice, while the "accounts payable" account is credited for the same amount. Once an invoice is picked for payment, it is debited from the "accounts payable" account and is credited in "interfund cash clearing" with UNDP, which carries out the cash payment to the vendors. This process is commonly known as "dummy payment".

73. To reconcile the payments made by UNDP, the process named "dummy bank reconciliations" is carried out, in which the "interfund cash clearing" account is debited and the "due to UNDP" account is credited. Therefore, at this point, there is certainty of the amounts and items UN-Women owes to UNDP for payments to suppliers. Finally, to clear the amounts owed to UNDP, UN-Women debits cash clearing accounts and credits in the "due to/due from UNDP" account.

74. During the revision of the financial statements, the Board reviewed the balances of the "interfund cash clearing" account, which amounted to \$7.5 million in payables as at 31 December 2023. From that review, it was noted that as at the date of certification of the financial statements, 30 April 2024, there were \$1.6 million of unreconciled payments, which were followed up by UN-Women with UNDP, in order to check why these were outstanding of conciliation. Details of the ageing unreconciled payments as at 31 December 2023 are provided in table II.4.

Table II.4

Unreconciled payments

(United States dollars)

<i>Ageing</i>	<i>Amount</i>	<i>Percentage</i>
Less than 30 days	558 986	34.5
31–90 days	2 015	0.1
91–180 days	920 394	56.9
More than 181 days	137 795	8.5
Total	1 619 190	100

Source: Board of Auditors, based on data provided by UN-Women.

75. In May 2024, the Board inquired of the Entity about the status of the unreconciled payments, and the Administration indicated that the amount was updated by means of the latest interface payment report run by UNDP, with the result that \$176,541 had not been reconciled.

76. The Board deems that the lack of periodic reconciliation of payments made by UNDP on behalf of UN-Women is resulting in an accumulative effect on the outstanding financial figures, which could trigger the loss of control of payments made by UNDP, delays or inaccurate payments to suppliers.

77. In addition, the unreconciled debt figures with UNDP may increase cash balances, owing to UN-Women not being able to clear the debt until such figures are reconciled. Thus, the position of cash balances and accounts payable is not appropriately reflected.

78. The Board recommends that UN-Women address the unreconciled amounts of payments made during 2023 by UNDP on behalf of UN-Women.

79. **The Board recommends that UN-Women perform a reconciliation with UNDP at least once a month to verify the payments made by UNDP on behalf of UN-Women, in order to avoid long-standing unreconciled payments.**

80. UN-Women accepted the recommendations.

6. Private sector partnership

Discrepancies in reports of national committees

81. In January 2022, UN-Women issued guidance on the establishment of national committees in new markets, which states that the national committees are independent non-profit and non-governmental organizations established to generate greater political and financial support for the Entity. These organizations conduct fundraising activities to support the UN-Women programmes worldwide. Likewise, national committees, also known as partners, are subject to local laws and are constituted in accordance with those laws as autonomous and independent organizations.

82. Moreover, the above-mentioned guidance establishes that the recognition agreement is the standard contract that sets out the terms and conditions of the relationship between UN-Women and each national committee. Likewise, the guidance indicates that the joint partner agreement is the contract that implements the recognition agreement, which is comprised of the joint partner plan and other relevant reporting documents, such as:

(a) Midyear and annual progress reports, in which partners' performance is exposed;

(b) Revenue and costs report, where the partner provides the projected, estimated and actual revenue from fundraising and other income and expenditures using the respective template;

(c) Contribution transfer report, in which the partner provides to UN-Women a report indicating the contributions raised and summarizing all gross revenue received, the net amounts remitted, and any restrictions applied to funding raised. The partner will make sure that the contributions transferred to the Entity are equal to the amounts remitted to UN-Women pursuant to the contribution transfer report.

83. With respect to financial statement information of national committees, the standard recognition agreement states that the partner shall submit annual audited financial statements for the calendar year, audited by a firm licensed to issue audit opinions in accordance with national requirements.

84. The Board reviewed the reports submitted by the 12 national committees to UN-Women during the year 2022 and those related to the first semester of 2023. From this analysis, the following situations were detected:

(a) There were discrepancies between three national committees' annual progress reports for 2022 and the amounts of remittances recorded in the UN-Women accounting;

(b) There was a difference between the remittance for 2022 reported by one national committee through its revenue and costs report and the amount of contributions recorded in the UN-Women accounting;

(c) There were disparities between the remittances for 2022 reported by three national committees through their contribution transfer report and the amounts of remittances registered in the UN-Women accounting. These discrepancies were due to clerical errors.

85. In addition, the remittances from the 12 partners to UN-Women and their financial statements for 2020, 2021 and 2022 were reviewed. Inconsistencies were observed between what was reported by the national committees in their financial statements prepared on an accrual basis, and the remittances recorded in the UN-Women accounting.

86. The Board noted that, in the years 2020, 2021 and 2022, UN-Women operated with national committees that did not provide the minimum required information on the financial statements (see table II.5).

Table II.5

Number of national committees that did not provide financial statement information

<i>Required information</i>	<i>2020</i>	<i>2021</i>	<i>2022</i>
Statement of financial position	1	–	–
Statement of comprehensive revenue/expenditures	1	–	–
Statement of cash flow	5	6	6
Notes to the statements	2	3	3
Independent auditor's report	–	2	–

Source: Board of Auditors, based on data provided by UN-Women.

87. The Board considers that the discrepancies observed between the remittances reported by national committees and the revenue figures that UN-Women keeps from these organizations denote a lack of effective controls to monitor this type of fundraising activities, which could impact the reliability, timeliness and accuracy of the resources raised through this modality and the subsequent disclosure that UN-Women shall provide to its stakeholders.

88. The Board recommends that UN-Women review the minimum financial statement information requested of national committees, with the aim that the partners can provide feasible information in accordance with their national accounting standards.

89. The Board recommends that UN-Women redesign the review process related to the reports submitted by national committees in order to have accurate and timely information about the partners' fundraising activities.

90. UN-Women accepted the recommendations.

7. Information and communications technology

Lack of oversight of the segregation of duties in Quantum

91. The UN-Women internal control framework policy, issued on 8 August 2023, mandates the segregation of duties as a key control to minimize the risk of errors or fraud. This policy is supported by the procedure on the management of ICT access controls, issued on 14 June 2021, which highlights the “principle of least privilege” in determining access rights.

92. Furthermore, the internal control framework implementation procedure, issued on 11 August 2023, defines the different responsibilities present in Quantum and is composed of various elements related to a role, including the assignment of a business profile, a supplementary function and a business area. It also establishes a matrix called “roles pairing options and conflicts internal control framework” to identify roles that should not be assigned concurrently, as they represent potential conflicts.

93. The Board conducted a review of the existing users and roles included in Quantum as at 19 October 2023. As a result of the review, 25 cases of assignment conflicts were detected, which are contrary to the internal control framework matrix defined by UN-Women. The cases are detailed below:

(a) Eighteen users with conflicts between the roles of business profile finance user and supplementary function expense receiver;

(b) Five users with an overlap between the roles of business profile verifying officer and supplementary function expense receiver;

(c) Two users were assigned multiple business profiles, which should not be allowed by the system. One of these users was also segregated between the business profile project manager and supplementary function voucher creation roles.

94. It was confirmed by UN-Women that 23 of these role conflicts (see para. 93 (a) and (b) above) occurred from an automatic role assignment process initiated by UNDP during the implementation of the enterprise resource planning system in January 2023.

95. Likewise, UN-Women explained that the issue with the multiple business profile assignments to the two users (see para. 93 (c) above) was due to a discrepancy in the timing of data synchronization between the Quantum enterprise resource planning system and the reporting capability of the identity access management system.

96. The Board deems that the cases detected may indicate a lack of adequate oversight to enable timely corrective actions to be implemented when role conflicts occur within Quantum, which could affect the principle of least privilege in determining the access rights and the proper segregation of duties required by UN-Women in its operations.

97. Lastly, the Board considers that even though the system is managed by UNDP, as stipulated in the memorandum of understanding and the service level agreement, the owner and responsible party for the management of the information is UN-Women, and therefore the Entity is urged to have adequate control over its information and who has access to it.

98. The Board recommends that UN-Women conduct a comprehensive review when a new role conflict definition is created in Quantum, in order to prevent the occurrence of the risks identified by the Entity.

99. UN-Women accepted the recommendation.

C. Transmissions of information by management

1. Write-off of cash, receivables and property

100. In accordance with regulation 21.1 of its financial regulations and rules, UN-Women informed the Board that losses of receivables were written off in the amount of \$122,930. In addition, there were no write-offs related to cash or property, plant and equipment.

2. Ex gratia payments

101. In accordance with regulation 20.6 of its financial regulations and rules, UN-Women informed the Board that \$17,380.57 in ex-gratia payments had been paid in 2023.

3. Cases of fraud and presumptive fraud

102. In accordance with the International Standards on Auditing (ISA 240), the Board plans its audits of the financial statements so that it has a reasonable expectation of identifying material misstatements and irregularity, including those resulting from fraud. Our audit, however, should not be relied upon to identify all misstatements or irregularities. The primary responsibility for preventing and detecting fraud rests with management.

103. During the audit, the Board made enquiries of management regarding its oversight responsibility for assessing the risks of material fraud and the processes in place for identifying and responding to the risks of fraud, including any specific risks that management had identified or that had been brought to its attention. The Board also enquired as to whether management had any knowledge of any actual, suspected or alleged fraud, and this included enquiries of the Independent Evaluation and Audit Services. The additional terms of reference governing external audits included cases of fraud and presumptive fraud in the list of matters that should be referred to in its report.

104. In 2023, the Office of Internal Oversight Services (OIOS) of the United Nations completed investigations into 10 cases initially categorized as presumptive fraud or financial irregularities. In four of the cases, no fraud or financial irregularities were substantiated. Six cases were substantiated and included entitlement fraud, lack of disclosure of outside activities, undeclared conflict of interest, and forgery. In addition, there were three completion memorandums about programme partner fraud in which the amount was not quantified. Overall, they included substantiated amounts of confirmed or presumptive fraud totalling \$65,643. In relation to one of the cases, the fraud resulted in the loss of \$56,744.40 by UN-Women in 2023. The losses will be recorded as write-offs once all avenues for recovering the funds have been fully exhausted.

105. To address the substantiated cases, UN-Women was taking action in accordance with the Legal Framework for Addressing Non-Compliance with United Nations Standards of Conduct or agreements between UN-Women and related parties.

106. As at 31 December 2023, OIOS had under investigation nine cases involving allegations of presumptive fraud or financial irregularities, including allegations of procurement irregularities, fraud by programme partners and undeclared conflict of interest.

D. Acknowledgement

107. The Board expresses its sincere appreciation and gratitude to the management and staff of UN-Women for the assistance and cooperation extended during the conduct of the audit.

(Signed) **Hou Kai**
Auditor General of the People's Republic of China
Chair of the Board of Auditors

(Signed) **Dorothy Pérez Gutiérrez**
Acting Comptroller General of the Republic of Chile
(Lead Auditor)

(Signed) **Pierre Moscovici**
First President of the French Cour des comptes

24 July 2024

Annex

Status of implementation of recommendations up to the financial year ended 31 December 2022

No.	Audit report year	Report reference	Recommendation	Management's response	Board's assessment	Status after verification			
						Implemented	Under implementation	Not implemented	Overtaken by events
1.	2020	A/76/5/Add.12 , chap. II, para. 32	The Board recommends that UN-Women set and incorporate the risk tolerance levels to guide the process of risk assessment, in order to include the risk tolerance at the time of implementation of additional mitigation measures to reduce the risk rating or severity to an acceptable level.	UN-Women informed the Board that it was implementing the risk tolerance boundaries contained in the risk assessment and risk validation guidance, which was closely linked to the quarterly business review process. The risk tolerance boundaries would guide management on the degree of risk acceptable to UN-Women to achieve its objectives while operating within the broad risk appetite. Furthermore, the boundaries would be used to flag risk tolerance breaches to risk owners to ensure that, where required, changes would be made to mitigating actions to reduce the likelihood or impact of identified risks.	The Board verified that the risk assessment and risk validation guidance, dated October 2023, included risk propensity scales and risk tolerance levels during the risk assessment and validation processes. The guidance also establishes the deadlines for monitoring and reviewing the associated risks. Therefore, this recommendation is considered implemented.	X			
2.	2021	A/77/5/Add.12 , chap. II, para. 41	The Board recommends that UN-Women address the partner's audit financial findings in a timely manner, with the aim of generating certainty regarding the proper use of the resources transferred to the partner.	UN-Women reported that it had improved the corporate monitoring of closures of partners' audit financial findings by designating a corporate business process owner for the partner audit portfolio. In addition, UN-Women has gained traction and steadily resolved partners' audit financial findings, reaching a 74 per cent closure rate of the 2021 outstanding financial findings as of May 2024. UN-Women continues to work closely with the offices to address the identified root causes of the findings by reviewing the partners' audit reports, considering the findings and recommendations, and tailoring corrective action accordingly for the closure of the remaining financial findings.	The Board reviewed the procedure for the resolution of audit recommendations arising from project partner audits, which establishes a flow chart to solve the financial findings in different situations. Furthermore, the Board noted that the Entity had been addressing the financial findings, with only 26 per cent of the financial findings currently pending resolution, which represents a significant improvement compared with recent years. Consequently, this recommendation is considered implemented.	X			

No.	Audit report year	Report reference	Recommendation	Management's response	Board's assessment	Status after verification			
						Implemented	Under implementation	Not implemented	Overtaken by events
3.	2021	A/77/5/Add.12 , chap. II, para. 42	The Board recommends that UN-Women resolve the long-standing partners' audit financial findings in a swift manner, in order to clarify the use of the funds transferred to partners in prior years.	The Entity informed the Board that the corporate monitoring of closures of partners' audit financial findings had been strengthened with a designated corporate business process owner for the partner audit portfolio. The financial findings during the period 2012–2017 had been fully closed in 2022 through a one-time conclusive assessment exercise. With regard to the 2018–2020 period, UN-Women had resolved 74 per cent of the financial findings mentioned in the Board's report and was working closely with the country offices to close the remaining 26 per cent.	The Board reviewed the status of the long-standing partners' audit financial findings, where only 26 per cent of the financial findings from 2018 to 2020 are still pending resolution, which denotes the management's efforts to address them. Therefore, this recommendation is considered implemented.	X			
4.	2021	A/77/5/Add.12 , chap. II, para. 74	The Board recommends that UN-Women coordinate with business owners and the future users of the new enterprise resource planning system, "Quantum", in the procurement process, to raise system requirements in order to generate standard, timely and useful reports for users, which capture global data for all stages of the procure-to-pay cycle.	The Entity informed the Board that the procurement team had collaborated with field and regional offices, forming a working group, and had identified specific reporting and oversight requirements which had been used as the basis for developing a dashboard to facilitate the oversight and monitoring of UN-Women procurement activities. These requirements have been shared with UNDP, the main custodian of the Quantum data centre, with a view to ensuring that they are fully aligned with the data centre's operational needs. Consequently, the respective data have been transmitted from the UNDP Quantum team to the UN-Women data warehouse, which serves as a centralized repository, facilitating easy access to vital data and enabling the creation of procurement dashboards tailored to UN-Women reporting and analytical needs.	The Board verified that the Entity undertook collaborative work with the field offices to identify the needs of users of the system for reporting on the procure-to-pay cycle. Furthermore, it noted that UN-Women had made significant progress in delivering reports on the procurement process that were based on the information managed in Quantum. Therefore, this recommendation is considered implemented.	X			

No.	Audit report year	Report reference	Recommendation	Management's response	Board's assessment	Status after verification			
						Implemented	Under implementation	Not implemented	Overtaken by events
5.	2021	A/77/5/Add.12 , chap. II, para. 89	The Board recommends that UN-Women include all regular resources and other resources contribution agreements in its enterprise resource planning system, to automatically convert these resources in foreign currencies into United States dollars.	UN-Women reported that it had amended its procedures to ensure that all regular and other resources funded through contribution agreements were entered into the now obsolete Atlas system. UN-Women also showed that the automated Atlas statement of contributions report was updated with the regular resources donor agreements before UN-Women completed its financial statements for the year ended 31 December 2021. The same procedures were adopted and implemented in the new enterprise resource planning system, Quantum, for regular resource contributions.	The Board verified that UN-Women had modified its procedures to ensure that all regular and other resources funded by contribution agreements are entered into the new enterprise resource planning system, Quantum. Accordingly, the Board considers the recommendation implemented.	X			
6.	2021	A/77/5/Add.12 , chap. II, para. 109	The Board recommends that UN-Women implement a workplan in order to correct the lack of compliance with the mandatory training courses.	The Entity reported that it had implemented its workplan related to mandatory courses, which included the following key actions: (a) regularly provide reports on mandatory course completion (quarterly and on demand); (b) highlight responsibility for mandatory course completion in human resources orientations for new hires (monthly); (c) include mention of mandatory course requirements in letters to new hires; (d) enforce the requirement of mandatory course completion as a prerequisite for approval of additional organization-funded training requests; (e) implement automated enrolment in courses and notifications on missing completion in the Quantum learning management system; and (f) send a global message to all personnel reminding them of mandatory course requirements.	The Board verified that UN-Women had implemented a workplan that enabled it to address the observed situation, thus improving its compliance rate with the mandatory training courses. Accordingly, this recommendation is considered implemented.	X			

No.	Audit report year	Report reference	Recommendation	Management's response	Board's assessment	Status after verification			
						Implemented	Under implementation	Not implemented	Overtaken by events
7.	2021	A/77/5/Add.12 , chap. II, para. 110	The Board recommends that UN-Women redesign the monitoring control related to mandatory training courses in order to mitigate the risks of non-compliance, encouraging the engagement of all governance levels with these personnel obligations in a preventive manner.	UN-Women informed the Board that it had developed and implemented a system of controls to improve compliance with the mandatory courses. The system has the following characteristics: (a) designated officials have access to run mandatory course reports in Quantum; (b) the Quantum learning management system has been enhanced to automatically enrol new employees in mandatory courses; and (c) an automatic notification system has been created in the Quantum learning management system to send reminder notices for mandatory course completion to employees and their supervisors.	The Board verified the monitoring controls implemented by the Entity to allow the business unit to proactively alert on compliance with mandatory courses. Therefore, this recommendation is considered implemented.	X			
8.	2021	A/77/5/Add.12 , chap. II, para. 125	The Board recommends that UN-Women update and document the activities related to information security, with timely monitoring, in order to mitigate the risks regarding information security at all governance levels (global, regional and country).	The Entity reported that it had updated and harmonized the field office information security and compliance procedure with the newly released United Nations cybersecurity minimum baseline standard adopted by all agencies in the Digital and Technology Network of the High-level Committee on Management. In addition, through the quarterly business review, it monitored in a timely manner and increased the visibility of cybersecurity compliance to senior management as one of the key performance indicators reported to the UN-Women Business Review Committee. An increase has been noted in the rate of compliance of field offices with cybersecurity standards compared with during the audit. This has resulted in a significantly improved understanding of the importance of information security at all organizational levels,	The Board verified that progress had been made in updating and documenting activities related to information security. This has enabled the Entity to mitigate the associated risk at all levels of governance. As a result, this recommendation has been implemented.	X			

