



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

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Recommendations of the Board of Auditors

**UNOPS: Report on the implementation of the
recommendations of the United Nations Board of
Auditors, 2023**

Summary

UNOPS is pleased to respond to the recommendations made in the report of the United Nations Board of Auditors (A/79/5/Add.11) and to provide an update on the status of implementation. The report of the United Nations Board of Auditors on UNOPS activities for the year ended 31 December 2023 was unqualified.

Elements of a decision

UNOPS management emphasizes the importance of addressing audit concerns. UNOPS considers that it has made significant progress in implementing the recommendations made for the year ended 31 December 2023. UNOPS continues to address the remaining recommendations. The Executive Board may wish to acknowledge the progress UNOPS has achieved and welcome the next report on implementation.



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I. UNOPS summary response to the United Nations Board of Auditors

A. Introduction

1. UNOPS works to expand the implementation capacity of its partners in the United Nations system and beyond. With its cost-effective services, it enables partners to help people in need through sustainable implementation and supports countries in accelerating achievement of the Sustainable Development Goals. It supports all the Goals through its expertise in sustainable, resilient and inclusive infrastructure; public procurement and supply chains; and project and programme implementation, through sustainable approaches. Its mandate is not programmatic, and the substantive focus is determined by the demand of its partners.
2. As an integral part of its commitment to build a better future for beneficiaries, UNOPS emphasizes improving control environments by addressing audit priorities, strengthening project service delivery, and enhancing process excellence. This is reflected in its renewed focus on improving the implementation rate of audit recommendations, which increased from 56 per cent in 2022 to 58 per cent in 2023.

B. Strengthening project service delivery

3. UNOPS continues to strengthen its requirements and guidelines on grant support and implementing partners. In 2023, UNOPS joined the United Nations Partner Portal, a shared United Nations platform for civil society. The portal enables harmonized monitoring and reporting on implementing partners, risk, and the prevention of sexual exploitation and abuse among United Nations organizations. UNOPS continues to integrate gender equality and social inclusion to ensure that knowledge and capacities are enhanced, and project outcomes are gender-responsive and transformative.
4. To achieve its climate commitments, the Climate Action Programme was established as an organizational-wide initiative in 2023. Its board will guide and drive UNOPS actions up to 2030 through a dedicated action plan and road map.
5. To expand its knowledge base on how sustainable, resilient and inclusive infrastructure ('SRII') approaches support the development agendas, in 2023 UNOPS began developing tools to strengthen institutional capacity to incorporate these approaches into UNOPS projects and enhance the use of infrastructure services to support countries in achieving the Sustainable Development Goals.
6. To further support project delivery and contributions to the 2030 Agenda for Sustainable Development, UNOPS strengthened its sustainable procurement framework, an effort recognized by its receipt of the United Nations sustainable procurement award. UNOPS systematically embeds sustainability considerations into its procurement policies, procedures, and guidance to complement and enhance the impact of its projects and operations. UNOPS initiated the publication of the annual "Purchase for Impact" report, which outlines the contributions of its procurement activities to implementation of the Goals. UNOPS issued operational guidance documents for public procurement bodies, addressing key themes such as gender-responsive procurement.

C. Enhancing process excellence

7. In 2023, the Information Technology Group continued to advance the technological capabilities and digital transformation journey of UNOPS, building on progress made in 2022. The successful development of the surge application, a tool developed on the Salesforce platform, has enhanced UNOPS capacity to rapidly mobilize and deploy skilled personnel and specialized experts, particularly in emergencies. This strengthens our ability to respond effectively to crises and urgent needs,

demonstrating UNOPS commitment to operational excellence and agility. Development of the partnership relationship management system pilot marked a crucial step towards a comprehensive platform for integrated partnerships and project development, fostering stronger collaborations and contributing to the achievement of shared goals. Under the process innovation and digitalization programme, UNOPS has continued identifying options and opportunities for digital transformation, solidifying the foundation for a comprehensive digital strategy. This ongoing effort will ensure that UNOPS remains at the forefront of technological advancements, enabling it to deliver more effective and impactful solutions to communities in need. These initiatives demonstrate commitment to supporting the strategic priorities of UNOPS, enhancing its operational efficiency, and maximizing its impact in delivering sustainable development solutions.