No.	Audit report year	Report reference	Recommendation	Management's response	Board's assessment	Status after verification			
						Implemented	Under implementation	Not implemented	Overtaken by events
9.	2022	A/78/5/Add.12 , chap. II, para. 36	The Board recommends that UN-Women strengthen its procedures on traceability of funds used in the Sustainable Development Goals in order to have an objective process that allows for the monitoring of results over the years.	signifying its integral role in operations. Finally, the Entity organized quarterly ICT network meetings, represented by field office operations managers and ICT focal points for each country office. The meetings were valuable for sharing critical information technology-related updates, including cybersecurity news. UN-Women informed the Board that it acknowledged the importance of strengthening its procedures to improve the traceability of funds used to achieve the Sustainable Development Goals, and was committed to enhancing these procedures in line with other United Nations entities' practices under the overall harmonization efforts across the United Nations system. In this context, the Entity had finalized a mapping between its strategic plan's integrated results and resources framework for the period 2022–2025 and the Goals. Furthermore, the Entity indicated that it would ensure that the procedure on the planning, monitoring and reporting of the strategic plan better enabled the tracking of contributions towards achieving the Goals, and would strengthen the manner in which projects supported the tracking of contributions towards achieving the Goals through the recently promulgated planning, monitoring and reporting policy. Finally, UN-Women reported that it would continue to enhance its results management system, ensuring links	The Board reviewed the methodology note on the financial tracking of the Sustainable Development Goals at UN-Women, developed in 2022, and noted that it aligned the Entity's expenses with the Goals. In addition, the information until 2022 was properly available on the United Nations System Chief Executives Board for Coordination (CEB) website. Therefore, this recommendation is considered implemented.	X			

No.	Audit report year	Report reference	Recommendation	Management's response	Board's assessment	Status after verification			
						Implemented	Under implementation	Not implemented	Overtaken by events
10.	2022	A/78/5/Add.12 , chap. II, para. 37	The Board recommends that UN-Women align the results obtained at the project level with all processes carried out in the Entity's strategic notes and strategic plan in order to have access to accurate information about the use of its limited resources.	UN-Women informed the Board that it had implemented the planning, monitoring and reporting policy, which was endorsed by the Executive Director and promulgated in October 2023. This policy ensures that UN-Women plans, monitors, reports and communicates its results in a harmonized and streamlined way, from the strategic plan to strategic notes, workplans and projects. The policy introduces a simplified corporate "development results architecture" that defines the relationship between strategic notes (programmes) and projects across UN-Women. The policy institutionalizes results architectures that clarify the relationships between global, regional and country projects with headquarters division strategic notes, regional strategic notes and country office strategic notes. This structure ensures that project contributions are anchored within strategic notes to achieve the results outlined in the strategic plan. Global, regional and country projects are designed to deliver outputs of strategic notes and to contribute to the achievement of outcomes of strategic notes and strategic plan results. Finally, in order to facilitate the dissemination of information and to encourage engagement with the planning, monitoring and reporting policy and the results architecture, global webinars have been organized for UN-Women personnel.	The Board reviewed the new policy, which introduces a simplified corporate "development results architecture". This new policy defines the relationship between strategic notes (programmes) and projects and allows for a standardized approach to how results are planned, monitored and reported throughout the organization. In addition, the Board noted that UN-Women had incorporated global webinars to socialize the policy and results architecture. In the light of the above, this recommendation is considered implemented.	X			

No.	Audit report year	Report reference	Recommendation	Management's response	Board's assessment	Status after verification			
						Implemented	Under implementation	Not implemented	Overtaken by events
11.	2022	A/78/5/Add.12 , chap. II, para. 38	The Board recommends that UN-Women enhance its planning, monitoring and reporting processes related to its strategic plan in order to have accurate and timely information on all business units, thus strengthening accountability and achievements related to compliance and advances of the strategic plan.	The Entity reported that it would address the Board's recommendation by: (a) establishing the first procedure for developing, monitoring and reporting on the strategic plan; (b) building on lessons learned to continuously improve existing annual reporting processes and guidance; (c) ensuring that the revised procedures for planning, monitoring and reporting for field offices and headquarters further strengthen accountability mechanisms within UN-Women; (d) piloting the revised country office strategic planning guidance in 2023, building on the lesson from the strategic dialogue pilot in 2022; and (e) developing the full procedure for country offices, using the recently promulgated planning, monitoring and reporting policy as the basis, incorporating key lessons from the pilot guidance and ensuring alignment with the UN-Women strategic plan results and with the United Nations Sustainable Development Cooperation Framework.	The Board verified that the new policy provided an institutional framework and business requirements for the strategic plan. Furthermore, the Board conducted a direct review of the results management system, noting improvements in the planning, monitoring and reporting processes included in it. Accordingly, this recommendation is considered implemented.	X			
12.	2022	A/78/5/Add.12 , chap. II, para. 47	The Board recommends that UN-Women expedite the promulgation of an organization-wide policy to guide environmental initiatives in the programme area with the purpose of involving all the stakeholders related to the execution of programmes to accomplish environmental standards.	UN-Women informed the Board that in December 2023 it promulgated the social and environmental sustainability policy and procedure, which clearly and comprehensively provide guidance on the Entity's environmental initiatives in the areas of internal operational and external programmatic aspects. The policy and procedure are fully aligned with the relevant United Nations frameworks, such as the CEB Strategy for Sustainability Management in the United Nations System, 2020–2030,	The Board verified that UN-Women had issued an organization-wide policy to guide the Entity on environmental matters. This policy also involves all the stakeholders related to the execution of programmes. Therefore, the Board considers the recommendation implemented.	X			

No.	Audit report year	Report reference	Recommendation	Management's response	Board's assessment	Status after verification			
						Implemented	Under implementation	Not implemented	Overtaken by events
13.	2022	A/78/5/Add.12 , chap. II, para. 48	The Board recommends that UN-Women provide support that enables its offices to implement concrete actions that contribute to the improvement of environmental indicators in the strategic plan.	and the Model Approach to Environmental and Social Standards in United Nations Programming. UN-Women informed the Board that a capacity-building plan, to be rolled out in 2024, was being developed to ensure capacity in the organization to implement the new social and environmental sustainability policy and procedure. Country and regional offices developing new strategic notes and new projects would be required to implement the assessment required in the policy. This would contribute to improved reporting against the environmental indicators of the strategic plan.	The Board acknowledged the management's efforts to support its offices with guidance that contributes to the improvement of environmental indicators. However, concrete field actions are still in progress. The recommendation is therefore considered to be under implementation.		X		
14.	2022	A/78/5/Add.12 , chap. II, para. 60	The Board recommends that UN-Women strengthen the monitoring process and oversight of the existence and validity of the partner capacity assessments in order to have updated capacity information about programme partners who receive funds from UN-Women.	The Entity reported that the procedure for the selection of programme partners had been modified to indicate that if a risk-based capacity assessment expired during the lifespan of the partner agreement, the project manager should carry out a new risk-based capacity assessment or seek a valid assessment with another United Nations entity. In addition, the partner and grants agreement management system had been modified to include the date of the capacity assessment and an automatic calculation of the validity of the assessment.	The Board verified the new procedure for the selection of programme partners, which states that a risk-based capacity assessment shall be performed and not be older than four years. It also verified that the Entity included in the partner and grants agreement management system a section with details of capacity assessments and their validity. Therefore, this recommendation is considered implemented.	X			
15.	2022	A/78/5/Add.12 , chap. II, para. 68	The Board recommends that UN-Women articulate at all levels of governance the roles and responsibilities of staff involved in the programme cycle in order to ensure effective oversight of its phases, and encourage the use of the capabilities that	UN-Women reported that it had made progress towards the implementation of the recommendation and had taken action on the second line of defence at the corporate level to provide relevant real-time tools, reports and related personnel training to facilitate effective monitoring and oversight at all governance levels of the organizations. This was formalized in	The Board reviewed the new programme partner selection procedure, and the programme partner project closure and learning procedure, which states that a risk-based capacity assessment and performance assessment of programme partners should be conducted in the partner and grants	X			

No.	Audit report year	Report reference	Recommendation	Management's response	Board's assessment	Status after verification			
						Implemented	Under implementation	Not implemented	Overtaken by events
			the partners and grants management system provides in real time to reporting and global tracking.	the recently promulgated programme partner management policy and procedures. In addition, the Entity was updating the partner and grants agreement management system with real-time tracking functionalities and extensively promoting the use of its dashboard to educate and elevate awareness among staff on the usefulness of the status of action reflected in the dashboard for effective oversight.	agreement management system. In addition, the Board reviewed a sample of capacity assessment and performance evaluations, and noted that, following the promulgation of the procedures, 77 per cent of new agreements had capacity assessments in the partner and grants agreement management system, and all performance evaluations of closed agreements were conducted in the system. Accordingly, the Board considers this recommendation implemented.				
16.	2022	A/78/5/Add.12 , chap. II, para. 69	The Board recommends that UN-Women define a formal and precise deadline to conduct the performance evaluation of the programme partners.	UN-Women reported that it had promulgated the programme partner management policy and the "close and learn from programme partner project procedure" to include a formal and precise deadline to conduct the performance evaluation of programme partners.	The Board reviewed the new programme partner management policy and the "close and learn from programme partner project procedure", which indicates the deadline to conduct the programme partner's final performance evaluation. Therefore, this recommendation is considered implemented.	X			
17.	2022	A/78/5/Add.12 , chap. II, para. 78	The Board recommends that all governance levels of UN-Women provide regular training to project managers to ensure that they request submission of funding authorization and certificate of expenditure forms in a timely manner, as the forms provide evidence of the completion of activities, which allows for the recognition of project expenses.	UN-Women informed the Board that the Policy, Programme and Intergovernmental Division, jointly with the Division of Management and Administration, had prepared updated training materials by March 2024 and conducted joint training for project personnel in all regional and field offices and at headquarters.	The Board verified that the Entity had made significant progress in training its field project managers regarding the use of the funding authorization and certificate of expenditure forms. Accordingly, this recommendation is considered implemented.	X			

No.	Audit report year	Report reference	Recommendation	Management's response	Board's assessment	Status after verification			
						Implemented	Under implementation	Not implemented	Overtaken by events
18.	2022	A/78/5/Add.12 , chap. II, para. 79	The Board recommends that all governance levels of UN-Women provide regular training to and strengthen the capacity of programme partners regarding the correct and timely use of funding authorization and certificate of expenditure forms.	UN-Women reported that the Entity's Policy, Programme and Intergovernmental Division and Division of Management and Administration trained field personnel and programme partners. These divisions have finalized the training plan and conducted joint training for field personnel by 2024.	The Board verified that the Entity had made progress in training programme partners regarding the use of the funding authorization and certificate of expenditure forms. Accordingly, this recommendation is considered implemented.	X			
19.	2022	A/78/5/Add.12 , chap. II, para. 93	The Board recommends that UN-Women perform awareness activities for all personnel from the different governance levels to highlight the relevance of having accurate and rigorous information that will be considered as a base of the risk-informed decision-making process to establish partnerships with the private sector.	UN-Women informed the Board of the following activities carried out to raise awareness for all personnel from different governance levels on procedures for establishing partnerships with the private sector. The Entity: (a) promulgated the new private sector engagement policy and procedure; (b) carried out a global webinar that covered all aspects of the new policy and procedure, including the revised private sector engagement assessment process and the newly defined roles and responsibilities at each step; (c) introduced risk management and communication tools as mandatory components of the due diligence assessment process, which allows for risk categorization; and (d) carried out a second webinar in mid-November 2023 that provided further training on using the new due diligence request system that promotes compliance with each step of the new process.	The Board reviewed the new private sector engagement policy and procedure, which provided guidelines for the new risk assessment process. Moreover, the Board reviewed the global webinars carried out, which covered aspects of the new policy and procedure, mainly the due diligence assessment process, which allows for risk categorization for private sector partners. Therefore, this recommendation is considered implemented.	X			

No.	Audit report year	Report reference	Recommendation	Management's response	Board's assessment	Status after verification			
						Implemented	Under implementation	Not implemented	Overtaken by events
20.	2022	A/78/5/Add.12 , chap. II, para. 94	The Board recommends that UN-Women establish a clear interconnection between the documents that are the inputs for up-to-date company-level risk categorization, which informs decision-making based on risk for the partnership with the private sector.	UN-Women reported that it had established a clear interconnection between the documents that facilitate the capture of inputs for up-to-date company-level risk categorization used to inform risk-based decision-making for partnership with the private sector. The Entity promulgated the new private sector engagement policy and procedure in November 2023 to serve as guiding principles that may be implemented through the efficient, effective and transparent updated processes. The Entity also ensured that the new procedure provided revised templates for each step and established an accessible repository for supporting documents required at each stage of the assessment process and in determining the risk profile through the newly developed due diligence request system that used the global service tracker platform.	The Board reviewed the new private sector engagement policy and procedure developed by UN-Women, noting that it provided guidelines for the new risk assessment process. In addition, the Board noted that there was a clear interconnection between the documents and templates that were part of the risk categorization process and the steps to be followed before engagement with private sector partners. Therefore, this recommendation has been implemented.	X			
21.	2022	A/78/5/Add.12 , chap. II, para. 95	The Board recommends that UN-Women strengthen the process for assessing private sector partners, by clearly defining decision-making aspects and their actions to be followed, key concepts and the frequency in which an event could occur and may impact the Entity, aiming to enable more efficient and refined company risk categorization.	UN-Women informed the Board that, in line with the new private sector engagement policy and procedure, the process for assessing private sector partners provides clear pathways for decision-making based on the risk profile categorization cross-checked with the risk tolerance boundaries developed in line with the UN-Women private sector engagement strategy. In addition, the newly developed due diligence request system supports the assignment of roles and responsibilities for decision-making with complete documentation of each step of the assessment process. The new policy and procedure stipulate	The Board reviewed the new private sector engagement policy and procedure, as well as the implementation of the due diligence process for private sector partners through the global service tracker platform, noting that these developments provide a clearer way to determine the risk profile of the prospective partner and a clearer definition of the pathways for decision-making based on the partner's risk profile categorization before engagement with the partner. The key concepts of "evidence"; "evidence is	X			

No.	Audit report year	Report reference	Recommendation	Management's response	Board's assessment	Status after verification			
						Implemented	Under implementation	Not implemented	Overtaken by events
				the role of the Risk Management Committee as the oversight committee that determines the organization's appetite in pursuing engagements beyond its risk tolerance boundaries according to the partner's risk profile.	insignificant" and "no evidence", which are used to determine whether the private sector entity is involved in exclusionary criteria, a sensitive industry or a sensitive activity, are detailed in the new due diligence process for partners through the global service tracker platform. Therefore, this recommendation is considered implemented.				
22.	2022	A/78/5/Add.12 , chap. II, para. 105	The Board recommends that UN-Women review its procurement guidelines and procedures to determine inconsistencies and harmonize the provisions included therein, such as the mandatory amount for the creation of a purchase order.	UN-Women reported that it had revised the relevant procedures and guidelines and mandated the use of purchase orders for all procurement activities. Users must now utilize Oracle SmartForm, an automated system that generates touchless purchase orders for all procurement transactions ranging from \$0 to \$5,000. This development eliminates the risk of not using a purchase order for qualified activities.	The Board checked that the guidelines and procedures related to procurement matters were aligned and harmonized with one another. In addition, the Board verified that the use of the SmartForm solved the issuance of purchase orders for values less than \$5,000. Therefore, this recommendation is considered implemented.	X			
23.	2022	A/78/5/Add.12 , chap. II, para. 106	The Board recommends that UN-Women carry out an assessment regarding the use and needs of purchase orders presented by the offices and, on that basis, develop a training plan that promotes the use of this procurement control mechanism.	The Entity informed the Board that it made it mandatory for all users to utilize purchase orders for all types of procurement activities, regardless of value. In that regard, it had introduced Oracle SmartForm, an automated system to effectively mitigate non-compliance risks regarding using purchase orders for qualified activities. Accordingly, UN-Women had ensured that pertinent procurement guidelines had been updated and all personnel had received comprehensive training on use of the SmartForm.	The Board verified the actions reported by the Entity and checked that UN-Women personnel had received related training. Therefore, this recommendation is considered implemented.	X			

No.	Audit report year	Report reference	Recommendation	Management's response	Board's assessment	Status after verification			
						Implemented	Under implementation	Not implemented	Overtaken by events
24.	2022	A/78/5/Add.12 , chap. II, para. 113	The Board recommends that the UN-Women East and Southern Africa Regional Office and the Kenya Country Office undertake processes for the award of long-term agreements for the recurrent local procurement of goods and services with the purpose of increasing the efficiency and effectiveness of the procurement process.	The UN-Women East and Southern Africa Regional Office and the Kenya Country Office have established long-term agreements and a participation level agreement for recurring needs with substantive procurement volumes. This has been done mainly through the United Nations common procurement mechanisms, through which the offices benefit from improved negotiating power as one United Nations. Long-term agreements already established and in use include travel management for the Somalia Country Office, leveraging a long-term agreement with the United Nations Office for Project Services for transportation services in use for that country office, and hotel and conference services with multiple service providers within and outside Nairobi. In addition to the locally established long-term agreements, the offices now utilize global long-term agreements for vehicles and ICT equipment. In line with efforts to continuously facilitate procurement process efficiencies, work has started for contractual arrangements to be in place for two new long-term agreements for graphic design and editing services.	The Board verified that the UN-Women Regional Office for Eastern and Southern Africa and the Kenya Country Office had awarded long-term agreements for the purchase of goods and services on a recurring basis. As a result of this verification, this recommendation is considered implemented.	X			
25.	2022	A/78/5/Add.12 , chap. II, para. 125	The Board recommends that UN-Women strengthen the information technology change management process by integrating that process using the platform available for the global intake, review and monitoring of all change requests and ensuring that it will be carried out in a timely manner.	The Entity reported that it was actively socializing the ICT systems-related change management mechanisms with the end users of UN-Women ICT systems. It was essential to capture all projects and changes in the system as soon as they were received. In addition, UN-Women has already launched an "idea lab" on its intranet platform to foster collaboration and the sharing of ideas. This initiative is a dynamic space for end users across the	The Board has verified the new request type, "Submit an idea", in the global service tracker system, which will be available to all UN-Women users. In addition, the Board reviewed the list of change management dashboards created during 2023 and noted that the Entity had responded to the requests in place. Therefore, this recommendation is considered implemented.	X			

No.	Audit report year	Report reference	Recommendation	Management's response	Board's assessment	Status after verification				
						Implemented	Under implementation	Not implemented	Overtaken by events	
26.	2022	A/78/5/Add.12 , chap. II, para. 126	The Board recommends that UN-Women perform a cost-effectiveness analysis of the best available resource mobilization pipeline systems, including the Leads system, that allows the Entity to define the operational benefit of the selected system.	organization to share ideas or suggestions for changes or new concepts they wish to discuss within the UN-Women community. The UN-Women Information Systems and Telecommunications Section has also implemented a structured change request process within the global service tracker platform to manage system-related changes efficiently. This process encompasses submitting end-user requests, technical review by the Section, and management of the subsequent implementation and release of the approved changes. Finally, the Entity indicated that it would introduce an additional request type in the global service tracker platform to refine the change management approach further.	UN-Women informed the Board that its plan for improvements in the Leads management system had been completed. Implementation was pending a cost-benefit analysis between the Leads system and possible options for pipeline management, as well as any requirements for possible integration into the new enterprise resource planning system, Quantum. An analysis with recommendations would be developed, drawing on the lessons from the experience of the Private Sector Unit in piloting Salesforce.	The Board noted the progress made by the Entity to improve the Leads system. However, the cost-effectiveness analysis between the Leads system and possible options for pipeline management has not been performed. Therefore, the recommendation is considered to be under implementation.		X		
Total number of recommendations						26	24	2	–	–
Percentage of total number of recommendations						100	92	8	–	–

Chapter III

Certification of the financial statements

Letter dated 30 April 2024 from the Director of the Division of Management and Administration of the United Nations Entity for Gender Equality and the Empowerment of Women addressed to the Chair of the Board of Auditors

Pursuant to financial rule 1201, I certify that, to the best of my knowledge, information and belief, all material transactions have been properly charged in the accounting records and are properly reflected in the appended financial statements for the year ended 31 December 2023.

I acknowledge that:

The management is responsible for the integrity and objectivity of the financial information included in these financial statements;

The financial statements have been prepared in accordance with the International Public Sector Accounting Standards and include certain amounts that are based on the management's best estimates and judgments;

Accounting procedures and related systems of internal control provide reasonable assurance that assets are safeguarded, that the books and records properly reflect all transactions and that, overall, policies and procedures are implemented with an appropriate segregation of duties. The internal auditors continually review the accounting and control systems;

The management provided the internal auditor with full and free access to all accounting and financial records.

The recommendations of the Board of Auditors and internal auditors are reviewed by the management. Internal control procedures have been revised or are in the process of revision, as appropriate, in response to those recommendations.

I am in receipt of a letter of certification from the Chief Finance Officer, United Nations Development Programme (UNDP), which provides the same assurances with respect to UNDP accounting procedures and related systems of control to the extent that services are provided by UNDP to the United Nations Entity for Gender Equality and the Empowerment of Women (UN-Women), in accordance with the service-level agreements currently in force.

(Signed) Moez **Doraid**

Director, Division of Management and Administration
United Nations Entity for Gender Equality and the Empowerment of Women

Chapter IV

Financial report for the year ended 31 December 2023

A. Introduction

1. The United Nations Entity for Gender Equality and the Empowerment of Women (UN-Women) was established by the General Assembly in its resolution [64/289](#) of 2 July 2010 and became operational in January 2011. Grounded in the vision of equality enshrined in the Charter of the United Nations, UN-Women works towards the elimination of discrimination against women and girls; the economic empowerment of women; and the achievement of equality between women and men as partners in and beneficiaries of development, human rights, humanitarian action, and peace and security.
2. UN-Women is mandated to support intergovernmental bodies, such as the Commission on the Status of Women, in their formulation of policies, global norms and standards. The Entity mobilizes political will and resources to help Member States to implement those standards, standing ready to provide suitable technical and financial support to those countries that request it and to forge successful partnerships with civil society. Furthermore, UN-Women has been assigned the mandate to hold the United Nations system accountable for its commitments to gender equality through the system-wide action programme.
3. The present financial report should be read in conjunction with the audited financial statements and accompanying notes of UN-Women for the year ended 31 December 2023. The financial statements are prepared for the calendar year 2023 in accordance with the International Public Sector Accounting Standards (IPSAS). The report is intended to provide readers of the financial statements with a better understanding of the financial performance and position of UN-Women.
4. The annual report of the Executive Director covers the programmatic operations, strategies and results of UN-Women. The present report includes a few programmatic highlights to provide the context for the financial results.

Operational context

5. Amid protracted and evolving global crises, in 2023, the world was rocked by the eruption of fresh conflicts. More than 614 million women and girls, a number 50 per cent higher than in 2017, lived in conflict settings. Across the world, from the rise in extreme weather events to the crippling cost-of-living crisis, women and girls continued to suffer disproportionately from crises not of their making.
6. Extreme poverty has declined over the past three decades, but is still pervasive. Based on current trends, over 340 million women and girls will still live in extreme poverty by 2030, and one in four will experience moderate or severe food insecurity. While global wealth and income inequalities have also broadly declined since the 1990s, inequality within most advanced and major emerging economies has increased, with women particularly affected by income inequalities.
7. Violence against women remained rampant. On average, over five women or girls are killed every hour worldwide by someone in their own family. No country is within reach of eradicating intimate partner violence.
8. The backlash against gender equality intensified, including reversals regarding women's sexual and reproductive health and rights and increasing violence against women in politics in many countries.
9. UN-Women and United Nations Trade and Development project that an additional annual investment of \$360 billion is required to bridge the gender equality gap – a conservative estimate pertaining to 48 developing economies, covering only 70 per cent of the world's population. Yet Sustainable Development Goal indicator 5.c.1 reveals

that only 26 per cent of countries globally have systems to track budget allocations for gender equality.

10. In January 2023, UN-Women adopted the next-generation enterprise resource planning system, Quantum, replacing the Atlas system, which had been in place since 2004. Quantum is a modern, cloud-based architecture anchored in the Oracle Cloud enterprise resource planning solution. The implementation was carried out as part of an inter-agency consortium of partners led by UNDP.

B. Summary of financial results

11. As shown in table IV.1, the main financial results for 2023 can be summarized as follows:

(a) Total revenue reached \$619.06 million, a decrease of \$48.94 million, or 7.3 per cent, from the total revenue of \$667.99 million in 2022. Agreements totalling \$74.39 million were signed in December, compared with \$65.96 million in 2022;

(b) The voluntary contributions revenue for regular resources was \$108.6 million (2022: \$219.5 million), while at the same time, the regular resources contributions received grew to \$164.1 million (2022: \$153.3 million) as contributions were collected from prior years' multi-year agreements intended to cover, for example, the strategic plan period. The revenue in these multi-year agreements would have been recognized in the year in which the agreements were signed;

(c) Total expenses increased by \$9.81 million, to \$546.10 million, from the prior year's expenses of \$536.29 million;

(d) UN-Women recorded a surplus of \$79.50 million (2022: \$130.82 million), adding to the organization's net assets. The surplus represents guaranteed funding available for programmatic activities in future years, in line with donor agreements. UN-Women revenue is recognized in full at the time that the contribution agreements are entered into, including for multi-year funding arrangements entered into, for example for the strategic plan period. However, expenses can only be incurred after the cash has been received from the donors. This is spread over the multi-year duration of the agreements, in line with the milestone payments agreed to with the donor. Hence, the surplus does not represent the accumulation of unused funds, but reflects the IPSAS accounting requirement that revenue is recorded upon entry into an agreement with the donor, while expenses are incurred when the money is actually received over the lifetime of the agreement;

(e) UN-Women had total assets of \$1,455.16 million (2022: \$1,324.70 million) and liabilities of \$192.97 million (2022: \$134.09 million).

Table IV.1

Financial performance by funding source

(Thousands of United States dollars)

	<i>Regular resources</i>	<i>Other resources</i>	<i>Assessed</i>	<i>Elimination</i>	<i>31 December 2023</i>	<i>31 December 2022</i>
Total revenue	142 055	505 098	11 586	(39 682)	619 057	667 998
Total expenses	(179 938)	(393 949)	(11 898)	39 682	(546 103)	(536 291)
	(37 883)	111 149	(312)	–	72 954	131 707
Gains/(losses)	6 547	–	–	–	6 547	(892)
Surplus/(deficit)	(31 336)	111 149	(312)	–	79 501	130 815

12. A deficit in regular resources arises from multi-year revenue recognized in prior years where expenses are incurred, as planned, in 2023. UN-Women has shown gains and losses separately in the statement of financial performance, and comparatives have been restated for the presentation change.

C. Financial performance

Revenue

13. Contributions to fund UN-Women activities are primarily voluntary contributions from Governments, intergovernmental and private organizations, and individuals. These voluntary contributions accounted for 98.24 per cent (2022: 98.57 per cent) of the total contributions, with the remaining 2 per cent received from the assessed contributions of the United Nations Secretariat to the normative work of the organization.

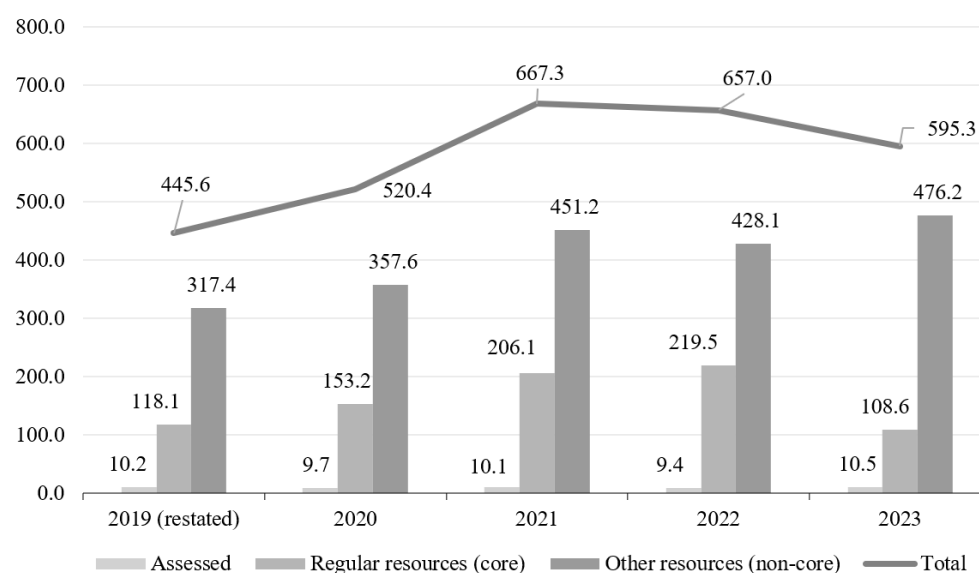
14. The voluntary contributions are either for regular (unearmarked) or other (earmarked) resources.

15. Voluntary contributions to regular resources declined by \$110.89 million, from \$219.52 million in 2022 to \$108.63 million in 2023. At the same time, funds were collected from previous multi-year regular resources agreements entered and recognized as revenue in prior years of \$164.08 million, up from \$153.27 million in 2022. The voluntary contributions revenue for other resources rose by \$48.13 million, to \$428.07 million. The trend in voluntary contributions revenue is shown in figure IV.I.

Figure IV.I

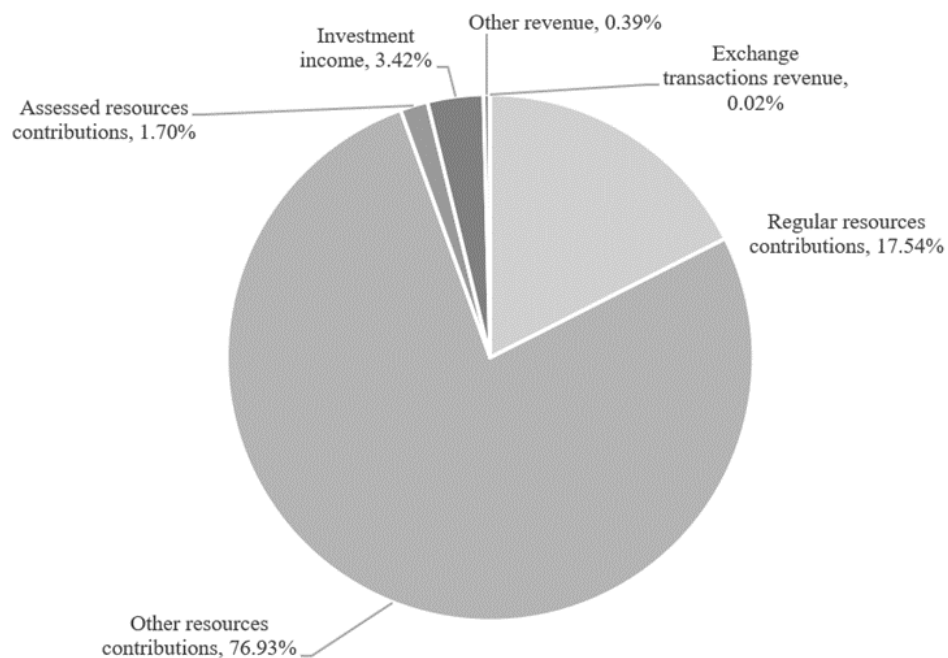
Trend in voluntary contributions revenue over the five-year period

(Millions of United States dollars)



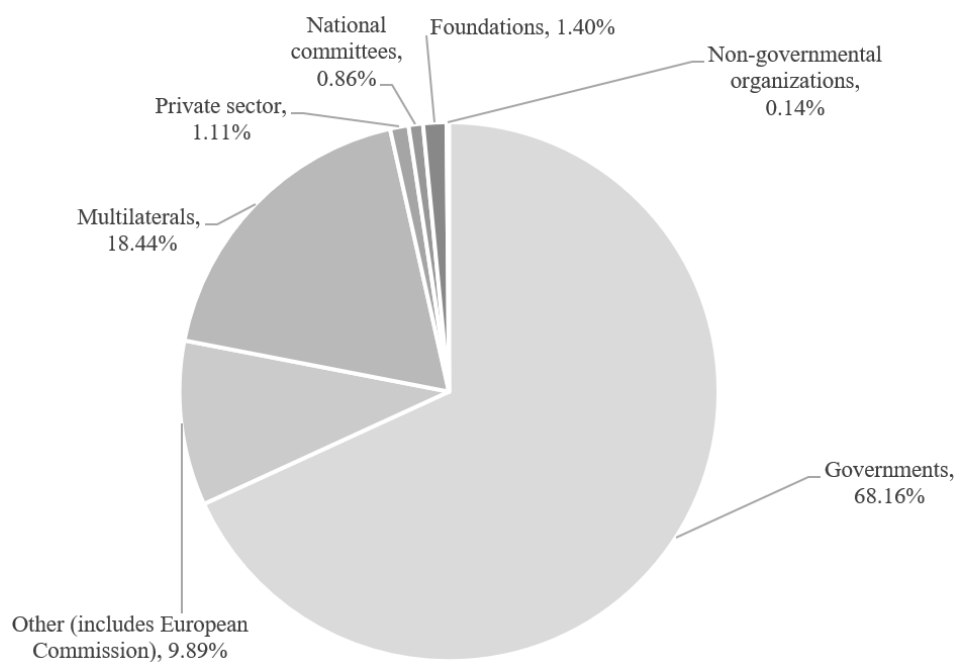
16. As shown in figure IV.II, other revenue, including contributions from United Nations Secretariat assessed contributions, increased by \$13.82 million, to \$34.22 million (2022: \$20.40 million), attributable mainly to an increase in investment income of \$12.43 million as expected, given the higher interest rate environment.

Figure IV.II
Revenue by nature



17. As shown in figure IV.III, Governments continued to be the largest source of funding for UN-Women, at 68.16 per cent (2022: 65.98 per cent), followed by non-governmental organizations.

Figure IV.III
Voluntary contributions revenue by type of donor



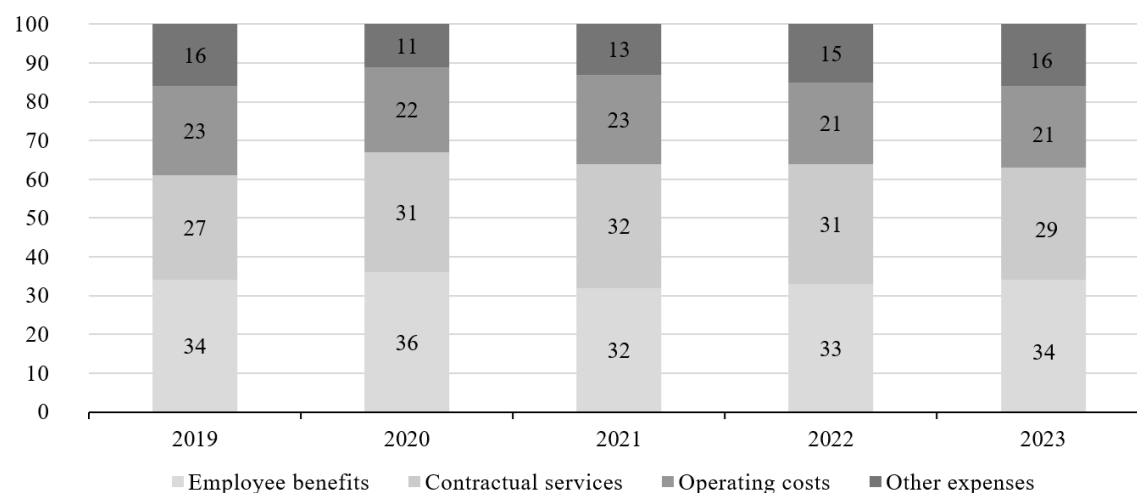
Expenses

18. Total expenses increased slightly, by \$9.81 million, or 1.79 per cent, to \$546.10 million from the prior year's expenses of \$536.29 million, attributable mainly to an increase in employee benefits and travel costs. However, both employee benefits and travel costs as a portion of total expenses have remained relatively constant, with employee expenses representing 34.09 per cent compared with 33.55 per cent in 2022, and travel costs representing 7.21 per cent compared with 6.10 per cent in 2022.

Figure IV.IV

Trend in the nature of expenses over the five-year period

(Percentage of total expenses)



19. A segmental split of the expenses by nature is shown in table IV.2.

Table IV.2

2023 expenses by segment

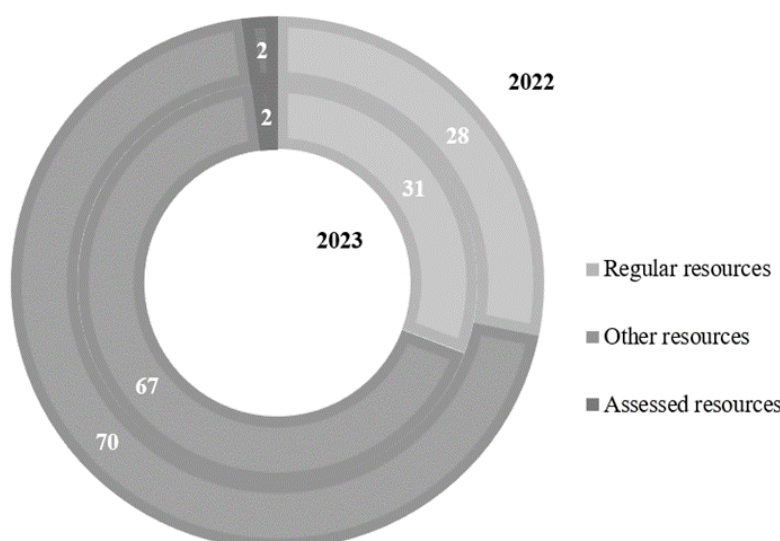
(Thousands of United States dollars)

	31 December 2023				Total	31 December 2022
	Regular resources	Other resources	Assessed resources	Elimination		
Expenses						
Employee benefits	73 939	100 727	11 497	—	186 163	175 863
Contractual services	33 505	122 733	123	—	156 361	165 747
Grants and other transfers	908	18 819	—	—	19 727	18 668
Supplies and maintenance	9 235	14 680	9	—	23 924	20 197
Operating costs	47 768	104 533	147	(39 682)	112 766	113 160
Travel costs	12 730	26 542	121	—	39 393	32 738
Depreciation and amortization	2 220	868	1	—	3 089	3 035
Finance costs	32	15	—	—	47	183
Other expenses	(399)	5 032	—	—	4 633	6 700
Total	179 938	393 949	11 898	(39 682)	546 103	536 291

20. While expenses have increased slightly from 2022, the proportion of regular resources in total expenses was higher in 2023, as shown in figure IV.V.