8. Under the Goal Zero initiative for occupational health and safety, UNOPS increased its efforts to use inspections to identify and address hazards before they caused harm to the workforce. The number of hazards addressed rose from 11,990 in 2022 to 12,258 in 2023, demonstrating this sharper focus.

D. Risk, challenges, and corrective measures

9. The United Nations Board of Auditors issued an unqualified audit opinion for UNOPS for the year ended 31 December 2023.

10. Further to potential failures related to the sustainable investments in infrastructure and innovation ('S3i') initiative becoming apparent in late 2021, UNOPS, under the guidance of the Executive Board, launched and implemented an initial 10-point action plan in 2022. By November 2022, the Executive Board had welcomed the fact that all activities of the S3i initiative had been suspended. At the request of the Board, UNOPS developed a comprehensive response plan to address recommendations of third-party reviews; the plan was welcomed by the Board in early 2023. By the end of 2023, 32 of the 43 recommendations in the comprehensive response plan had been completed to planned scope, leaving 11 for continued implementation in 2024.

11. The United Nations Board of Auditors noted that, for the first time, UNOPS incurred a deficit of \$21.80 million from operations since it began to implement the International Public Sector Accounting Standards (IPSAS) framework in 2012. Despite the operational deficit, the overall financial position of UNOPS remained sound, with an overall surplus of \$41.33 million, attributable to a net finance income of \$63.13 million. That finance income was partially attributable to the implementation of IPSAS 41, which resulted in a necessary change in the measurement of the qualifying UNOPS investments. The Board did not identify significant errors, omissions, or misstatements in the UNOPS financial records for the year ended 31 December 2023. UNOPS took note of the scope for improvement identified by the auditors in the areas of financial and budget management and investment management, and noted that the lessons learned in that connection would improve UNOPS management in those areas.

II. UNOPS responses to the recommendations of the United Nations Board of Auditors

12. In its report for the year ended 31 December 2023 (A/79/5/Add.11), the United Nations Board of Auditors issued nine recommendations classified as high priority and 10 classified as medium priority. The implementation of all recommendations is on track for completion within the established timelines. Because the recommendations were issued in July 2024, and many of them require long-term attention, UNOPS will need to work beyond financial year 2024 to implement them all successfully. Annexes 1 and 2 provide individual responses to those recommendations.

13. UNOPS management continues to underscore the importance of addressing audit concerns. As acknowledged by the United Nations Board of Auditors, UNOPS made significant progress towards implementing the pending recommendations in 2023. In the implementation schedule included in this

report, UNOPS is targeting an implementation rate of 68 per cent during the 2024 audit cycle, which will surpass that of 2023 (58 per cent).

III. Conclusion

14. UNOPS is pleased to respond to the report of the United Nations Board of Auditors for the year ended 31 December 2023. UNOPS is confident that the issues highlighted in the report of the Board of Auditors will be addressed in a satisfactory manner.

Annex 1. Status of recommendations for the year ended 31 December 2023

Implementation of the recommendations contained in the report of the United Nations Board of Auditors for the year ended 31 December 2023 (A/79/5/Add.11)

15. The Board of Auditors made 19 new recommendations for 2023. Tables 1 and 2, below, summarize the implementation status of all recommendations for the financial period ended 31 December 2023.

Table 1. Status of main recommendations for 2023, by thematic area

<i>Thematic area</i>	<i>Total</i>	<i>Closure requested</i>	<i>Under implementation</i>
Financial management	5	1	4
Investment management	2	-	2
Project management	2	1	1
Total	9	2	7
Percentage	100%	22%	78%

Table 2. Status of all recommendations for 2023, by thematic area

<i>Thematic area</i>	<i>Total</i>	<i>Closure requested</i>	<i>Under implementation</i>
Budget management	2	1	1
Financial management	7	1	6
Human resource management	1	-	1
Information technology	1	-	1
Investment management	2	-	2
Procurement management	1	-	1
Project management	5	1	4
Total	19	3	16
Percentage	100%	16%	84%

16. The following paragraphs report on the status and management action plans for every recommendation issued by the Board of Auditors for 2023.