Figure IV.V
Expenses by segment

(Percentage of total expenses)



D. Financial position

21. As shown in table IV.3, the net assets of the organization of \$1,262.19 million include an accumulated surplus of other reserves of \$947.90 million (2022: \$838.87 million), representing the value of agreements signed and recognized in the current and earlier years where programmatic activities are planned to take place in 2024 and onwards, in line with voluntary contribution agreements. The net assets also include, as part of regular resources, funds held and managed to meet future employee services liabilities, such as after-service health insurance of \$124.74 million (2022: \$112.79 million), operational reserves and field accommodation reserves of \$27.52 million (2022: \$27.52 million) and funds held to meet the first few months of regular resources expenses.

22. Additional information on the reserves is provided in note 17 to the financial statements.

Table IV.3
Assets and liabilities by funding source

(Thousands of United States dollars)

	Regular resources	Other resources	Assessed resources	2023	2022
Total assets	487 652	972 030	(4 523)	1 455 159	1 324 696
Total liabilities	168 744	24 132	97	192 973	134 093
Net assets	318 908	947 898	(4 620)	1 262 186	1 190 603

23. UN-Women assets include mainly cash and cash equivalents of \$210.30 million (2022: \$122.04 million), investments of \$623.84 million (2022: \$638.40 million) and contributions receivable of \$528.61 million (2022: \$485.57 million).

24. Total liabilities include accounts payable and after-service employee benefit liabilities. UN-Women does not have any loans or borrowings.

25. Like other United Nations entities, UN-Women provides its staff with after-service health insurance benefits and other employee benefits. An external firm's valuation for 2023 year-end estimated employee benefit liabilities is \$103.10 million (2022: \$88.27 million), which has been recognized in full in the financial statements (see note 14 thereto).

26. Included within the actuarially valued employee liabilities is the after-service health insurance liability of \$79.58 million. This is a long-term liability, which, due to the relatively young nature of the workforce of UN-Women, will result in payouts increasing only some years and decades in the future – the average age of the active participants in the scheme is 46 years, with an average age of the current retirees of 68 years of age. Interest rates, medical cost inflation and other actuarial assumptions can vary significantly during that time. However, the liability and other employee benefit liabilities are fully funded using the actuarial assumptions as at 31 December 2023 and the related liability calculation.

E. Budgetary performance

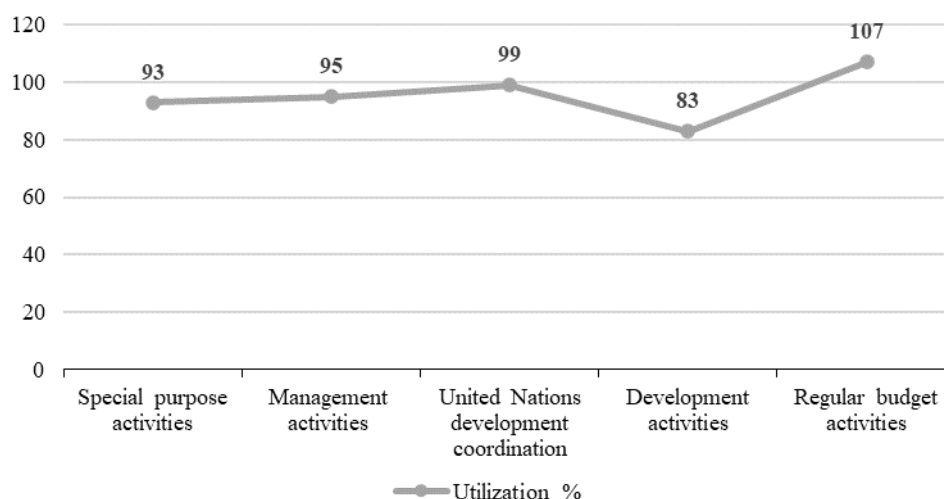
27. The integrated resources plan and the integrated budget set out the projected financial resources for the strategic plan, covering both regular (core) and other (non-core) resources for 2022–2023. The integrated budget is prepared and presented biennially.

28. The budget of UN-Women is prepared on a modified cash basis and is presented in the financial statements as statement V, a comparison of budget and actual amounts on a comparable basis, with the additional inclusion of assessed resources (regular budget). To facilitate a comparison between the budget and the financial statements prepared under IPSAS, a reconciliation of the budget with the cash flow statement is included in note 26 to the financial statements.

29. In a comparison of actual budgetary expenditure incurred with the final budget, UN-Women had high utilization rates across all budget categories.

Figure IV.VI
Budgetary utilization rates

(Percentage)



F. Risk management

30. The enterprise risk management framework of UN-Women is a structured approach to identifying, assessing and managing risks within the organization. The framework is designed to help UN-Women to take advantage of emerging opportunities to achieve its objectives while minimizing the negative impact of risks. Key risk areas and the mitigating actions taken are discussed below.

Fraud, waste and misuse of resources

31. UN-Women works with responsible parties, implementing partners, vendors and third parties to deliver its triple mandate. As with financial transactions, there is a risk of fraudulent reporting or use of funds or other assets within UN-Women or by these parties. To mitigate this risk, UN-Women has established strong financial controls, including regular audits and reviews of its own operations, as well as of the financial and operational performance of its responsible parties and implementing partners.

Misconduct, wrongful and negligent behaviour towards others

32. UN-Women is committed to ensuring the safety and well-being of the vulnerable groups that it serves. This risk area includes safeguarding against sexual exploitation, abuse and harassment. UN-Women has zero tolerance for such behaviour and has put in place policies, procedures and training programmes to prevent and respond to any incidents of misconduct.

Cybersecurity

33. UN-Women relies heavily on information and communications technology (ICT) to deliver its mandate. UN-Women has outsourced treasury, payroll and many human resources functions to UNDP, ensuring that these critical areas are managed by experts with robust security measures in place. In addition, UN-Women relies on the United Nations International Computing Centre for its ICT infrastructure services, including cybersecurity.

34. However, such reliance on ICT exposes the organization to various cyberthreats, such as phishing attacks, malware and data breaches. To tackle these risks, UN-Women has developed and put into action a robust cybersecurity plan. The plan includes creating cybersecurity policies and procedures, implementing multi-factor authentication, launching an information security programme and conducting regular risk assessments. These measures are vital in strengthening both corporate systems and UN-Women field offices against cyberthreats. Despite the ever-changing nature of cyber risks, UN-Women remains committed to staying vigilant and adaptable.

Declining regular (core) resources contributions

35. UN-Women operations depend on voluntary contributions, in particular unearmarked regular resources. There is a risk of declining regular resources, compounded by an overall decline in financing for gender equality, which can jeopardize the ability of UN-Women to carry out its triple mandate, reduce its ability to leverage other resources and strain corporate functions. To mitigate this risk, UN-Women continues to diversify its funding sources, including by investing in the mobilization of individual giving, providing incentives, encouraging other resources contributions that are minimally earmarked (e.g. direct funding of the Entity's strategic notes, and thematic funding) and practicing restraint within its level of fixed costs within its regular resources budget.

Political and country context

36. UN-Women operates in highly complex and sensitive environments, including those that have seen a backlash against gender equality and a shrinking civic space, as well as armed conflict. With increasing numbers of humanitarian crises, the active engagement of UN-Women in the Inter-Agency Standing Committee has been crucial to advancing a greater focus on gender equality in the humanitarian response and decision-making processes of the United Nations system. As part of the mitigating actions for this risk, UN-Women will continue to strengthen the Entity's unique value added in humanitarian settings, building on the successful integration of gender equality into humanitarian planning cycles and the responses demonstrated thus far.

Climate change, organizational resilience and natural hazards

37. UN-Women operates in unpredictable and volatile contexts, including natural hazards such as cyclones, earthquakes and flooding. Climate change presents a significant crisis on a global scale, with dire consequences. To mitigate these risks, UN-Women has developed business continuity plans for continuing its operations, as well as emergency response guidelines for responding to the needs of women and girls in emergency settings. UN-Women plays a key role in country-level inter-agency coordination functions to ensure that the emergency aid provided by the United Nations system applies a gender perspective.

Chapter V

Financial statements for the year ended 31 December 2023

United Nations Entity for Gender Equality and the Empowerment of Women

I. Statement of financial position as at 31 December 2023

(Thousands of United States dollars)

	Reference	31 December 2023	31 December 2022
Assets			
Current assets			
Cash and cash equivalents	Note 6	210 303	122 040
Investments	Note 7	266 933	230 278
Accounts receivable	Note 8	341 803	264 179
Advances	Note 9	69 919	56 413
Other assets	Note 10	10 399	9 886
Total current assets		899 357	682 796
Non-current assets			
Investments	Note 7	356 903	408 120
Accounts receivable	Note 8	186 803	221 392
Other assets	Note 10	15	15
Property, plant and equipment	Note 11	12 063	12 365
Intangible assets	Note 12	18	8
Total non-current assets		555 802	641 900
Total assets		1 455 159	1 324 696
Liabilities			
Current liabilities			
Accounts payable	Note 13	34 940	2 179
Employee benefits	Note 14	23 007	21 290
Other liabilities	Note 15	35 222	23 487
Total current liabilities		93 169	46 956
Non-current liabilities			
Employee benefits	Note 14	99 804	86 803
Other liabilities	Note 15	–	334
Total non-current liabilities		99 804	87 137
Total liabilities		192 973	134 093
Net assets		1 262 186	1 190 603
Net assets/equity			
Accumulated surplus	Note 16	1 234 666	1 165 925
Reserves	Note 17	27 520	24 678
Total net assets/equity		1 262 186	1 190 603

The accompanying notes are an integral part of these financial statements.

United Nations Entity for Gender Equality and the Empowerment of Women

II. Statement of financial performance for the year ended 31 December 2023

(Thousands of United States dollars)

	<i>Reference</i>	<i>31 December 2023</i>	<i>31 December 2022</i>
Revenue			
Voluntary contributions	Note 18	584 834	647 595
Assessed contributions	Note 19	10 474	9 392
Investment revenue	Note 20	21 187	8 762
Other revenue	Note 21	2 422	2 206
Exchange transactions revenue	Note 22	140	43
Total revenue		619 057	667 998
Expenses			
Employee benefits	Note 23	186 163	175 863
Contractual services	Note 23	156 361	165 747
Grants and other transfers	Note 23	19 727	18 668
Supplies and maintenance	Note 23	23 924	20 197
Operating costs	Note 23	112 766	113 160
Travel costs	Note 23	39 393	32 738
Depreciation and amortization	Note 23	3 089	3 035
Finance costs	Note 23	47	183
Other expenses	Note 23	4 633	6 700
Total expenses		546 103	536 291
Gains/(losses)	Note 24	6 547	(892)
Surplus for the year		79 501	130 815

The accompanying notes are an integral part of these financial statements.

United Nations Entity for Gender Equality and the Empowerment of Women

III. Statement of changes in net assets/equity for the year ended 31 December 2023

(Thousands of United States dollars)

	<i>Reference</i>	<i>31 December 2023</i>	<i>31 December 2022</i>
Net assets/equity at the beginning of the year		1 190 603	1 032 123
<i>Adoption of IPSAS 41:</i>			
Reallocation of end balance of fair value of available-for-sale investment reserve to accumulated surplus		(2 842)	–
Accumulated surplus		2 842	–
Accumulated surplus/restated net asset/equity		1 190 603	1 032 123
Movement during the year			
Current-year surplus		79 501	130 815
Refunds to donors	Note 16	(2 225)	(2 410)
Changes in fair value of available-for-sale investments	Note 17	–	(11 055)
Actuarial (losses)/gains	Note 16	(5 693)	41 130
Net assets/equity at the end of the year		1 262 186	1 190 603

The accompanying notes are an integral part of these financial statements.

United Nations Entity for Gender Equality and the Empowerment of Women

IV. Statement of cash flow for the year ended 31 December 2023

(Thousands of United States dollars)

	Reference	31 December 2023	31 December 2022
Cash flows from operating activities			
Net surplus for the year		79 501	130 815
Interest revenue		(16 359)	(8 740)
Amortization on investments		(4 335)	477
Dividend revenue		(493)	(499)
Unrealized loss/(gain) on foreign exchange		6 547	(892)
Depreciation and amortization expense	Note 23	3 089	3 035
(Increase) in accounts receivable		(43 035)	(104 314)
Decrease in other assets		2 102	9 552
(Increase) in advances		(13 506)	(7 933)
Increase/(decrease) in accounts payable		32 760	(10 172)
Increase/(decrease) in employee benefits		14 719	(27 004)
Increase/(decrease) in other liabilities		11 402	(2 293)
Losses on sale of property, plant and equipment		316	176
Refunds to donors	Note 16	(2 225)	(2 410)
Change in fair value of available-for-sale investments		(7 093)	252
Actuarial (losses)/gains	Note 16	(5 693)	41 130
Net cash generated from operating activities		57 697	21 180
Cash flows from investing activities			
Purchases of property, plant and equipment		(3 122)	(3 678)
Purchases of intangible assets		(16)	(5)
Proceeds from sales of property, plant and equipment		24	63
Purchases of investments – amortized cost	Note 7.1	(338 072)	(230 751)
Maturities of investments – amortized cost	Note 7.1	361 544	227 968
Interest received		18 087	7 250
Dividend received		486	488
Movement in investments – fair value through surplus/deficit		(1 818)	(2 594)
Net cash generated from investing activities		37 113	(1 259)
Net increase in cash and cash equivalents		94 810	19 921
Cash and cash equivalents at beginning of year		122 040	101 227
Effect of exchange rate changes on cash and cash equivalents		(6 547)	892
Cash and cash equivalents at end of year	Note 6	210 303	122 040

The accompanying notes are an integral part of these financial statements.

United Nations Entity for Gender Equality and the Empowerment of Women

V. Statement of comparison of budget and actual amounts for the year ended 31 December 2023

(Thousands of United States dollars)

	31 December 2023			
	Original budget	Final budget	Actual amounts on comparable basis	Difference between final budget and actual amounts
Regular budget activities	10 615	10 615	11 321	(706)
Development activities				
Programme	418 093	564 847	463 208	101 639
Development effectiveness	27 100	21 249	21 286	(37)
Subtotal	445 193	586 096	484 494	101 602
United Nations development coordination	17 350	15 175	14 987	188
Management activities				
Recurring	48 600	49 629	47 146	2 483
Subtotal	48 600	49 629	47 146	2 483
Independent oversight and assurance activities				
Evaluation	3 200	2 419	2 497	(78)
Audit and investigations	2 900	3 635	3 534	101
Subtotal	6 100	6 054	6 031	23
Special purpose activities				
Capital investments: information and communications technology transformation	2 500	2 500	2 402	98
Change management	150	—	—	—
Capital investments: minimum operating security standards compliance	450	445	334	111
Subtotal	3 100	2 945	2 736	209
Total budget	530 958	670 514	566 715	103 799
Total institutional budget	102 250	95 052	92 186	2 866

The accompanying notes are an integral part of these financial statements; see also note 26.

United Nations Entity for Gender Equality and the Empowerment of Women

Notes to the financial statements

Note 1

Reporting entity

The United Nations Entity for Gender Equality and the Empowerment of Women (UN-Women) was established by the General Assembly in its resolution [64/289](#) of 2 July 2010 and became operational in January 2011. Grounded in the vision of equality enshrined in the Charter of the United Nations, UN-Women works towards the elimination of discrimination against women and girls; the economic empowerment of women; and the achievement of equality between women and men as partners in and beneficiaries of development, human rights, humanitarian action, and peace and security.

UN-Women is mandated to support intergovernmental bodies, such as the Commission on the Status of Women, in their formulation of policies, global norms and standards. The Entity mobilizes political will and resources to help Member States to implement those standards, standing ready to provide suitable technical and financial support to those countries that request it and to forge successful partnerships with civil society. Furthermore, UN-Women has been assigned the mandate to hold the United Nations system accountable for its own commitment on gender equality through the system-wide action programme.

UN-Women is governed by its Executive Board, which consists of representatives of its Member States. The Executive Board guides the strategic direction and policies of the Entity to ensure that all operational aspects of the activities of UN-Women are executed effectively by the Executive Director and Under-Secretary-General.

UN-Women is headquartered in New York and is expanding its presence at the regional and country levels. The Entity's regional architecture comprises 6 regional offices and 62 country offices and serves 59 additional countries through United Nations reform presences (including non-resident forms of programme delivery and coordination for gender equality and women's empowerment). UN-Women serves the donor community and partners through liaison offices in Abu Dhabi, Addis Ababa, Almaty, Kazakhstan, Brussels, Copenhagen, Geneva and Tokyo.

UN-Women has no subsidiaries or jointly controlled entities.

Note 2

Statement of approval

The financial statements were certified by the Director, Division of Management and Administration, as required in the financial regulations and rules of UN-Women, and transmitted for issuance by the Executive Director on 30 April 2024.

(a) Basis of preparation

The financial statements of UN-Women have been prepared on a full accrual and going-concern basis in accordance with the International Public Sector Accounting Standards (IPSAS) and the financial regulations and rules of UN-Women.

UN-Women applies the historical cost principle, except for the following material items, in its statement of financial position:

- (a) Financial instruments that are measured at fair value through surplus or deficit;
- (b) Employee benefits: defined-benefit plan liabilities that are appraised using an actuarial valuation method;

(c) Assets acquired through non-exchange transactions that are initially measured at fair value.

(b) Foreign currency

Functional and presentation currency

Items included in the financial statements are measured using currency in the primary economic environment in which an entity operates (functional currency). The functional and reporting currency of UN-Women is the United States dollar, and these financial statements are expressed in thousands of United States dollars unless otherwise indicated.

Where transactions have been made in currencies other than the United States dollar, the amounts are translated into United States dollars at the prevailing United Nations operational rates of exchange at the date of the transaction. Monetary assets and liabilities in currencies other than the United States dollar are translated into the United States dollar at the prevailing United Nations operational rate of exchange in effect at the reporting date. Non-monetary assets and liabilities denominated in a currency other than the United States dollar that are measured at historical cost are translated at the exchange rate in effect at the date of the transaction. Foreign exchange gains and losses, both realized and unrealized, resulting from such transactions are accounted for in the statement of financial performance and included under gains and losses.

(c) Significant accounting policies

Under the accrual basis of accounting, revenue and expenses (except for non-exchange transactions) are recognized in the financial statements in the period to which they relate.

Revenue

Voluntary contributions for regular resources are recognized as revenue when there is a signed agreement or letter of exchange (from a designated official of a Government), other than a pledge, or on a cash basis at the time that funds are received where no agreement or letter of exchange is in place. Where a signed agreement or letter of exchange is received from a donor, including multi-year agreements, revenue is recognized in full at the time that the contribution agreement is signed, where no performance conditions are present.

Voluntary contributions for other resources are recognized as revenue when a signed agreement is received from a donor during the financial year, unless any condition defers this recognition. Where a signed agreement is received from a donor, including multi-year agreements, revenue is recognized in full at the time that the contribution agreement is signed, where no performance conditions are present. Where contribution agreements have conditions, UN-Women recognizes a liability, and revenue recognition is deferred until such conditions are met. UN-Women recognizes assets when control over the resources is established as a result of past events.

Assessed contributions are issued as an annual allotment from the United Nations regular budget funded from the assessed contributions of United Nations and are issued for a one-year budget period.

In-kind contributions, except services, that directly support approved operations and activities, which have a budgetary impact and can be reliably measured, are recognized at fair value as expense and contribution. Those contributions include use of premises and utilities.

In-kind contributions of services are not recognized as revenue.

Donated property, plant and equipment are valued at fair market value and recognized as fixed assets and contributions. The donated right to use an asset is valued at the fair market value of the right to use. The excess of the fair market value of the right to use over any sums actually paid is shown as contribution income together with a matching expense. When transferred assets are received as contributions in kind and conditions requiring their return upon non-performance are disclosed in the agreements, a liability is initially recognized. When these conditions are satisfied, the revenue is recognized. When restrictions are disclosed in the agreements which do not require their return, the revenue is recognized upon confirmation of contributions.

Revenue from exchange transactions is recognized when it is probable that future economic benefits or service potential will flow to UN-Women and those benefits can be measured reliably. Revenue should be measured at the fair value of the consideration received or receivable. When the consideration is cash or in a monetary amount, measurement shall be at this amount.

Expenses

Expenses are recognized when goods are delivered and services are rendered. Project expenses incurred by responsible parties and implementing partners are recognized in the period in which the activities were completed.

(d) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Initial recognition

All financial assets and liabilities, including contributions receivable, other receivables and payables, are initially recognized when UN-Women becomes a party to the contractual provisions of the instrument.

A financial asset or a financial liability is initially measured at fair value, plus or minus transaction costs that are directly attributable to its acquisition or issue, except when such an instrument is designated at fair value through surplus and deficit. UN-Women does not have any financial instruments recognized at fair value through net assets or equity.

At initial recognition, UN-Women measures short-term receivables and payables at the original invoice amount if the effect of discounting is immaterial.

Financial assets

At initial recognition, all financial assets are recorded at fair value plus transaction cost. However, for financial assets subsequently measured at fair value through surplus or deficit, the transaction cost is not included in the carrying amount of the asset, but expensed in surplus or deficit.

A financial asset is subsequently measured at amortized cost if it meets both of the following conditions and is not designated as at fair value through surplus or deficit:

(a) The financial asset is held within a management model whose objective is to hold assets to collect contractual cash flows;

(b) The contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets not classified as measured at amortized cost as described above are measured at fair value through surplus or deficit.

Financial assets at amortized cost

UN-Women initially recognizes receivables on the date that they originated. All other financial assets are recognized initially on the trade date, which is the date on which UNDP, as treasurer for UN-Women, becomes a party to the contractual provisions of the instrument. UN-Women has outsourced treasury functions to UNDP, and therefore UNDP enters into contractual relationships on behalf of UN-Women.

Financial assets with maturities in excess of 12 months at the reporting date are categorized as non-current assets in the financial statements. Assets denominated in foreign currency are translated into United States dollars at the United Nations operational rates of exchange prevailing at the reporting date, with gains and losses recognized in surplus or deficit in the statement of financial performance.

Cash and cash equivalents include cash and short-term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value, net of expected credit loss for restricted-use currencies. Financial instruments classified as cash equivalents include investments with a maturity of three months or less from the date of acquisition.

Receivables comprise contributions receivable, which represent amounts due based on dates indicated in signed contribution agreements, including multi-year contributions, recognized in full at the time that the agreement is signed, except for agreements that have performance conditions beyond the control of UN-Women.

For contributions that are receivable over a span of multiple years, UN-Women recognizes contributions receivable for the portion of contributions that are due to be received within the reporting year, whereas the remaining portion, due to be received in the future, is measured and recognized at amortized cost.

Financial assets at fair value through surplus or deficit

Financial assets at fair value through surplus or deficit are so designated at initial recognition or are held for trading. They are initially recorded at fair value and any transaction costs are expensed. The assets are measured at fair value at each reporting date, and any resultant fair value gains or losses are recognized through surplus or deficit. Derivatives are used to manage foreign exchange risk and are contracted with creditworthy counterparties in accordance with the UNDP investment guidelines.

UN-Women classifies derivatives as financial assets at fair value through surplus or deficit in the statement of financial performance when UNDP has entered into such arrangements on its behalf. The fair value of derivatives is obtained from counterparties and is compared with internal valuations, which are based on valuation methods and techniques generally recognized as standard in the industry. Assets in this category are classified as current assets if they are expected to be realized within 12 months of the reporting date.

Subsequent measurement and recognition

The following table provides a summary of UN-Women policies for subsequent measurement and recognition of gains and losses on its financial assets:

<i>Financial asset</i>	<i>Subsequent measurement and recognition</i>
Financial assets at fair value through surplus or deficit	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend revenue, are recognized in surplus or deficit.
Financial assets at amortized cost	These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest revenue, foreign exchange gains and losses, and impairment are recognized in surplus or deficit. Any gain or loss on derecognition is recognized in surplus or deficit.

Derecognition of financial assets

UN-Women derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or when it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which UN-Women neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

Write-offs

The gross carrying amount of a financial asset is written off when UN-Women has no reasonable expectation of recovering a financial asset in its entirety or a portion thereof. For individual contributions receivable, UN-Women has a policy of writing off the gross carrying amount when the financial asset is deemed to be non-recoverable and all efforts towards recovery have been exhausted.

Financial liabilities: classification, subsequent measurement, and gains and losses

Financial liabilities are classified as measured at amortized cost or fair value through surplus or deficit. A financial liability is classified as fair value through surplus or deficit if it is classified as held for trading or it is a derivative or is so designated at initial recognition.

Fair value through surplus or deficit financial liabilities are those held for trading or that are so designated at initial recognition. They are initially recorded at fair value, and any transaction costs are expensed. The liabilities are measured at fair value at each reporting date, and any resultant fair value gains or losses are recognized through surplus or deficit. UN-Women classifies derivatives as financial liabilities at fair value through surplus or deficit in the statement of financial performance. Derivatives are used to manage foreign exchange risk and are contracted with creditworthy counterparties in accordance with the UNDP investment guidelines. They include derivatives embedded in time deposits that permit the instrument to be repaid by counterparties in an alternative currency in exchange for a higher yield. The fair value of derivatives is obtained from counterparties and is compared with internal valuations, which are based on valuation methods and techniques generally recognized as standard in the industry. Liabilities in this category are classified as current liabilities if they are expected to be settled within 12 months of the reporting date.

All non-derivative financial liabilities are recognized initially at fair value and are subsequently measured at amortized cost using the effective interest method where material to the financial statements.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in surplus or deficit. Any gain or loss on derecognition is also recognized in surplus or deficit.

Payables and accruals arising from the purchase of goods and services are recognized initially at fair value and subsequently measured at amortized cost when goods and services are delivered or rendered and accepted by UNDP. Liabilities are stated at invoice amounts less payment discounts at the reporting date. Liabilities are estimated where invoices are not available at the reporting date.

Financial liabilities classification

<i>IPSAS classification</i>	<i>Types of financial liabilities</i>
Other financial liabilities	Accounts payable and accrued liabilities, funds held on behalf of donors, advances payable, and other liabilities and payables
Fair value through surplus or deficit	Derivative liabilities

Other financial liabilities

Other liabilities include unapplied deposits and other payables. Unapplied deposits represent contributions received from donors that have not been applied against contributions receivable for earmarked activities.

Derecognition of financial liability

UN-Women derecognizes a financial liability when its contractual obligations are discharged or cancelled or they expire. UN-Women also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in surplus or deficit.

Offsetting of financial instruments

Financial assets and financial liabilities are offset, and the net amount is presented in the statement of financial position when, and only when, UN-Women has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

(e) Property, plant and equipment

Property, plant and equipment are stated at historic cost less accumulated depreciation and any impairment losses. The capitalization threshold for property, plant and equipment for which UN-Women has control is a total cost of at least \$2,500 per unit.

Depreciation is provided for property, plant and equipment over the estimated useful life of each asset using the straight-line method, except for land, which is not subject to depreciation.

Historic cost includes expenditure directly attributable to the acquisition of assets. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to UN-Women and the cost can be measured reliably.

The estimation of the useful life of the asset is a matter of judgment based on the experience of UN-Women with similar assets. Therefore, the useful life of an asset may be shorter than its economic life. Repair and maintenance costs are charged to the statement of financial performance during the financial period in which they are incurred.

UN-Women is deemed to control an asset if it can use or otherwise benefit from the asset in pursuit of its objectives and if the Entity can exclude or regulate the access of third parties to the asset. This can be the case when UN-Women is implementing a project directly. Project assets that are not controlled by UN-Women are expensed as incurred. Leasehold improvements are recognized as assets in cases in which the total cost is \$10,000 or more, valued at cost and depreciated over the lesser of the remaining useful life of the improvements or the lease term. Impairment reviews are undertaken for all assets at least annually.

The estimated useful life ranges in years for property, plant and equipment classes are set out in the table below.

<i>Class</i>	<i>Estimated useful life</i>
Land	Not applicable
Buildings	
Permanent	50
Temporary	10
Furniture and fixtures	10
Communications and information technology equipment	6–8
Vehicles	9
Machinery and equipment	7
Security equipment	5

(f) Intangible assets

Intangible assets with a finite life are carried at cost less accumulated amortization and any impairment loss. Intangible assets are capitalized provided they have a useful life of more than one year and a cost exceeding \$5,000 for externally acquired and a cost exceeding \$100,000 for internally generated. Amortization is provided on a straight-line basis on all intangible assets of finite life in accordance with its useful life. Where the intangible asset has an indefinite useful life, it will not be amortized, but will be reviewed for impairment by comparing its recoverable service amount with its carrying amount.

Costs incurred to configure and customize, and for subscription fees, to gain access to cloud-based software as a service are recognized as operating expenses when the services are received, since the systems utilized do not meet the criteria to be recognized as controlled assets.

Costs incurred for the development of software code that enhances, modifies or creates additional capability of existing on-premises systems and satisfies the recognition criteria for an intangible asset are recognized as intangible software assets and amortized over the remaining useful life of the software on a straight-line basis.

The assessment of whether costs to integrate and bridge controlled software to software as a service solutions meet recognition criteria for capitalization as intangible software assets may involve key judgments, including whether a separate asset can be reliably measured.

The estimated useful life ranges in years for intangible asset classes are set out in the table below.

<i>Class</i>	<i>Estimated useful life</i>
Externally acquired	5
Internally developed	5
Copyrights and patents	3

(g) Leases

Leases where the lessor retains a significant portion of the risks and rewards inherent to ownership are classified as operating leases. Payments made under operating leases are charged to the statement of financial performance on a straight-line basis over the period of the lease. The value of the future lease payments within the current lease term is disclosed in note 28.

Leases where the lessee retains a significant portion of the risks and rewards inherent to ownership are classified as finance leases. UN-Women has not entered into any finance leases.

(h) Employee benefits

UN-Women recognizes the following employee benefits:

- (a) Short-term employee benefits, which fall due wholly within 12 months after the end of the accounting period in which employees render the related service;
- (b) Long-term employee benefits, which are due to be settled beyond 12 months after the employees render the related service and include:
 - (i) Post-employment benefits (see the sections “United Nations Joint Staff Pension Fund” and “After-service health insurance” below);
 - (ii) Other long-term employee benefits;
 - (c) Termination benefits.

Short-term employee benefits are measured at their nominal value based on accrued entitlements at current rates of pay. These benefits may include, at year end, remuneration, accrued annual leave, home leave liability and other short-term benefits.

Post-employment benefits include pension plans, post-employment medical care, repatriation benefits and other lump sums payable after the completion of employment. Post-employment benefit plans are classified as either defined-contribution or defined-benefit plans.

UN-Women is a member organization participating in the United Nations Joint Staff Pension Fund, which was established by the General Assembly to provide retirement, death, disability and related benefits to employees. The Pension Fund is a funded, multi-employer defined-benefit plan. As specified in article 3 (b) of the Regulations of the Pension Fund, membership in the Pension Fund shall be open to the specialized agencies and to any other international, intergovernmental organization which participates in the common system of salaries, allowances and other conditions of service of the United Nations and the specialized agencies.

The plan exposes participating organizations to actuarial risks associated with the current and former employees of other organizations participating in the United Nations Joint Staff Fund, with the result that there is no consistent and reliable basis for allocating the obligation, plan assets and costs to individual organizations participating in the plan. UN-Women and the Pension Fund, in line with the other participating organizations in the Fund, are not in a position to identify the Entity's proportionate share of the defined-benefit obligation, the plan assets and the costs associated with the plan with sufficient reliability for accounting purposes. Hence, UN-Women has treated this plan as if it were a defined-contribution plan in line with the requirements of IPSAS 39: Employee benefits. The contributions of UN-Women to the Pension Fund during the financial period are recognized as expenses in the statement of financial performance.

The after-service health insurance plan extends subsidized health insurance coverage to retirees and their dependants under the same health insurance schemes as for active staff based on certain eligibility requirements. The after-service health insurance plan is a defined-benefit plan.

Other long-term employee benefits are employee benefits that do not fall due wholly within 12 months after the end of the financial period and include long-term compensation in the event of death, injury or illness.

Termination benefits generally include indemnities for voluntary redundancy and are expected to be settled within 12 months of the reporting period.

(i) Other current assets

Advances issued represent cash transferred to responsible parties and implementing partners as an advance. Advances issued are initially recognized as assets and are subsequently converted to expenses when goods are delivered or services are rendered by the responsible parties or implementing partners in the statement of financial performance.

Prepayments are issued where agreements with UN-Women and the supplier require up-front payment. Prepayments are recorded as a current asset until goods or services associated with the prepayments are delivered, at which point the expense is recognized and the prepayment is reduced by a corresponding amount.

UN-Women provides salary advances for specified purposes in accordance with the Staff Regulations and Rules of the United Nations. These advances have an initial maturity of less than 12 months, and the carrying amount approximates fair value. The carrying amount is stated less any impairment.

(j) Provisions, contingent liabilities and contingent assets

Provisions are made for future liabilities and charges where UN-Women has a present legal or constructive obligation as a result of past events, it is probable that UN-Women shall be required to settle the obligation and a reliable estimate can be made of the obligation.

Other obligations, which do not meet the recognition criteria for liabilities, are disclosed in the notes to the financial statements as contingent liabilities when their existence shall be confirmed only by the occurrence or non-occurrence of one or more uncertain future events which are not wholly within the control of UN-Women and the liability can be reliably estimated.

Contingent assets represent possible assets that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of UN-Women. Contingent

assets are not recognized but are disclosed if an inflow of economic benefits or service potential is probable.

(k) Commitments

Commitments are future expenses to be incurred by UN-Women on contracts entered into by the reporting date and that the Entity has minimal, if any, discretion to avoid in the ordinary course of operations. Commitments include capital commitments (the amount of contracts for capital expenses that are not paid or accrued by the reporting date), contracts for the supply of goods and services that will be delivered to UN-Women in a future period, non-cancellable minimum lease payments and other non-cancellable commitments. The value of commitments as at 31 December is not recognized in the statement of financial position but is disclosed in the notes to the financial statements. Commitments related to employment contracts are excluded from this disclosure.

(l) New accounting standards: adoption of IPSAS 41: Financial instruments

IPSAS 41: Financial instruments, replaces IPSAS 29: Financial instruments: recognition and measurement. UN-Women has applied IPSAS 41 in these financial statements.

As at the date of adoption of IPSAS 41, UN-Women reclassified its portfolio managed by fund managers external to the United Nations system in accordance with the new classification and measurement categories. The following qualitative factors were considered when reclassifying the financial instruments in accordance with the measurement categories under IPSAS 41:

- (a) The objective of the management model under which the respective financial instrument is held;
- (b) The characteristics of the cash flows generated from the respective financial instruments, their periodicity and whether they are solely payments of principal and interest on the principal amount outstanding;
- (c) The nature of the financial instrument as equity or a derivative instrument.

UN-Women holds its equity investments through an external investment manager. Previously, equity shares were classified as available-for-sale financial assets according to IPSAS 29 and measured at fair value through net assets and equity. On adoption of IPSAS 41, UN-Women determined the portfolio of these externally managed investments as held for trading, since the external manager actively trades these instruments. As a result, the investments were classified and measured as fair value through surplus or deficit beginning on 1 January 2023.

As a result of the above-mentioned changes in the classification of the financial instruments, the available-for-sale IPSAS reserve of \$2.84 million was reclassified as accumulated fair value through surplus or deficit as at 1 January 2023.

As part of IPSAS 41 adoption, UN-Women has clarified the presentation of the statement of financial performance to show gains and losses separately before the surplus or deficit for the year, and comparatives have been restated for the presentation change, reducing other revenue and other expenses by \$3.07 million and \$3.96 million, respectively, and showing them as losses of \$0.89 million for 2022. The breakdown of gains and losses is presented in note 24 to the financial statements.

A summary of the classification under IPSAS 29 and IPSAS 41 is provided in the table below.

Portfolio/asset category	Financial asset	Classification under IPSAS 29	Classification under IPSAS 41		
			Management model test	Solely payments of principal and interest test	Classification category
Cash and cash equivalents	Cash held with banks	Loans and receivables	Hold to collect cash flows	Not applicable	Amortized cost
	Petty cash and project cash	Loans and receivables			Amortized cost
	Money market funds and instruments	Loans and receivables		Passed	Amortized cost
	Bonds	Loans and receivables		Passed	Amortized cost
Internally managed investments	Bonds	Held to maturity	Hold to collect cash flows	Passed	Amortized cost
	Money market instruments	Held to maturity			Amortized cost
Externally managed investments (after-service health insurance and end-of- service)	Equity instruments	Available for sale	Held for trading	Given that the management model for after-service health insurance and end-of- service investments are held for trading, there is no need to perform a solely payments of principal and interest test. Accordingly, the investments are classified as fair value through surplus or deficit.	Fair value through surplus or deficit
	Bonds	Available for sale			Fair value through surplus or deficit
Receivables	Contributions receivable and other receivables	Loans and receivables	Hold to collect cash flows	Passed	Amortized cost
Derivative assets	Forward contracts/foreign currency options	Held for trading	Held for trading	These financial assets are classified as fair value through surplus or deficit.	Fair value through surplus or deficit

UN-Women follows the historical cost approach to the treatment of expected credit loss and does not historically have any credit loss relating to voluntary contributions. Therefore there has been no significant impact from the adoption of the expected credit loss model.