A. Budget management

17. In paragraph 94, the Board recommended that UNOPS report to the Executive Board and the Advisory Committee on Administrative and Budgetary Questions, as part of its review of the

financial regulations and rules, on the need for further clarification of the circumstances requiring the submission of supplementary proposals to the management budget.

Business unit responsible: Finance Group
Status: Under implementation
Priority: Medium
Target date: First quarter 2026

18. The ongoing review of the financial regulations and rules encompasses the entire policy, so UNOPS can confirm that the regulations related to supplementary budget proposals fall within the scope of the review.

19. In paragraph 95, the Board recommended that UNOPS improve the budget formulation for the multi-year process innovation and digitalization programme based on actual project implementation schedules and optimize the expenditure plan to effectively utilize the resources allocated.

Business unit responsible: Process innovation and digitalization programme
Status: Closure requested
Priority: Medium
Target date: Not applicable

20. UNOPS has implemented the recommendation to ensure effective resource utilization for the process, innovation and digitalization programme. This includes: (a) aligning programme budgets with the current road map; (b) refining project implementation schedules; and (c) collaborating with stakeholders. Those actions have enabled the submission of a revised programme budget for the 2025-2027 period, better aligning resource allocation with the current implementation schedule.

B. Financial management

21. In paragraph 36, the Board recommended that UNOPS establish clear guidance for carrying forward and usage of balances from shared services to improve the recovery of shared services costs.

Business unit responsible: Finance Group
Status: Under implementation
Priority: High
Target date: Fourth quarter 2024

22. UNOPS has commenced developing the relevant guidance materials, which are expected to be published in its Policy and Process Portal by the end of 2024. UNOPS expects to request the closure of this recommendation during the current audit cycle.

23. In paragraph 37, the Board recommended that UNOPS report the nature of shared services to the Executive Board in compliance with United Nations harmonized cost recovery guidance during the budget estimate process for 2026-2027.

Business unit responsible: Finance Group
Status: Under implementation
Priority: High
Target date: Third quarter 2025

24. UNOPS will report the nature of its shared services to the Executive Board, in compliance with the United Nations harmonized cost recovery guidance, during the budget estimation process for 2026-

2027. This recommendation is expected to be implemented with the submission of the budget estimates for 2026-2027.

25. In paragraph 38, the Board recommended that UNOPS include a reference in the standard legal agreement about the UNOPS cost recovery policy related to shared services to strengthen transparency in the future.

<i>Business unit responsible:</i>	Finance Group
<i>Status:</i>	Closure requested
<i>Priority:</i>	High
<i>Target date:</i>	Not applicable

26. UNOPS has incorporated references to the cost recovery policy into the general conditions of its standard legal agreements. This recommendation is therefore proposed for closure.

27. In paragraph 52, the Board recommended that UNOPS conduct an assessment of projects with internal discrepancies arising during project classification, and conduct relevant training to promote the effective execution of the project classification process.

<i>Business unit responsible:</i>	Finance Group
<i>Status:</i>	Under implementation
<i>Priority:</i>	High
<i>Target date:</i>	First quarter 2025

28. UNOPS is continuously conducting assessment of projects with internal discrepancies arising during project classification. Discussions with relevant teams have been held to develop a suitable curriculum for training to effectively execute the project classification process.

29. In paragraph 53, the Board recommended that UNOPS enhance the guidance provided in the project classification guidance note in conjunction with the impending implementation of IPSAS 47.

<i>Business unit responsible:</i>	Finance Group
<i>Status:</i>	Under implementation
<i>Priority:</i>	High
<i>Target date:</i>	First quarter 2025

30. UNOPS is in the process of fine-tuning the guidance provided for project classification in conjunction with the impending implementation of IPSAS 47 – Revenue. Discussions with relevant teams have been conducted to align the guidance with IPSAS 47 by its implementation date.

31. In paragraph 64, the Board recommended that UNOPS present to the Executive Board a revised calculation methodology for calculating accurate levels of excess reserves that is in line with the Executive Board's request to ensure that there is no accumulation of liquid excess reserves in UNOPS operations.

<i>Business unit responsible:</i>	Finance Group
<i>Status:</i>	Under implementation
<i>Priority:</i>	Medium
<i>Target date:</i>	First quarter 2025

32. UNOPS is preparing for an informal session with the Executive Board on excess reserves in January 2025. The session aims to conclude discussions on refunding excess reserves as of 31 December 2021. A proposal is expected to be included for calculating excess reserves forward on a basis that ensures UNOPS liquidity.

33. **In paragraph 72, the Board recommended that UNOPS establish operational guidelines to ensure timely completion of excess reserves refunds.**

<i>Business unit responsible:</i>	Finance Group
<i>Status:</i>	Under implementation
<i>Priority:</i>	Medium
<i>Target date:</i>	Fourth quarter 2024

34. UNOPS is in the process of drafting process documentation on timely completion of excess reserves refunds. It is on track to be completed by the end of 2024.

C. Human resource management

35. **In paragraph 204, the Board recommended that UNOPS take a proactive approach and supervision measures in overseeing performance management, to ensure the appropriateness of individual performance evaluation.**

<i>Business unit responsible:</i>	People and Culture Group
<i>Status:</i>	Under implementation
<i>Priority:</i>	Medium
<i>Target date:</i>	Fourth quarter 2026

36. As part of its commitment to reshaping its organizational culture and enhancing accountability, UNOPS is reviewing and redesigning its performance management philosophy, improving its processes, and advancing its technology. Key initiatives include: establishing the people planning and performance team; launching the integrated people strategy with the objective of strengthening performance management; strengthening leadership accountability for performance management; introducing and improving the performance rebuttal mechanism; and defining clear metrics for performance oversight. Further technological advances are planned in a phased manner from 2025 under the process innovation and digitalization programme, with full implementation expected by the end of 2026.

D. Information and communication technology

37. **In paragraph 214, the Board recommended that UNOPS establish regulations or procedural guidelines on the management of computing devices, and enhance the oversight of registration, disposal and data security at headquarters and in the regional and country offices, respectively.**

<i>Business unit responsible:</i>	Shared Service Centre
<i>Status:</i>	Under implementation
<i>Priority:</i>	Medium
<i>Target date:</i>	Fourth quarter 2025

38. The Shared Service Centre is collaborating with the UNOPS process, innovation and digitalization programme to ensure that personnel contract matching and computing device assignment functions are included in process mapping for the planned enterprise resource planning system. Manual monitoring processes are being implemented to strengthen accountability for assigned computing devices, with systematic solutions developed and applied. Guidance relating to the management of computing devices is formulated with a planned implementation as of 31 December 2024.

E. Investment management

39. **In paragraph 126, the Board recommended that UNOPS conduct a comprehensive review of the nature, strategy, internal control, and potential gains or losses of derivatives, to ensure that the use and disclosure of financial derivatives transactions by UNOPS comply with IPSAS requirements.**

<i>Business unit responsible:</i>	Finance Group
<i>Status:</i>	Under implementation
<i>Priority:</i>	High
<i>Target date:</i>	First quarter 2025

40. The review of the treasury policy, including eligible instruments, use of derivatives, and internal controls, is under way and is due to be completed within the first quarter of 2025.

41. **In paragraph 140, the Board recommended that UNOPS maintain its involvement and continue targeted efforts in the recovery of funds from the Sustainable Investments in Infrastructure and Innovation investments in collaboration with the Office of Legal Affairs.**

<i>Business unit responsible:</i>	Legal Group
<i>Status:</i>	Under implementation
<i>Priority:</i>	High
<i>Target date:</i>	Fourth quarter 2025

42. UNOPS is liaising with the United Nations Office of Legal Affairs in its efforts to recover the funds associated with S3i. Recovery efforts are ongoing.

F. Procurement management

43. **In paragraph 197, the Board recommended that UNOPS ensure prudent application of emergency procurement procedures in future procurement activities.**

<i>Business unit responsible:</i>	Procurement Group
<i>Status:</i>	Under implementation
<i>Priority:</i>	Medium
<i>Target date:</i>	Fourth quarter 2024

44. UNOPS is conducting a comprehensive review of its emergency procurement procedures. A task force has been established to review and update the relevant policies and procedures. In accordance with the implementation timeline, UNOPS expects to request the closure of this recommendation during the current audit cycle.