Note 3

New accounting standards: standards issued but not yet effective

(a) IPSAS 43: Leases, was approved by the IPSAS Board with an effective date of 1 January 2025. IPSAS 43 supersedes IPSAS 13: Leases, and introduces the right-of-use model for lessees, improves the transparency of lease accounting in the public sector and aligns the accounting approach with IPSAS. The assessment of the impact and implementation on UN-Women financial statements is continuing;

(b) The IPSAS Board issued IPSAS 44: Non-current assets held for sale and discontinued operations, with an effective date of 1 January 2025. IPSAS 44 includes additional public sector requirements, in particular the disclosure of the fair value of assets held for sale that are measured at their carrying amounts when the carrying amount is materially lower than their fair value. IPSAS 44 is not expected to have an impact on the financial statements of UN-Women;

(c) In 2023, the IPSAS Board issued IPSAS 45: Property, plant and equipment, which will replace IPSAS 17: Property, plant and equipment. The new standard, which will become effective on 1 January 2025, will add public sector guidance on heritage and infrastructure assets and is aligned with the new measurement principles in the new IPSAS 46: Measurement. IPSAS 45 is not expected to have a significant impact on UN-Women financial statements, but a full impact assessment will be carried out by the implementation date;

(d) IPSAS 46: Measurement, was approved by the IPSAS Board in March 2023, bringing together measurement guidance in a single standard and clarifying the concept of deemed cost, including its applicability to property, plant and equipment held for operational capacity, and replacing the replacement cost measurement basis with the current operational value, a public sector measurement basis. The standard is not expected to have a significant impact on UN-Women financial statements, but a full impact assessment will be carried out by the implementation date;

(e) In March 2023, the IPSAS Board approved IPSAS 47: Revenue, which is a single standard to account for revenue transactions in the public sector. IPSAS 47 replaces the three existing revenue standards (IPSAS 9, IPSAS 11 and IPSAS 23) and presents accounting models that will improve financial reporting. IPSAS 47 will be effective on 1 January 2026. Adoption of IPSAS 47 will have an impact on UN-Women financial statements and revenue recognition for earmarked voluntary contribution agreements, and on adoption of the standard, UN-Women will restate comparative financial information to match the requirements of the new standard to recognize revenue as programmatic activities are implemented. The Task Force on Accounting Standards has developed guidance on accounting for revenue under IPSAS 47, and UN-Women will follow this guidance in implementing the standard;

(f) In March 2023, the IPSAS Board approved IPSAS 48: Transfer expenses, which provides guidance on a major area of expenditure for governments and other public sector entities. IPSAS 48 fills a gap that had previously led to ambiguity and inconsistency of accounting policies in the public sector. IPSAS 48 will be effective on 1 January 2026. UN-Women has begun a preliminary assessment of the impact of the standard and will complete the assessment before adoption;

(g) In November 2023, the IPSAS Board approved IPSAS 49: Retirement benefit plans, with an effective date of 1 January 2026. This standard is not expected to have an impact on UN-Women financial statements, as pensions are managed through the United Nations Joint Staff Pension Fund.

Note 4

Critical accounting estimates and judgments

The preparation of financial statements in accordance with IPSAS necessarily includes the use of accounting estimates and management assumptions and judgment. The areas where estimates, assumptions or judgment are significant to the financial statements of UN-Women include but are not limited to post-employment benefits obligations, provisions, financial risk on accounts receivable and advances, accrued charges, contingent assets and liabilities, and degree of impairment of accounts receivable, advances, investments and property, plant and equipment. Actual results could differ from those estimates. Changes in estimates are recognized in the period in which they became known.

Note 5
Segment reporting

Segment reporting is required to evaluate an entity's past performance and to make decisions about an entity's future allocation of resources. UN-Women reports the following segments:

(a) The regular resources (core/unearmarked) segment reflects the operations of voluntarily donated funds to UN-Women to be used to achieve the mandate of UN-Women at the discretion of the Executive Director of UN-Women;

(b) The other resources (non-core/earmarked) segment represents earmarked voluntarily donated funds to UN-Women for specific projects;

(c) The assessed resources (regular budget) segment represents sums assessed on Member States and transferred to UN-Women by the General Assembly;

Inter-segment transactions are disclosed in the segment reporting, but eliminated in the statement of financial performance.

Statement of financial position by segment as at 31 December 2023

(Thousands of United States dollars)

	31 December 2023				31 December 2022
	Regular resources	Other resources	Assessed resources	Total	
Assets					
Current assets					
Cash and cash equivalents	82 705	133 198	(5 600)	210 303	122 040
Investments	120 572	146 361	—	266 933	230 278
Accounts receivable	62 782	277 966	1 055	341 803	264 179
Advances	6 632	63 265	22	69 919	56 413
Other assets	8 262	2 137	—	10 399	9 886
Current assets	280 953	622 927	(4 523)	899 357	682 796
Non-current assets					
Investments	161 212	195 691	—	356 903	408 120
Accounts receivable	35 993	150 810	—	186 803	221 392
Other assets	7	8	—	15	15
Property, plant and equipment	9 473	2 590	—	12 063	12 365
Intangible assets	14	4	—	18	8
Non-current assets	206 699	349 103	—	555 802	641 900
Total assets	487 652	972 030	(4 523)	1 455 159	1 324 696
Liabilities					
Current liabilities					
Accounts payable	16 413	18 430	97	34 940	2 179
Employee benefits	23 007	—	—	23 007	21 290
Other liabilities	29 520	5 702	—	35 222	23 487
Current liabilities	68 940	24 132	97	93 169	46 956

	31 December 2023			Total	31 December 2022
	Regular resources	Other resources	Assessed resources		
Non-current liabilities					
Employee benefits	99 804	–	–	99 804	86 803
Other liabilities	–	–	–	–	334
Non-current liabilities	99 804	–	–	99 804	87 137
Total liabilities	168 744	24 132	97	192 973	134 093
Net assets	318 908	947 898	(4 620)	1 262 186	1 190 603
Net assets/equity					
Accumulated surplus/(deficit)	293 506	838 974	(4 308)	1 128 172	999 767
<i>Adoption of IPSAS 41:</i>					
Changes in fair value of available for sale investments	(2 842)	–	–	(2 842)	–
Prior-period adjustment	2 842	–	–	2 842	–
Current-year surplus/(deficit)	(31 336)	111 149	(312)	79 501	130 815
Operational reserves	26 520	–	–	26 520	26 520
Field accommodation reserve	1 000	–	–	1 000	1 000
Actuarial gains/(losses)	29 218	–	–	29 218	34 911
Refunds to donors	–	(2 225)	–	(2 225)	(2 410)
Total net assets/equity	318 908	947 898	(4 620)	1 262 186	1 190 603

Total net assets/equity, in accordance with the statement of financial position by segment, includes:

(d) Regular resources: the cash required to fund operations for the first few months of the new financial year while UN-Women waits for new voluntary contributions from donor Governments, funded employee benefits and liabilities, and the prior years' unspent cash balances;

(e) Other resources: the unspent budgets for earmarked projects and programmes which will be expensed in future periods in accordance with donor agreements.

UN-Women costs for acquisitions of property, plant and equipment and intangible assets from both regular and other resources are summarized in the table below.

Statement of financial performance by segment for the year ended 31 December 2023

(Thousands of United States dollars)

	31 December 2023					31 December 2022
	Regular resources	Other resources	Assessed resources	Elimination	Total	
Revenue						
Contributions	108 631	476 203	10 474	—	595 308	656 987
Investment revenue	20 180	1 007	—	—	21 187	8 762
Other revenue	242	1 068	1 112	—	2 422	2 206
Cost recovery	—	26 680	—	(26 680)	—	—
Cost attribution	13 002	—	—	(13 002)	—	—
Revenue from exchange transactions	—	140	—	—	140	43
Total revenue	142 055	505 098	11 586	(39 682)	619 057	667 998
Expenses						
Employee benefits	73 939	100 727	11 497	—	186 163	175 863
Contractual services	33 505	122 733	123	—	156 361	165 747
Grants and other transfers	908	18 819	—	—	19 727	18 668
Supplies and maintenance	9 235	14 680	9	—	23 924	20 197
Operating costs	47 768	104 533	147	(39 682)	112 766	113 160
Travel costs	12 730	26 542	121	—	39 393	32 738
Depreciation and amortization	2 220	868	1	—	3 089	3 035
Finance costs	32	15	—	—	47	183
Other expenses	(399)	5 032	—	—	4 633	6 700
Total expenses	179 938	393 949	11 898	(39 682)	546 103	536 291
Gains/(losses)	6 547	—	—	—	6 547	(892)
Surplus/(deficit) for the period	(31 336)	111 149	(312)	—	79 501	130 815

Note 6

Cash and cash equivalents

(Thousands of United States dollars)

	31 December 2023	31 December 2022
Cash in bank accounts	503	4 256
Petty cash	36	178
Money market	148 384	115 333
Term deposits and other	61 380	2 273
Total	210 303	122 040

Cash and cash equivalents comprise balances held by field offices, money market account balances and term deposits with terms of less than three months. Cash required for immediate disbursement is maintained in cash and bank accounts. Money market and deposit accounts are available at short notice. Cash and cash equivalents relate to both regular resources and other resources. Financial instruments classified as cash equivalents include investments with a maturity of three months or less from the date of acquisition.

Note 7
Investments

(Thousands of United States dollars)

	31 December 2023	31 December 2022
Current investments		
Amortized cost	266 378	230 022
Fair value through surplus or deficit	555	256
Total current investments	266 933	230 278
Non-current investments		
Amortized cost	296 306	356 135
Fair value through surplus or deficit	60 597	51 985
Total non-current investments	356 903	408 120
Total investments	623 836	638 398

Investments include amortized costs managed by UNDP and fair value through surplus or deficit financial assets that are held and managed by external investment managers for after-service portfolios.

The exposure of UN-Women to credit risk, market risk and currency risks, and its risk management activities related to financial assets, including investments, is discussed in note 25 to the financial statements.

The Entity's cash and cash equivalents and investments include funding for after-service health insurance, repatriation and death benefits in the amount of \$124.74 million (2022: \$112.79 million), in accordance with note 14, operational reserve, in the amount of \$26.50 million, and field accommodation reserve, in the amount of \$1.00 million, in accordance with note 17. Investments relate to both regular resources and other resources.

7.1
Investments: amortized costs

(Thousands of United States dollars)

	Closing balance 31 December 2022	Purchases	Maturities	Amortization	Unrealized gains/ losses	Reclassification non-current to current	Closing balance 31 December 2023	Fair value
Current investments								
Time deposits	—	40 000	—	—	—	—	40 000	40 000
Money market instruments	24 908	102 549	(119 805)	2 197	—	—	9 849	9 839
Bonds and notes	205 113	19 644	(205 120)	263	—	196 629	216 529	212 547
Subtotal	230 021	162 193	(324 925)	2 460	—	196 629	266 378	262 386
Non-current investments								
Money market instruments	—	10 000	(10 000)	—	—	—	—	—
Bonds and notes	356 135	165 879	(29 950)	871	—	(196 629)	296 306	290 094
Subtotal	356 135	175 879	(39 950)	871	—	(196 629)	296 306	290 094
Total amortized costs	586 156	338 072	(364 875)	3 331	—	—	562 684	552 480

Fair value through surplus or deficit financial assets are carried at amortized cost calculated by using the effective interest method. As at 31 December 2023, the fair value of those assets was lower than the book value by \$10.20 million. Fair values are based on quoted market prices from reputable vendors.

7.2

Investments: fair value through surplus or deficit

(Thousands of United States dollars)

	31 December 2023	31 December 2022
Current investments		
Bonds	549	260
Bonds – fair value adjustments	6	(4)
Total current investments	555	256
Non-current investments		
Equities	31 017	31 122
Equities – fair value adjustments	5 630	103
Bonds	25 627	23 993
Bonds – fair value adjustments	(1 677)	(3 233)
Total non-current investments	60 597	51 985
Total fair value through surplus or deficit	61 152	52 241

The table below presents the fair value hierarchy of the Entity's fair value through surplus or deficit financial instruments carried at fair value as at 31 December 2023.

(Thousands of United States dollars)

	Level 1	Level 2	Level 3	31 December 2023	31 December 2022
Fair value through surplus or deficit					
Equities	36 647	–	–	36 647	31 225
Bonds	24 505	–	–	24 505	21 016
Total	61 152	–	–	61 152	52 241

The three fair value hierarchies are defined by IPSAS on the basis of the significance of the inputs used in the valuation as follows:

(a) Level 1: unadjusted quoted prices in active markets for identical assets or liabilities;

(b) Level 2: inputs other than quoted prices included in level 1 that are observable for the asset or liability either directly (as price) or indirectly (derived from prices);

(c) Level 3: inputs for assets or liabilities that are not based on observable market data (unobservable inputs).

Held-for-trading financial assets represent investments managed by external investment managers for after-service health insurance (see notes 7 and 25).

The fair value of the financial assets and liabilities is included at the amount for which the instrument could be exchanged in a current transaction between willing parties, other than forced sale or liquidation.

Note 8

Accounts receivable

(Thousands of United States dollars)

	31 December 2023	31 December 2022
Current accounts receivable		
Contributions receivable	341 803	264 179
Subtotal	341 803	264 179
Non-current accounts receivable		
Contributions receivable	186 803	221 392
Subtotal	186 803	221 392
Total accounts receivable	528 606	485 571

Contributions receivable represents uncollected non-exchange revenue committed to UN-Women by donors, including other United Nations entities. The comparative presentation, but not the total values, has changed as part of IPSAS 41 adoption, and impairment recorded in the prior year is not presented separately.

Note 9

Advances

(Thousands of United States dollars)

	31 December 2023	31 December 2022
Advances provided to United Nations agencies	10 235	5 510
Advances provided to other partners	56 826	48 554
<i>Shown by fund type:</i>		
Regular resources	2 777	213
Other resources	—	—
Cost-sharing	43 302	33 035
United Nations trust fund in support of actions to eliminate violence against women	10 748	15 307
Fund for Gender Equality	—	—
Less: allowance for impairment of advances to partners	(164)	(242)
Subtotal	66 897	53 822
Programme cash advances	967	—
Advances to staff	2 055	2 591
Total advances	69 919	56 413

Advances to staff include salary and rental advances and prepaid education grants, which are generally settled within a 12-month period.

Note 10
Other assets

(Thousands of United States dollars)

	31 December 2023	31 December 2022
Current assets		
Interest and dividends receivable	4 765	2 150
Prepaid expenses	333	13
Derivative asset	—	9
Receivables from United Nations agencies	—	1 341
Miscellaneous accounts receivable	5 301	6 373
Subtotal	10 399	9 886
Non-current assets		
Security deposit	15	15
Subtotal	15	15
Total other assets	10 414	9 901

Miscellaneous accounts receivable includes value added tax/sales tax and tax reimbursements due from the United Nations, other receivables due and expenditure paid in advance.

Note 11
Property, plant and equipment

(Thousands of United States dollars)

	Building	Communications and information technology equipment	Furniture and fixtures	Vehicles	Heavy machinery/ equipment	Leasehold improvements	Construction of fixed assets	Total
As at 31 December 2022								
Cost	2 519	13 818	1 098	11 654	2 425	3 383	84	34 981
Accumulated depreciation	(1 394)	(8 263)	(742)	(7 680)	(1 845)	(2 692)	—	(22 616)
Net book value	1 125	5 555	356	3 974	580	691	84	12 365
Movements year to 31 December 2023								
Additions and adjustments	316	1 105	15	1 151	149	35	351	3 122
Retirements and disposals	(116)	(550)	(3)	(134)	(25)	(584)	—	(1 412)
Retirements – accumulated depreciation	—	333	—	134	25	579	—	1 071
Depreciation	(189)	(1 521)	(68)	(868)	(147)	(290)	—	(3 083)
Closing net book value as at 31 December 2023	1 136	4 922	300	4 257	582	431	435	12 063
As at 31 December 2023								
Cost	2 719	14 373	1 110	12 671	2 549	2 834	435	36 691
Accumulated depreciation	(1 583)	(9 451)	(810)	(8 414)	(1 967)	(2 403)	—	(24 628)
Net book value	1 136	4 922	300	4 257	582	431	435	12 063

As at 31 December 2023, UN-Women did not have any impairment in property, plant and equipment. UN-Women held fully depreciated property, plant and equipment that was still in use, with a cost of \$9.1 million as at 31 December 2023.

Note 12

Intangible assets

(Thousands of United States dollars)

	<i>Externally acquired software</i>	<i>Total</i>
As at 31 December 2022		
Cost	417	417
Accumulated amortization	(409)	(409)
Net book value	8	8
Movements year to 31 December 2023		
Additions and adjustments	16	16
Amortization	(6)	(6)
Closing net book value as at 31 December 2023	18	18
As at 31 December 2023		
Cost	433	433
Accumulated amortization	(415)	(415)
Net book value	18	18

Note 13

Accounts payable

(Thousands of United States dollars)

	<i>31 December 2023</i>	<i>31 December 2022</i>
Payables to third parties	16 302	4
Payables to United Nations agencies		
United Nations Development Programme	5 971	–
United Nations Population Fund	–	16
United Nations University	1	1
Accruals	12 666	2 158
Total accounts payable	34 940	2 179

Accruals represent estimates for the value of goods or services received, for which invoices have not yet been received and for which the liability has occurred and can be reasonably estimated.

Note 14
Employee benefits

(Thousands of United States dollars)

	31 December 2023	31 December 2022
Current employee benefits		
Accrued annual leave	17 043	17 966
Accrued home leave	2 668	1 855
After-service health insurance	600	610
Repatriation benefits	2 667	830
Death benefit	29	29
Subtotal	23 007	21 290
Non-current employee benefits		
After-service health insurance	78 982	76 586
Repatriation benefits	20 429	9 914
Death benefit	393	303
Subtotal	99 804	86 803
Total employee benefits	122 811	108 093

(a) Current employee benefits

The current portion of employee benefits includes annual leave and home leave calculated in accordance with the Staff Regulations and Rules of the United Nations. Also included are the current portions of accrued after-service health insurance, repatriation benefits and death benefits, as determined by actuarial valuation. Current liabilities relating to employee benefits increased by \$1.71 million (2022: \$1.10 million).

(b) Non-current employee benefits

The non-current portion of employee benefits includes the non-current portions of after-service health insurance, repatriation benefits and death benefits, as determined by actuarial valuation.

Actuarial valuations

The liabilities arising from post-employment benefits are determined by independent actuaries, and those employee benefits are established in accordance with the Staff Regulations and Rules of the United Nations.

The actuarial valuation for after-service health insurance, repatriation benefits and death benefits was prepared for the purpose of providing results for financial disclosure and reporting as at 31 December 2023 in accordance with IPSAS 39: Employee benefits. UN-Women carries out a full actuarial valuation on a biennial basis, with the most recent full valuation carried out as at 31 December 2023.

After-service health insurance

UN-Women provides end-of-service medical benefits for its eligible former staff members and their dependants in the form of insurance premiums for the medical and accident insurance plan. Eligible former staff members are 55 years of age and older and have 5 or more years of service for staff hired before 1 July 2007, or 10 or

more years of service for staff hired on or after 1 July 2007 of contributory health insurance coverage prior to retirement.

The non-current portion of after-service health insurance of \$78.98 million includes an obligation for active staff not yet fully eligible amounting to \$41.52 million, which represents active employees who are not yet eligible as at the valuation date and is determined assuming that some portion of each employee group will leave UN-Women prior to meeting the age and service requirements.

The plan was funded to \$96.11 million as at 31 December 2023 (2022: \$93.02 million), and a funding plan for providing 8 per cent commenced on 1 January 2014. The assets held to support the plan are invested either separately in an after-service health insurance investment account by external fund managers or with the regular cash and investments of UN-Women (see notes 7 and 25).

The present value of the defined-benefit obligations for post-employment medical insurance is determined using the projected unit credit method, including discounting the estimated future cash outflows.