G. Project management

45. **In paragraph 157, the Board recommended that UNOPS effectively manage infrastructure projects as per contract agreements to ensure monitoring of timelines and costs and timely action for issues raised.**

<i>Business unit responsible:</i>	Infrastructure and Project Management Group
<i>Status:</i>	Under implementation
<i>Priority:</i>	High
<i>Target date:</i>	First quarter 2025

46. UNOPS has made considerable advances in the management of infrastructure project outputs by creating location records in its portfolio and project management system, 'oneUNOPS Projects'. That platform enables project managers and executives to monitor planned timelines for work, including progress and any issues that may arise. The system allows real-time monitoring of project time and cost variations, the metrics of which are included in the quarterly assurance tool. UNOPS is committed to continuously upgrading its monitoring systems and data to improve the efficiency and effectiveness of its time and cost performance.

47. In paragraph 158, the Board recommended that UNOPS strengthen training on infrastructure project management to enhance the technical review and regular supervision of infrastructure projects.

<i>Business unit responsible:</i>	Infrastructure and Project Management Group
<i>Status:</i>	Closure requested
<i>Priority:</i>	High
<i>Target date:</i>	Not applicable

48. UNOPS has expanded its project management training resources, updating its essential project management e-learning course to include a module on managing infrastructure projects, with an emphasis on managing risk and quality of infrastructure outputs. A course has been developed on infrastructure design management, tailored to the international development context. Both courses are available in English, French, and Spanish. Dedicated training on staged design review, conducted at milestones during infrastructure design rather than after completion, has led to more efficient design reviews.

49. In paragraph 166, the Board recommended that UNOPS avoid bypassing mandatory review by the Integrated Practice Advice and Support Unit and reinforce the tracking of residual risks identified during the review.

<i>Business unit responsible:</i>	Infrastructure and Project Management Group
<i>Status:</i>	Under implementation
<i>Priority:</i>	Medium
<i>Target date:</i>	First quarter 2025

50. UNOPS has identified mechanisms, including system enhancements, to strengthen engagement development processes and prevent post facto cases. The organization continues to build knowledge of engagement acceptance requirements prior to approval by the relevant delegation-of-authority holders. In accordance with the operational instruction on acceptance of engagement agreements and the delegation of authority framework, residual risks are documented in the oneUNOPS system risk register and are monitored regularly. To further strengthen residual risk management at appropriate levels within the organization, future system-based solutions are planned, with implementation aligned to the process, innovation and digitalization programme.

51. In paragraph 174, the Board recommended that UNOPS consider the project/programme focus as it develops and resources capacity for outcome-based reporting during the next indicator review, and finalize the country-level reporting indicators for its contribution goals.

<i>Business unit responsible:</i>	Infrastructure and Project Management Group
<i>Status:</i>	Under implementation
<i>Priority:</i>	Medium
<i>Target date:</i>	Fourth quarter 2025

52. The expanded results framework outlines strategic priorities across three levels: impact, contribution, and management results. The framework is tailored to the UNOPS implementation role, which differs from that of the agencies, funds, and programmes. The impact level of the framework

has been designed with a view to the fact that our role is not programmatic (decision 2023/4), and that what we contribute is in response to partner demand. This results in a flexible but uneven geographic and thematic deployment of effort. Realistic ex-ante prediction of global targets for impact is therefore not possible. By mid-2024, UNOPS had commissioned a third-party study on resourcing capabilities for outcome-based planning and reporting to explore options for approaches, institutional arrangements, capabilities and resourcing to enhance global UNOPS capabilities for results-focused design, monitoring, assessment, evaluation and reporting on projects and programmes that contribute to outcomes and impact.

53. In paragraph 186, the Board recommended that UNOPS, collaborating with partners, actively play its role in the design of peace and security projects and improve the quality of the indicators and targets set forth in legal agreements to comprehensively reflect actual progress and achievement of projects.

<i>Business unit responsible:</i>	Peace and Security Cluster
<i>Status:</i>	Under implementation
<i>Priority:</i>	Medium
<i>Target date:</i>	Second quarter 2025

54. UNOPS has initiated an action plan to address this recommendation, which includes: (a) improving the review of draft financial agreements to ensure well-designed targets and indicators; (b) ensuring that reports to partners accurately measure progress against targets; and (c) providing explanations to partners when targets are not met, with potential revisions to project targets where necessary.