Repatriation benefits

UN-Women provides end-of-service repatriation benefits (grant and travel and shipment of personal effects) for its eligible staff members and their dependants upon separation. Eligible staff are international appointments who have been separated from active service after qualifying service of one year or longer, who resided at the last duty station outside their country of nationality and have not been summarily dismissed or separated from service on grounds of abandonment of post.

The non-current portion of repatriation benefits of \$20.43 million includes an obligation for active staff not yet fully eligible, amounting to \$6.03 million, which represents active employees who are not yet eligible as at the valuation date and which is determined assuming that some portion of each employee group will leave UN-Women prior to meeting the age and service requirements. The 2023 actuarial report showed an actuarial loss having been recorded owing to experience adjustment.

The plan was funded to the amount of \$22.57 million (2022: \$19.4 million) as at 31 December 2023, and a funding plan for providing 3.75 per cent commenced from 1 January 2014. The assets held to support the plan are included in the pool of investments of UN-Women (see note 7).

Death benefits

The death benefit is a post-employment defined-benefit plan. The obligation to provide this entitlement is generated when eligible employees report for service. The payment is made upon the death of an employee who leaves behind a surviving spouse or a dependent child. Staff members on full-time continuous service, on fixed-term, or continuing or permanent appointment are eligible to receive death benefits provided that the staff members are married or have dependent children at their death. No benefit is payable in the case of staff members who are unmarried and/or without recognized dependent children. The plan was fully funded to the amount of \$0.45 million (2022: \$0.37 million) as at 31 December 2023, and the assets held to support the plan are included in the pool of investments of UN-Women (see note 7).

The movement in the present value of the defined benefit in accordance with the actuarial valuation was as follows:

(Thousands of United States dollars)

	<i>After-service health insurance</i>	<i>Repatriation benefits</i>	<i>Death benefit</i>	<i>Total</i>
Net defined-benefit obligation at the beginning of the year	77 196	10 744	332	88 272
Increase of the obligation				
Service cost	5 211	514	15	5 740
Interest on obligation	4 135	530	16	4 681
Actuarial (gain)/loss	(6 557)	12 161	89	5 693
Decrease of the obligation				
Benefit payments	(403)	(853)	(30)	(1 286)
Net recognized liability at the end of the year	79 582	23 096	422	103 100

The benefit payments set out in the table above are estimated on the basis of the 2023 year-end actuarial valuations. As at 31 December 2023, actual benefit payments made by UN-Women comprised after-service health insurance in the amount of \$0.59 million (2022: \$0.39 million) and repatriation benefits in the amount of \$0.56 million (2022: \$0.49 million), and there were payments in the amount of \$0.02 million for death benefits (2022: no payment).

The 2023 annual expense amounts recognized in the statement of financial performance are as follows:

(Thousands of United States dollars)

	<i>After-service health insurance</i>	<i>Repatriation benefits</i>
Service cost	5 211	514
Interest on obligation	4 135	530
Total expenses recognized	9 346	1 044

Actuarial assumptions

The two key assumptions used by the actuary to determine defined-benefit liabilities are the discount rate and, for after-service health insurance, the health-care cost trend rate.

Inflation rate. The inflation rate is an economic indicator that measures the rate of increase of a price index. Under IPSAS 39: Employee benefits, assumptions such as the discount rate and the health-care cost trend should be based on the same underlying inflation assumption. An inflation assumption rate of 2.30 per cent was used for the 31 December 2023 valuation (2022: 2.50 per cent). This inflation assumption rate is used as a proxy for the long-term inflation expectations over the next 20 years, which is consistent with the expected duration of the obligations.

Discount rate. The discount rate should reflect the time value of money and the estimated timing of future benefit payments. In accordance with IPSAS 39, the discount rate used to determine the defined-benefit obligations should be based on market rates for high-quality corporate bonds that match the currency and estimated term of the obligations. The United Nations has used the yield curves issued by Aon Hewitt for the United States of America, the eurozone and Switzerland to determine

the discount rate for the actuarially valued defined-benefit plans. Actuarial valuations were performed using the full discount curves, and once the results were obtained, single equivalent discount rates per scheme were determined for disclosure purposes.

Rate of compensation increase. The rate of compensation increase used for defined-benefit obligations represents a long-term assumption and includes components for inflation, productivity increases, and merit and promotion adjustments.

Future mortality assumptions. Assumptions regarding future mortality are based on the same mortality tables that are used by the United Nations Joint Staff Pension Fund for its actuarial valuation.

After-service health insurance participation and election assumptions. It is assumed that 95 per cent of future retirees who are expected to meet the eligibility requirements for after-service health insurance benefits will participate in the plan in retirement, and that 80 per cent of future male retirees and 50 per cent of future female retirees will be married at the time of retirement and will elect to cover their spouse under the same medical arrangement that they have elected.

The single equivalent discount rates determined for each scheme are as follows:

(Percentage)

<i>Single equivalent discount rates</i>	<i>2023</i>	<i>2022</i>
After-service health insurance	5.03	5.37
Repatriation benefits	4.95	5.14
Death benefits	5.53	5.07

Other actuarial assumptions were as follows:

Health-care cost trend rates (varies by medical plan) (percentage)	2.35–3.95
Salary increase rate (varies by age and staff category) (percentage)	4.0–9.4
Per capita claim cost (varies by plan)	\$1 438–\$13 837

Assumptions regarding future mortality for 2023 are based on the detailed mortality, retirement and withdrawal rates assumptions used for the most recent United Nations Joint Staff Pension Fund scheme valuations, which, in prior years, had been based on published statistics and mortality tables. The change will ensure overall modelling consistency with the Fund scheme. The current rates of death underlying the values of the liabilities in the after-service health insurance and repatriation calculations are as follows:

<i>Rates of death: pre-retirement</i>	<i>At age 20</i>	<i>At age 65</i>
Male	0.00062	0.00495
Female	0.00034	0.00263
<i>Rates of death: post-retirement</i>	<i>At age 20</i>	<i>At age 70</i>
Male	0.00062	0.01113
Female	0.00035	0.00570

<i>Rate of retirement: hired before 1 January 1990</i>	<i>At age 55</i>	<i>At age 65</i>
Male	0.13	0.50
Female	0.14	0.50

Sensitivity analysis

If the assumptions described above were to change, in accordance with the actuarial report, this would have an impact on the measurement of defined-benefit obligations and current service and interest costs as shown in the table below.

(Thousands of United States dollars)

	<i>Change</i>	<i>After-service health insurance</i>	<i>Repatriation benefits</i>	<i>Death benefits</i>
Impact of change in assumptions		79 582	23 096	422
Discount rate sensitivity to end-of-year liability				
Increase in discount rate	0.5%	(8 561)	(845)	(14)
As a percentage of end-of-year liability		(11%)	(4%)	(3%)
Decrease in discount rate	(0.5%)	9 975	907	15
As a percentage of end-of-year liability		13%	4%	4%
Effect of change in assumed health-care cost trend rates				
Effect on year-end accumulated post-employment benefit obligation				
Increase in health-care cost trend rate	0.5%	9 776	Not applicable	Not applicable
Decrease in health-care cost trend rate	(0.5%)	(8 475)	Not applicable	Not applicable
Effect on combined service and interest cost components on net				
Increase in health-care cost trend rate	0.5%	1 347	Not applicable	Not applicable
Decrease in health-care cost trend rate	(0.5%)	(1 134)	Not applicable	Not applicable

The best estimate of contributions expected by UN-Women to be paid for the next 12 months for after-service health insurance is \$0.5 million, and for repatriation benefits, \$1.0 million.

United Nations Joint Staff Pension Fund

UN-Women is a member organization participating in the United Nations Joint Staff Pension Fund, which was established by the General Assembly to provide retirement, death, disability and related benefits to employees. The Pension Fund is a funded, multi-employer defined-benefit plan. As specified in article 3 (b) of the Regulations, Rules and Pension Adjustment System of the Fund, membership in the Fund shall be open to the specialized agencies and to any other international, intergovernmental organization which participates in the common system of salaries, allowances and other conditions of service of the United Nations and the specialized agencies.

The Pension Fund exposes participating organizations to actuarial risks associated with the current and former employees of other organizations participating in the Fund, with the result that there is no consistent and reliable basis for allocating the obligation, plan assets and costs to individual organizations participating in the Fund. UN-Women and the Fund, in line with the other organizations participating in the Fund, are not in a position to identify the UN-Women proportionate share of the defined-benefit obligation, the plan assets and the costs associated with the plan with

sufficient reliability for accounting purposes. Hence, UN-Women has treated the plan as if it were a defined-contribution plan in line with the requirements of IPSAS 39: Employee benefits. UN-Women contributions to the Fund during the financial period are recognized as expenses in the statement of financial performance.

It is stated in the Regulations of the Pension Fund that the United Nations Joint Staff Pension Board shall have an actuarial valuation made of the Fund at least once every three years by the Consulting Actuary. The practice of the Pension Board has been to carry out an actuarial valuation every two years. The primary purpose of the actuarial valuation is to determine whether the current and estimated future assets of the Fund will be sufficient to meet its liabilities.

The financial obligation of UN-Women to the Pension Fund consists of its mandated contribution, at the rate established by the General Assembly (currently at 7.9 per cent for participants and 15.8 per cent for member organizations), together with any share of any actuarial deficiency payments under article 26 of the Regulations of the Fund. Such deficiency payments are only payable if and when the Assembly has invoked the provision of article 26, following a determination that there is a requirement for deficiency payments based on an assessment of the actuarial sufficiency of the Fund as at the valuation date. Each member organization shall contribute to this deficiency an amount proportionate to the total contributions which each paid during the three years preceding the valuation date.

The latest actuarial valuation for the Pension Fund was completed as at 31 December 2021, and the valuation as at 31 December 2023 is currently being performed. A roll forward of the participation data as at 31 December 2021 to 31 December 2022 was used by the Fund for its 2022 financial statements.

The actuarial valuation as at 31 December 2021 resulted in a funded ratio of actuarial assets to actuarial liabilities of 117.0 per cent. The funded ratio was 158.2 per cent when the current system of pension adjustments was not taken into account.

After assessing the actuarial sufficiency of the Pension Fund, the Consulting Actuary concluded that there was no requirement, as at 31 December 2021, for deficiency payments under article 26 of the Regulations of the Fund, as the actuarial value of assets exceeded the actuarial value of all accrued liabilities under the plan. In addition, the market value of assets also exceeded the actuarial value of all accrued liabilities as at the valuation date. At the time of reporting, the General Assembly had not invoked the provision of article 26.

Should article 26 be invoked due to an actuarial deficiency, either during the ongoing operation or due to the termination of the Pension Fund, deficiency payments required from each member organization would be based on the proportion of that member organization's contributions to the total contributions paid to the Fund during the three years preceding the valuation date. Total contributions paid to the Fund during the preceding three years amounted to \$8,937.68 million, of which 0.72 per cent (2020: \$20.2 million, 2021: \$21.4 million and 2022: \$22.7 million) was contributed by UN-Women.

During 2023, contributions paid to the Pension Fund amounted to \$24.5 million (2022: \$22.7 million). The contributions are expected to remain constant in 2024.

Membership in the Pension Fund may be terminated by decision of the General Assembly upon the affirmative recommendation of the Pension Board. A proportionate share of the total assets of the Fund at the date of termination shall be paid to the former member organization for the exclusive benefit of its staff who were participants in the Fund at that date, pursuant to an arrangement mutually agreed between the organization and the Pension Board. The amount is determined by the Pension Fund on the basis of an actuarial valuation of the assets and liabilities of the

Fund on the date of termination; no part of the assets that are in excess of the liabilities are included in the amount.

The Board of Auditors carries out an annual audit of the Pension Fund and reports to the Pension Board and to the General Assembly on the audit every year. The Fund publishes quarterly reports on its investments, which can be viewed by visiting the Fund at www.unjspf.org.

Note 15

Other liabilities

(Thousands of United States dollars)

	31 December 2023	31 December 2022
Current liabilities		
Deferred revenue	61	485
Funds received in advance	9 422	2 886
Investment settlements payable	349	451
Other accruals	21 287	19 341
Other payables	4 103	324
Subtotal	35 222	23 487
Non-current liabilities		
Deferred revenue	—	334
Subtotal	—	334
Total other liabilities	35 222	23 821

Deferred revenue represents funds from donors that have been recognized on the statement of financial position and, depending on the nature of the agreement, are recognized as revenue when conditions (if any) are met.

Funds received in advance represent either contributions received prior to the receipt of signed donor agreements (which funds are recognized as revenue upon signature of the donor agreement, consistent with the policy for revenue from contributions), or funds received for joint programmes where UN-Women is the administrative agent (which funds will be disbursed to participating United Nations organizations upon signature of the minutes of their respective steering committees).

Investment settlements payable represent a foreign exchange trade, completed in January 2024 (2022: January 2023).

Note 16

Accumulated surplus or deficit

The movement in the accumulated surplus or deficit during the year is shown below. In 2022, the IPSAS reserves previously disclosed separately in the table below were rolled into the accumulated surplus.

(Thousands of United States dollars)

	31 December 2023	31 December 2022
Accumulated surplus/(deficit) at the beginning of the year	1 165 925	996 390
<i>Impact on adoption of IPSAS 41</i>	(2 842)	–
Subtotal	1 163 083	996 390
Current-year surplus/(deficit)	79 501	130 815
Refunds to donors	(2 225)	(2 410)
Actuarial gain/(loss)	(5 693)	41 130
Total accumulated surplus/(deficit) at the end of the year	1 234 666	1 165 925

(a) Refunds to donors

Refunds to donors represents funds returned to donors in accordance with agreements after the completion of activities for projects and programmes.

(b) Actuarial gains or losses

Actuarial losses relating to after-service health insurance, repatriation and death benefit obligations in the amount of \$5.69 million are accounted for using the “reserve recognition” approach and are recognized through net assets in the statement of financial position and in the statement of changes in net assets in the year in which they occur (see note 14).

Note 17**Reserves**

The movement in the reserves during the year is shown below.

(Thousands of United States dollars)

	31 December 2023	Impact on adoption of IPSAS 41	31 December 2022
Operational reserve	26 520	–	26 520
Field accommodation reserve	1 000	–	1 000
Changes in fair value of available-for-sale investments	–	2 842	(2 842)
Total reserves	27 520	2 842	24 678

(a) Operational reserve

In accordance with regulation 19.2 of the Entity’s financial regulations and rules and Executive Board decision 2012/8 of 30 November 2012, UN-Women maintains an operational reserve of \$26.52 million, the purpose of which is to guarantee the financial viability and integrity of the agency. No increase was made to the operational reserve in 2023. The reserve is fully funded and held in irrevocable and promptly available liquid assets that are included in the pool of investments of UN-Women. The elements to be compensated for and covered by it shall be limited to downward fluctuations or shortfalls in resources: uneven cash flows; increases in actual costs compared with planning estimates or fluctuations in delivery; and other contingencies that result in a loss of resources for which UN-Women has made commitments for programming.

(b) Field accommodation reserve

A reserve for field office accommodation of \$1.0 million was established in accordance with Executive Board decision 2012/8. With the establishment of regional offices and the ongoing potential for increased participation in United Nations common premises, UN-Women may incur additional costs to finance its share. UN-Women can make drawdowns from the reserve, which will be replenished from the accumulated surplus on an annual basis.

Note 18

Voluntary contributions

(Thousands of United States dollars)

	31 December 2023	31 December 2022
Contributions	583 419	646 165
Contributions in kind	1 415	1 430
Total voluntary contributions	584 834	647 595

In-kind contributions representing rent provided by Governments and United Nations agencies amounted to \$1.42 million. In-kind services provided to UN-Women during the year include services that are not recorded as income in these financial statements, in accordance with the accounting policies of UN-Women.

Note 19

Assessed contributions

(Thousands of United States dollars)

	31 December 2023	31 December 2022
Assessed contributions	10 474	9 392
Total assessed contributions	10 474	9 392

Assessed contributions are issued as an annual allotment from the United Nations regular budget.

Note 20

Investment revenue

(Thousands of United States dollars)

	31 December 2023	31 December 2022
Interest revenue	16 284	8 069
Amortization on investments	4 335	(477)
Changes in fair value of financial assets held as fair value through surplus or deficit	75	671
Dividend income	493	499
Total investment income	21 187	8 762

Amortization on investments relates to the net bond income balance from amortizing of premiums (debit) and discounts (credit). The premiums and discounts are part of the initial purchase price of bonds and, in observance of accrual accounting principle, are amortized to maturity or call. A debit balance resulted from amortization of the premiums on purchased bonds.

Note 21

Other revenue

(Thousands of United States dollars)

	31 December 2023	31 December 2022 (restated)
Miscellaneous revenue	2 209	1 928
Fees and support services	213	278
Total other revenue	2 422	2 206

Miscellaneous revenue represents reimbursement of rent from the United Nations Secretariat, reimbursement from other United Nations entities for provision of services and miscellaneous revenue.

Note 22

Exchange transactions revenue

(Thousands of United States dollars)

	31 December 2023	31 December 2022
Exchange transactions revenue	140	43
Total exchange transactions revenue	140	43

Revenue from exchange transactions represents the delivery of products, training and technical support for gender equality courses to other United Nations entities, Governments, civil society organizations and the general public.

Note 23

Expenses

(Thousands of United States dollars)

	31 December 2023	31 December 2022
Employee benefits		
Salary and wages	134 976	120 137
Pension benefits	24 510	22 687
Post-employment and termination benefits	12 459	16 268
Leave benefits	1 876	2 728
Other employee benefits	12 342	14 043
Subtotal	186 163	175 863

	31 December 2023	31 December 2022
Contractual services		
Contract services with individuals	105 654	115 883
Contract services with companies	45 116	44 020
United Nations Volunteers costs	5 591	5 844
Subtotal	156 361	165 747
Grants and other transfers	19 727	18 668
Supplies and maintenance		
Maintenance and non-capitalized property	13 294	10 955
Maintenance and non-capitalized information technology and communications equipment	4 639	2 932
Maintenance and non-capitalized software and licenses	4 131	4 439
Consumables	1 860	1 871
Subtotal	23 924	20 197
Operating costs		
Communication costs	15 983	17 961
Learning, training and recruitment costs	44 607	51 538
Support services paid to United Nations agencies	11 601	6 728
Insurance/warranties	66	127
Rent, leases and utilities	28 115	20 631
Professional services	10 948	3 750
Freight costs	425	164
Other operating costs	1 021	12 261
Subtotal	112 766	113 160
Travel costs		
Tickets	12 663	11 405
Daily subsistence allowance	17 018	17 650
Other	9 712	3 683
Subtotal	39 393	32 738
Depreciation and amortization	3 089	3 035
Finance costs		
Bank charges	47	183
Subtotal	47	183
Other expenses		
Stationery and other project expenses	4 343	5 887
Losses on property, plant and equipment	15	176
Impairment and prior- and current-period write-offs	275	637
Subtotal	4 633	6 700
Total expenses	546 103	536 291

Note 24
Gains and losses

(Thousands of United States dollars)

	31 December 2023	31 December 2022
Foreign exchange (losses)/gains	(419)	3 068
Unrealized gains/(losses) on held-for-trading assets	6 966	(3 960)
Net gains/(losses)	6 547	(892)

Note 25
Financial risks

The investment activities of UN-Women are carried out by UNDP under a service-level agreement. Under the terms of the agreement, UNDP applies its investment guidelines and governance framework for the benefit of UN-Women. Investments are registered in the name of UN-Women with marketable securities held by a custodian appointed by UNDP.