Annex 2. Status of recommendations from prior financial periods

Implementation of the recommendations contained in the report of the United Nations Board of Auditors for prior financial periods

55. In the annex to its report for the year ended 31 December 2023, the Board of Auditors provided a summary of the status of implementation of recommendations for previous financial periods. Information on the 12 recommendations that were under implementation is provided below. UNOPS considers five of the 12 recommendations relating to previous financial periods to have been implemented. The table below, summarizing the overall situation, is set out in the order in which the recommendations are presented in the annex to the audit report.

Table 3. Status of outstanding recommendations from prior years

<i>Thematic area</i>	<i>Total</i>	<i>Closure requested</i>	<i>Under implementation</i>
Budget management	1	-	1
Financial management	2	-	2
Grant management	2	1	1
Human resource management	2	2	-
Investment management	1	1	-
Procurement management	1	-	1
Project management	2	2	-
Risk management	1	1	-
Total	12	7	5
Percentage	100%	58%	42%

A. Report of the United Nations Board of Auditors for the year ended 31 December 2021 (A/77/5/Add.11)

56. In paragraph 72, the Board recommended that UNOPS conduct a comprehensive, in-depth and adequate evaluation or review of the decision-making, management and internal control of the We Are The Oceans and Ocean Generation projects, and establish a compliance and accountability mechanism to avoid the recurrence of such issues.

<i>Business unit responsible:</i>	Executive Office
<i>Status:</i>	Closure requested
<i>Priority:</i>	High
<i>Original target date:</i>	Fourth quarter 2022
<i>Revised target date</i>	Not applicable

57. The recommendation consists of two distinct elements – that UNOPS: (a) conduct a comprehensive, in-depth review of decision-making; and (b) establish a compliance and accountability mechanism to prevent the recurrence of such issues. UNOPS has addressed the recommendation by implementing the following measures for each element:

(a) An independent third-party review assessed decision-making, management, and internal control related to the We Are The Oceans and Ocean Generation projects. That review, alongside two others, evaluated UNOPS oversight mechanisms for S3i and the internal control systems, risk management, and overall governance within UNOPS. The final report was issued in February 2023 and shared with the Board of Auditors audit team through related audit queries.

(b) In response to the independent evaluation, UNOPS implemented compliance and accountability mechanisms to prevent future occurrences of similar issues. These include:

(i) Establishing the Portfolio Oversight Committee. The committee, including its terms of reference, was approved by the UNOPS management team and is being operationalized. The committee will oversee all high-stakes engagements with concurrent residual risks (reputational, financial, legal, and compliance-related).

(ii) Strengthening the due diligence process for all contracts and engagements. Due diligence processes are consistently applied to all work streams engaging with third parties. A new policy was promulgated in April 2023 to ensure that UNOPS remains in line with wider United Nations system best practices and guidance, including exclusionary criteria and mutual recognition principles. A fully staffed due diligence unit is in place within the Risk and Compliance Group.

(iii) Strengthening management and oversight structures to ensure sufficient segregation of duties, including the creation of a second deputy executive director position and the integration of the Risk Management Unit into the Risk and Compliance Group as of January 2024.

(iv) Developing a clear accountability framework as requested by the Executive Board in its decision [2024/21](#), in accordance with the report of the Joint Inspection Unit (JIU/REP/2023/3).

(v) Strengthening the quarterly management review to make it more risk-informed; establishing a security operations centre to guard against cyber security risks; and strengthening the Contracts and Property Committee. Taking into consideration the above actions, UNOPS deems the recommendation to be fully implemented and will request its formal closure within this audit cycle.

58. In paragraph 115, the Board recommended that UNOPS review its human resources services provided to United Nations partners and try its best to align its services involving individual contractors with partners' applicable rules on the management of individual contractors.