The principal objectives of the investment guidelines (listed in order of importance) are as follows:

- (a) Safety: preservation of capital, provided through investing in high-quality fixed-income securities emphasizing the creditworthiness of the issuers;
- (b) Liquidity: flexibility to meet cash requirements through investments in highly marketable fixed-income securities and through structuring maturities to align with liquidity requirements;
- (c) Revenue: maximization of investment revenue within the foregoing safety and liquidity parameters.

The UNDP Investment Committee, comprising senior management, meets quarterly to review investment portfolio performance and ensure that investment decisions have complied with the established investment guidelines. UN-Women receives monthly and quarterly investment performance reports from UNDP that show the composition and performance of the investment portfolio.

In 2016, UN-Women outsourced a portion of the investment management of its after-service health insurance funds to ensure an adequate level of investment return, given the longer-term nature of the liabilities. Holdings may include cash and cash equivalents, equities and fixed-income securities. As at 31 December 2023, this portfolio was classified as fair value through surplus or deficit.

The external investment managers are governed by the after-service health insurance investment guidelines. The guidelines ensure that all of the investment activities reflect the best conditions of security, accountability and social responsibility while operating in full compliance with the highest standards of quality, efficiency, competence and integrity. These guidelines are reviewed and approved on a periodic basis by the after-service health insurance investment committee, of which UN-Women is a member. The investment committee meets regularly and receives monthly reports from the external investment managers.

UN-Women is susceptible to a variety of financial risks arising from financial instruments to which the organization is exposed, including the following:

- (a) Credit risk: the possibility that third parties may not pay amounts when due;

(b) Liquidity risk: the possibility that UN-Women might not have adequate funds to meet its current obligations as they fall due;

(c) Market risk: the possibility that UN-Women might incur significant financial losses owing to unfavourable movements in foreign currency exchange rates, interest rates and prices of investment securities.

The table below shows the value of financial assets and liabilities outstanding at year end based on the IPSAS classifications adopted by UN-Women.

(Thousands of United States dollars)

	<i>Amortized cost</i>	<i>Fair value through surplus or deficit</i>	<i>31 December 2023</i>	<i>31 December 2022</i>
Cash and cash equivalents	210 303	–	210 303	122 040
Investments	562 684	61 152	623 836	638 397
Accounts receivable	528 606	–	528 606	485 571
Total financial assets	1 301 593	61 152	1 362 745	1 246 008

(Thousands of United States dollars)

	<i>Other financial liabilities</i>	<i>Fair value through surplus or deficit</i>	<i>31 December 2023</i>	<i>31 December 2022</i>
Accounts payable	34 940	–	34 940	2 179
Other liabilities	35 222	–	35 222	23 821
Total financial liabilities	70 162	–	70 162	26 000

The following methods and assumptions were used to estimate the fair value:

(a) Cash and short-term deposits, trade receivables, trade payables and other current liabilities approximate their carrying amounts largely because of the short-term maturities of these instruments;

(b) The fair value of quoted notes and bonds is based on price quotations as at the reporting date.

Ageing of receivables

(Thousands of United States dollars)

	<i>Current and non-current</i>	<i>Overdue</i>	<i>31 December 2023</i>	<i>31 December 2022</i>
Contributions receivable	528 606	–	528 606	485 571
Total	528 606	–	528 606	485 571

Credit risk

UN-Women is exposed to credit risk on its outstanding financial asset balances, primarily cash and cash equivalents, investments and receivables from contributions.

UN-Women operates bank accounts in five currencies and in four countries: Norway, Sweden, the United Kingdom of Great Britain and Northern Ireland and the United States. For other currencies, UN-Women uses the bank accounts of UNDP and

relies on the risk management processes of UNDP. UN-Women is exposed to default risk of those financial institutions.

With regard to its financial instruments, the UNDP investment guidelines limit the amount of credit exposure to any one counterparty and include minimum credit quality requirements. The credit risk mitigation strategies stated in the investment guidelines include conservative minimum credit criteria of investment grade for all issuers with maturity and counterparty limits by credit rating. The investment guidelines require ongoing monitoring of issuer and counterparty credit ratings. Permissible investments are limited to fixed income instruments of sovereigns, supranational organizations, governmental or federal agencies, and banks. Investment activities are carried out by UNDP and UN-Women offices are not authorized to perform investment activities.

Credit ratings from the three leading credit rating agencies, Moody's, S&P Global Ratings and Fitch, are used to evaluate the credit risk of financial instruments. As at 31 December 2023, the financial investments of UN-Women were in investment-grade instruments, as shown in the table below (presented using the S&P Global Ratings rating convention).

Credit ratings of investments under United Nations Development Programme management

(Thousands of United States dollars)

31 December 2023	AAA	AA+	AA	AA-	A+	A	A-	Total
Time deposits	—	—	—	—	—	15 000	25 000	40 000
Money market instrument	9 849	—	—	—	—	—	—	9 849
Bonds and notes	264 505	85 257	52 961	63 966	25 368	20 778	—	512 835
Total	274 354	85 257	52 961	63 966	25 368	35 778	25 000	562 684

31 December 2022	AAA	AA+	AA	AA-	A+	A	A-	Total
Money market instruments	—	—	—	—	24 908	—	—	24 908
Bonds and notes	262 169	169 845	59 936	34 620	34 679	—	—	561 249
Total	262 169	169 845	59 936	34 620	59 587	—	—	586 157

Credit ratings of investments under external investment managers

(Thousands of United States dollars)

31 December 2023	AAA	AA+	AA	AA-	A+	A	A-	BBB+	BBB	United States Treasury	Others	Total
Bonds and notes	878	412	246	197	157	404	548	313	269	2 633	18 447	24 504
Total	878	412	246	197	157	404	548	313	269	2 633	18 447	24 504

31 December 2022	AAA	AA+	AA	AA-	A+	A	A-	BBB+	BBB	United States Treasury	Others	Total
Bonds and notes	766	407	—	519	288	325	372	298	135	1 994	15 912	21 016
Total	766	407	—	519	288	325	372	298	135	1 994	15 912	21 016

Externally managed investments are governed by the after-service health insurance investment guidelines. Other rated bonds include government bond funds in the amount of \$18.4 million (2022: \$15.9 million).

Liquidity risk

Liquidity risk is the risk that UN-Women will encounter difficulty in meeting its obligations associated with accounts payable, other liabilities and promised transfers of cash to programmes. UN-Women does not have significant liquidity risks, as its operations and investments are managed in accordance with its budget and with due consideration of cash requirements for operating purposes.

For other resources, the financial regulations and rules of UN-Women require that expenditure be incurred only after receipt of funds from the donor, thereby considerably reducing the financial risk to the organization with regard to contributions receivable.

Investments are made with due consideration to cash requirements for operating purposes based on cash flow forecasting. The investment approach considers the timing of future funding needs of the organization when selecting investment maturities. UN-Women maintains a portion of its cash and investments in cash and cash equivalents (25 per cent) and current investments (32 per cent) sufficient to cover its commitments as and when they fall due, shown in the tables below and in notes 6 and 7.

(Thousands of United States dollars)

	31 December 2023	Percentage	31 December 2022	Percentage
Cash balances	539	0.1	4 434	1.0
Cash equivalents	209 764	25.1	117 606	15.0
Total cash and cash equivalents (net)	210 303	25.2	122 040	16.0
Investments				
Current investments	266 933	32.0	230 278	30.0
Non-current investments	356 903	42.8	408 120	54.0
Total current and non-current investments	623 836	74.8	638 398	84.0
Total investments cash and cash equivalents	834 139	100.0	760 438	100.0

The remaining contractual maturities of financial liabilities as at the reporting date are shown in the table below. The amounts are gross and undiscounted, and they exclude the impact of netting arrangements.

(Thousands of United States dollars)

	0–3 months	3–6 months	Fair value through surplus or deficit	31 December 2023	31 December 2022
Accounts payable	34 940	–	–	34 940	2 179
Other liabilities	35 222	–	–	35 222	23 821
Total financial liabilities	70 162	–	–	70 162	26 000

Market risk

Market risk is the risk that UN-Women is exposed to potential financial losses owing to unfavourable movements in market prices of financial instruments, including movements in interest rates, exchange rates and prices of securities.

Interest rate risk

Interest rate risk arises from the effects of market interest rates fluctuations on the following:

- (a) Fair value of financial assets and liabilities;
- (b) Future cash flows.

A portion (9.80 per cent) of the Entity's investment portfolio is classified as fair value through surplus or deficit, which exposes UN-Women to interest rate and market risk. However, a significant portion (90.20 per cent) of the investment portfolio is classified as amortized cost, which is not marked to market. Changes in interest rates do not have an impact on amortized carrying values, and therefore changes in interest rates will have no significant impact on net assets and surplus or deficit reported in the financial statements.

UN-Women invests in United States dollar-denominated floating rate debt, which exposes it to fluctuations of future cash flows. This exposes the organization to a decrease in future cash flows of interest income in a declining interest rate environment and an increase in future cash flows of interest income in an increasing interest rate environment. As at 31 December 2023, UN-Women had no outstanding floating rate fixed-income securities.

Equity price risk

In 2023, UN-Women held equity investments in its externally managed portfolio of after-service health insurance funds. The sensitivity pertains to equity investments classified as held for trading, which are accounted for in fair value through surplus and deficit. The table below shows the impact on UN-Women if the valuation were to change by 5 per cent.

(Thousands of United States dollars)

31 December 2023 market value	Sensitivity variation	Impact on the financial statements	
		Net assets	Surplus or deficit
36 646	5 per cent increase	1 832	–
36 646	5 per cent decrease	(1 832)	–

Foreign exchange risk

UN-Women is exposed to currency risk arising from financial assets that are denominated in foreign currency and financial liabilities that have to be settled in foreign currency.

UN-Women receives donor contributions primarily in United States dollars, and also in a number of major currencies, including the pound sterling, the euro, the Swedish krona and the Norwegian krone.

As at 31 December 2023, all investments of UN-Women were denominated in United States dollars. However, cash and cash equivalent balances contained some non-United States dollar currencies, representing 0.65 per cent of total cash and cash equivalents, as detailed in the table below.

(Thousands of United States dollars)

	<i>United States dollar</i>	<i>Euro</i>	<i>Pound sterling</i>	<i>Norwegian krone</i>	<i>Swedish krona</i>	<i>Others</i>	<i>31 December 2023</i>	<i>31 December 2022</i>
Cash and cash equivalents	208 932	974	345	10	42	–	210 303	122 040
Total cash balances	208 932	974	345	10	42	–	210 303	122 040

The UNDP Treasury uses derivative instruments, such as foreign exchange forwards, options and structured options, to manage the Entity's foreign exchange exposure. These derivatives are marked to market with gains or losses recognized in surplus and deficit in the statement of financial performance. As at 31 December 2023, UN-Women had no open derivative positions.

Other price risk

UN-Women is exposed to price risk arising from movement in the prices of financial instruments which might fluctuate owing to factors other than changes in interest rate or currency fluctuations. The conservative nature of the UNDP investment guidelines mitigates potential exposure to other price risk.

Note 26

Budget reconciliation

The statement of comparison of budget and actual amounts (statement V) is presented in the same format as the integrated budget for 2022–2023, with the additional inclusion of assessed contributions (regular budget activities). As the financial statements are prepared in accordance with IPSAS and the budget is prepared on a modified cash basis, the reported financial results (actual) are adjusted to provide for a comparison to the budget as presented in the statement of comparison of budget and actual amounts. The main changes between the IPSAS financial results and the results on a budget basis relate to difference in the treatment of cost of assets, staff-related accrued benefits and purchase orders and the treatment of cash advances to partners and staff members.

The integrated budget is prepared and presented on a biennial basis. The year 2023 represents approximately 50 per cent of the integrated budget estimates for the biennium 2022–2023.

(a) Regular budget activities: assessed contributions 2023

For the year 2023, there is a total variance showing overexpenditure of \$0.670 million owing to: (i) after-service health insurance reserve contributions, which UN-Women is required to make under its end-of-service liabilities funding plan, while the assessed budget only provides for a pay-as-you-go basis; and (ii) staff taxes and rent, which are reimbursable from the regular budget and treated as accounts receivable in 2023.

(b) Development activities: voluntary contributions 2023

(i) Programme

The original budgets reflected the original estimates used in the 2022–2023 integrated budget, which were based on total projected resources of \$1 billion in voluntary contributions for the biennial period. Total voluntary contributions originally budgeted for 2023 were \$418.10 million. There is variance of \$146.75 million between the original and final budgets, arising mainly from higher-than-budgeted other

resources contributions for the budgetary period of \$161.13 million and a decrease in regular resources of \$14.38 million.

Total programme variances are \$101.64 million, split between regular and other resources as follows:

(a) Programme expenditure from regular resources are \$4.31 million lower than the budget. Differences between budgeted and actual expenditure are mainly a result of post vacancies, average staff costs being lower than the pro forma costs and a decrease in other activities related to project-specific workplans. Regular programme resources are available for spending during the annual budget period only, and unspent balances revert to the account held by UN-Women, in accordance with financial regulation 18.3, and form part of the accumulated surplus of regular resources;

(b) Programme expenditure from other resources are \$97.33 million lower than the budget. The difference may be a result of the fact that projects funded from donor contributions are mostly multi-year, so the deliverables are subject to modification as required during the life cycle of the project, and unspent project resources are carried forward to the following year.

Overall, in a comparison of actual expenditure with the final budgets, the utilization rate is 83 per cent of final budget

(ii) Institutional budget (development effectiveness, United Nations coordination, management activities and special purpose)

The institutional budget component of the integrated budget comprises the following cost classification categories: development effectiveness; United Nations development coordination; management activities, independent oversight and assurance and special purpose. The variance between the final budget and expenditure of \$2.87 million is mainly a result of post vacancies, average staff costs being lower than the pro forma costs, and a decrease in other activities related to non-staff costs. The delivery rate and budget utilization rate for the institutional budget was 97 per cent. Any unspent balances at the end of the year revert to the account held by UN-Women, in accordance with financial regulation 18.3, and form part of the accumulated surplus of regular resources.

Basis adjustments

The budget is prepared on a modified cash basis and the financial statements are prepared on a full accrual basis in compliance with IPSAS requirements. In order to reconcile the budgetary result with the cash flow statement, the non-cash elements are removed as basis differences. The principal adjustments that have an impact on the reconciliation between the budget and the statement of financial performance are as follows:

(a) Property, plant and equipment acquisitions are capitalized and depreciated over their useful life under accrual accounting; however, in the budget the full cost is recorded as current-year expenses;

(b) Under accrual accounting, employee benefit liabilities are reported in the statement of financial position, and movements in liabilities have an impact on the statement of financial performance; however, they are recorded as expenses when paid in the budget;

(c) Cash advances to partners and staff members payments are recorded as receivables and when liquidated are recorded as expenditure under accrual accounting; however, in the budget they are recorded as expenses.

Timing differences

Timing differences relate to open purchase orders, and are included as expenses as part of the budget in the current year; however, under accrual accounting, expenses are only accrued when goods and services are received.

Presentation differences

Presentation differences are those differences in the format and classification schemes used in the statement of cash flow and in the statement of comparison of budget and actual amounts. As such, the presentation differences in the reconciliation relate to revenue.

Reconciliation: budgetary result with net cash flow

(Thousands of United States dollars)

	<i>Operating</i>	<i>Investing</i>	<i>Total</i>
Actual amount on comparable basis, as presented in the budget and actual comparative statement	(566 715)	–	(566 715)
Basis differences	(12 803)	37 113	24 310
Timing differences	11 611	–	11 611
Presentation differences	625 604	–	625 604
Actual amount in statement of cash flow	57 697	37 113	94 810

Note 27

Related party transactions

Governing bodies

UN-Women is governed by an Executive Board on the basis of General Assembly resolution [64/289](#), in which it is stipulated in paragraph 57 (b) that the Assembly, the Economic and Social Council and the Executive Board of the Entity shall constitute the multi-tiered intergovernmental governance structure for the operational activities and shall provide operational policy guidance to the Entity. The Executive Board comprises 41 members (elected from five regional groups and one contributing group), who do not receive any remuneration from UN-Women.

The Executive Board of UN-Women also engages with the Executive Boards of other United Nations operational entities in an effort to harmonize approaches to operational activities. Those engagements also provide opportunities for sharing experiences and coordinating programme work on gender equality and gender mainstreaming throughout the United Nations system. The work of the Executive Board is guided by its rules of procedure.

Key management personnel

Key management personnel are the Executive Director, two Deputy Executive Directors and six Senior Directors, as they have the authority for planning, directing and controlling the activities of the Entity and executing the mandate of UN-Women. During the year, two Deputy Executive Directors left their positions and one joined to fill the vacancy that had arisen.

(Thousands of United States dollars)

	<i>Number of individuals</i>	<i>Compensation and post adjustment</i>	<i>Entitlements</i>	<i>Pension and health plans</i>	<i>Total remuneration 2023</i>	<i>Outstanding advances</i>
Key management personnel	10	1 877	45	783	2 705	70
Close family member	1	158	–	49	207	–
Total	11	2 035	45	832	2 912	70

Total remuneration paid to key management personnel and close family members (the spouses of key management personnel) includes net salaries; post adjustment; entitlements, such as allowances, grants and subsidies; and employer pension and health insurance contributions. Advances are those made against entitlements in accordance with the Staff Regulations and Rules of the United Nations. As at 31 December 2023, after-service health insurance, repatriation and death benefits for key management personnel included in employee benefits liabilities amounted to \$2.74 million (2022: \$1.80 million), as determined through actuarial valuation.

Note 28**Commitments and contingencies****(a) Open commitments**

As at 31 December 2023, commitments of UN-Women for the acquisition of various goods and services contracted but not yet received amounted to \$58.8 million (2022: \$35.9 million).

(b) Lease commitments

As at 31 December 2023, UN-Women had future obligations for minimal lease payments as set out in the table below.

(Thousands of United States dollars)

	<i>31 December 2023</i>	<i>31 December 2022</i>
Obligations for property leases		
Within 12 months	10 560	8 372
1–5 years	35 593	32 701
Beyond 5 years	18 597	25 559
Total property lease obligations	62 050	66 632

The typical contractual leases of UN-Women are between 1 and 10 years, but some of the leases permit early termination within 30, 60 or 90 days. Leases often include provisions that allow for multiple renewals and are at rates considerably lower than the existing market rates. The aggregate difference between the leases at contract rates and their respective market rates is recognized as contribution-in-kind revenue.

(c) Contingent assets

There were no contingent assets as at 31 December 2023 (2022: \$8.6 million).

(d) Legal or contingent liabilities

As at 31 December 2023, UN-Women was party to two legal cases that were subsequently adjudicated in favour of UN-Women, confirming no liability as at the year end. Consequently, no provision for legal contingencies relating to these cases was recognized in the financial statements for the period ending 31 December 2023.

Note 29

Events after the reporting date

No material events, favourable or unfavourable, occurred between the balance sheet date and the date on which the financial statements were authorized for issue that would have affected the present statements.