<i>Business unit responsible:</i>	Partnership and Liaison Group
<i>Status:</i>	Closure requested
<i>Priority:</i>	Medium
<i>Original target date:</i>	Second quarter 2023
<i>Revised target date</i>	Not applicable

59. As referenced in the previous year's report, UNOPS and the United Nations Secretariat finalized a new memorandum of understanding in the second quarter of 2024. The extended implementation period was due to the complexity of the memorandum and the time required to finalize negotiations. Effective as of 1 May 2024, the memorandum clarifies that personnel engaged by UNOPS to deliver projects on behalf of the Secretariat are under the responsibility of UNOPS and hence governed by UNOPS human resources policies. UNOPS considers this recommendation fully implemented and requests its formal closure.

60. In paragraph 206, the Board recommended that UNOPS list clearly in its rules the positions that entail "inherently United Nations activities" and must be filled by staff members to ensure that staff members remain the core human resources of the organization.

<i>Business unit responsible:</i>	People and Culture Group
<i>Status:</i>	Closure requested
<i>Priority:</i>	High
<i>Original target date:</i>	Fourth quarter 2022
<i>Revised target date</i>	Not applicable

61. UNOPS policy now includes a definition of the nature of functions that should be filled using the United Nations staff contract modality. In August 2023, the Executive Board endorsed the proposed UNOPS approach for determining the positions to be established as fixed-term appointment posts, and how they will be filled, in accordance with the Staff Regulations and Rules of the United Nations. UNOPS implemented a process throughout 2023 to ensure that 202 such posts are encumbered by colleagues holding staff appointments. The composition of the UNOPS workforce has changed, and the core organization structure is composed of personnel on fixed-term agreement posts. In connection with the implementation of paragraph 11 of decision 2023/1 on limiting the use of individual contractor agreements, the Executive Board, in its decision 2024/5: (a) welcomed the update regarding identified positions that have been filled (or are in the process of) in line with the original recommendation of the United Nations Board of Auditors; and (b) recognized the importance of the findings of the United Nations Joint Inspection Unit on the review of the use of non-staff personnel and related contractual modalities in the United Nations system (Joint Inspection Unit report 203/8), to guide future decisions regarding UNOPS application of individual contractor agreements across the organization.

62. From 2024 onwards, United Nations staff positions will be established only through the annual budgeting and business planning process. UNOPS considers that this audit recommendation has been fully implemented and all necessary actions have been taken.

B. Report of the United Nations Board of Auditors for the year ended 31 December 2022 (A/78/5/Add.11)

63. **In paragraph 35, the Board recommended that UNOPS conduct a thorough review of its revenue and make reasonable revenue forecasts to ensure the integrity of revenue estimates in the budget preparation process in accordance with its financial regulations and rules.**

<i>Business unit responsible:</i>	Finance Group
<i>Status:</i>	Under implementation
<i>Priority:</i>	Medium
<i>Original target date:</i>	Third quarter 2025
<i>Revised target date</i>	No change

64. UNOPS, as part of its preparation of the 2026–2027 budget estimates, will conduct a thorough review of its revenue and make reasonable revenue forecasts to ensure the integrity of revenue estimates in the budget preparation process, in accordance with UNOPS financial regulations and rules. The target date aligns with the budgeting cycle, so at present there is no delay in the implementation.

65. **In paragraph 68, the Board recommended that UNOPS take all measures necessary within its remit to recover the funds associated with Sustainable Investments in Infrastructure and Innovation investment losses.**

<i>Business unit responsible:</i>	Legal Group
<i>Status:</i>	Under implementation
<i>Priority:</i>	High
<i>Original target date:</i>	Fourth quarter 2025
<i>Revised target date</i>	No change

66. UNOPS is liaising with the United Nations Office of Legal Affairs in its efforts to recover the funds associated with S3i. Recovery efforts are ongoing.

67. In paragraph 81, the Board recommended that UNOPS establish a global budgeting and recovery approach of locally managed direct costs for client projects to keep the recovery at a reasonable level.

<i>Business unit responsible:</i>	Finance Group
<i>Status:</i>	Under implementation
<i>Priority:</i>	Medium
<i>Original target date:</i>	Fourth quarter 2024
<i>Revised target date</i>	No change

68. UNOPS has contracted a consulting firm to review and benchmark its cost recovery model. UNOPS will implement the recommendation in accordance with the findings of the review and benchmarking study.

69. In paragraph 93, the Board recommended that UNOPS conduct a thorough identification and assessment of the portfolios to ensure that risks are mitigated.

<i>Business unit responsible:</i>	Finance Group
<i>Status:</i>	Closure requested
<i>Priority:</i>	High
<i>Original target date:</i>	Fourth quarter 2023
<i>Revised target date</i>	Not applicable

70. Through a number of Investment Advisory Committee meetings held in 2023 and 2024, UNOPS management thoroughly reviewed all investment portfolio risks, concluding the implementation of this recommendation. Changes were made to the strategic asset allocation of the operational reserves portfolio. The other portfolios remain unchanged

71. In paragraph 104, the Board recommended that UNOPS include a detailed reference to the treatment of interest collected on prepayments made by partners and a clear reference to UNOPS investment principles in all legal agreements with partners, to ensure that partners are fully informed of the use by UNOPS of prepayments for investment.

<i>Business unit responsible:</i>	Finance Group
<i>Status:</i>	Closure requested
<i>Priority:</i>	High
<i>Original target date:</i>	Fourth quarter 2023
<i>Revised target date</i>	Not applicable

72. UNOPS has incorporated the relevant language into its standard legal templates and general conditions. This recommendation is therefore considered implemented and is recommended for closure.

73. In paragraph 136, the Board recommended that UNOPS establish a centralized management mechanism for grant projects, including a digital system, to conduct effective monitoring at the organization level.

<i>Business unit responsible:</i>	Infrastructure and Project Management Group
<i>Status:</i>	Under implementation
<i>Priority:</i>	Medium
<i>Original target date:</i>	Fourth quarter 2025
<i>Revised target date</i>	Fourth quarter 2025

74. UNOPS has conducted the necessary assessments and developed the information technology requirements to design and develop a centralized management system for grant support activities. Design and construction of the new system are under way.

75. In paragraph 145, the Board recommended that UNOPS develop guidelines to improve the timeliness, completeness and accuracy of grantee reporting and integrate it with the upcoming digitization system for more effective grantee reporting management.

<i>Business unit responsible:</i>	Infrastructure and Project Management Group
<i>Status:</i>	Closure requested
<i>Priority:</i>	Medium
<i>Original target date:</i>	Second quarter 2024
<i>Revised target date</i>	Not applicable

76. UNOPS has successfully finalized the guidance and requirements for the monitoring and evaluation of grant support activities. The guidance outlines the standards, principles, and requirements for implementing partners in relation to narrative, financial, and data reporting. The requirements will be integrated into the new centralized management system for grant support.

77. In paragraph 157, the Board recommended that UNOPS take effective measures to appropriately record all financial reports to clients in the UNOPS financial reporting monitoring dashboard to ensure effective and timely internal oversight.

<i>Business unit responsible:</i>	Finance Group
<i>Status:</i>	Closure requested
<i>Priority:</i>	Medium
<i>Original target date:</i>	Fourth quarter 2024
<i>Revised target date</i>	Not applicable

78. UNOPS has made significant improvements in recording client reporting requirements within its internal reporting monitoring tool. A batch upload tool has been developed, allowing for more efficient record uploads in batches rather than on an individual basis. The tool has reduced missing records to a considerably lower level, and UNOPS will continue to monitor this to ensure that the level remains low. In the light of improvements made, UNOPS considers this recommendation implemented.

79. In paragraph 181, the Board recommended that UNOPS strengthen the approval process of pre-selection requests from United Nations funding sources and assess the feasibility of obtaining endorsement from their headquarters office so as to better implement the principle of mutual recognition of best practices in the United Nations development system.

<i>Business unit responsible:</i>	Procurement Group
<i>Status:</i>	Under implementation
<i>Priority:</i>	Medium
<i>Original target date:</i>	Fourth quarter 2024
<i>Revised target date</i>	No change

80. UNOPS is enhancing the approval process for pre-selection requests from United Nations funding sources and remains committed to strengthening its internal review process. Additionally, UNOPS has engaged with the United Nations agencies, funds and programmes to understand their delegation of authority structures and confirm that the necessary authorities are in place for the pre-selection process. UNOPS expects to request the formal closure of this recommendation during the current audit cycle.