



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 2022

and

Report of the Board of Auditors

General Assembly

Official Records

Seventy-eighth Session

Supplement No. 5L



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

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Report of the Board of Auditors



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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 28 April 2023 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 2022. 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 26 July 2023 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 2022.

(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 2022 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 accompanying financial statements present fairly, in all material respects, the financial position of UN-Women as at 31 December 2022 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

Management is responsible for the other information, which comprises the financial report for the year ended 31 December 2022, 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

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 owing to fraud or error.

In preparing the financial statements, 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 misstatement, whether owing 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 owing 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 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) **Jorge Bermúdez**
Comptroller General of the Republic of Chile
(Lead Auditor)

(Signed) **Pierre Moscovici**
First President of the Court of Accounts of France

26 July 2023

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 has audited the financial statements and reviewed the operations of UN-Women for the year ended 31 December 2022. The interim audit was carried out through a combination of field and remote audits at Headquarters in New York and at the Uganda Country Office from 3 to 28 October 2022, at the Viet Nam Country Office and the Indonesia Country Office from 14 November to 16 December 2022, at both the East and Southern Africa Regional Office in Kenya and the Kenya Country Office from 23 January to 24 February 2023. The final audit of the financial statements was conducted on site in New York from 1 May to 1 June 2023.

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 2022 and its financial performance and cash flows for the year then ended, in accordance with 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 2022 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 2022. However, the Board identified scope for improvement in the areas of the

strategic plan, programme management, private sector partnership, procurement management, and information and communications technology.

With total revenue of \$671.07 million (a decrease of \$10.40 million compared with 2021) and expenses of \$540.25 million (an increase of \$9.51 million compared with 2021), the financial performance reflected a surplus of \$130.82 million as at 31 December 2022. The overall financial position of UN-Women remained solvent in 2022, with current assets of more than 14 times the current liabilities and total assets of more than 9 times the total liabilities.

Key findings

The Board's key findings are as follows:

Weaknesses in the implementation of the UN-Women strategic plan

The Board reviewed the strategic plans 2018–2021 and 2022–2025 and noted that there were funds not allocated to or tracked for Sustainable Development Goals. Furthermore, there were unregistered results at the project level, as well as delays in annual planning, quarterly monitoring and annual reports.

Limited progress related to environmental matters in the programme area

The Board detected limited progress related to an organization-wide policy on environmental sustainability in programme matters. Likewise, country offices did not apply environmental standards in their functions to contribute to Sustainable Development Goal 13.

Issues related to private sector partnership assessment

The Board reviewed the partnership assessment conducted of a private sector partner and noted that the process had been built on the basis of imprecise risk information and, consequently, a conclusion had been provided that had not clearly taken into account several background facts collected regarding the partner.

Main recommendations

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

Weaknesses in the implementation of the UN-Women strategic plan

(a) **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;**

(b) **Align the results obtained at the project level with all processes carried out in the Entity's strategic note and strategic plan in order to have access to accurate information about the use of its limited resources;**

(c) **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;**

Limited progress related to environmental matters in the programme area

(d) **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;**

(e) **Provide support that enables its offices to implement concrete actions that contribute to the improvement of environmental indicators in the strategic plan;**

Issues in private sector partnership assessment

(f) **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;**

(g) **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;**

(h) **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 a more efficient and refined company risk categorization.**

Follow-up of previous recommendations

The Board noted 27 outstanding recommendations up to the year ended 31 December 2021, of which 19 (70 per cent) had been implemented and 8 (30 per cent) were under implementation.

Key facts

6	Regional offices
3	Multi-country offices
60	Country offices
6	Liaison offices
1,220	Staff employed by UN-Women
2,450	Non-staff personnel working for UN-Women
\$556.53 million	Final budget for 2022
\$671.07 million	Total revenue for the year 2022
\$540.25 million	Total expenses for the year 2022
\$130.82 million	Surplus for the year 2022
\$88.27 million	After-service health insurance, repatriation benefits and death benefits liability as at 31 December 2022

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 2022, 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 2022 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 2021. As shown in table II.1, of the 27 outstanding recommendations, UN-Women had implemented 19 (70 per cent) and 8 recommendations (30 per cent) were under implementation. Details on the status and progress in the implementation of all previous outstanding recommendations are provided in the annex to chapter II.

Table II.1
Status of implementation of previous recommendations

Report and audit year	Number of recommendations	Recommendations pending as at 31 December 2021					Recommendations pending as at 31 December 2022	
		Implemented	Under implementation	Not implemented	Overtaken by events			
A/76/5/Add.12 , chap. II (2020)	23	8	7	1	–	–	1	
A/77/5/Add.12 , chap. II (2021)	19	19	12	7	–	–	7	
Total number of recommendations	42	27	19	8	–	–	8	

8. The Board acknowledges 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. The Board encourages UN-Women to continue its progress towards achieving full implementation.

2. Financial overview

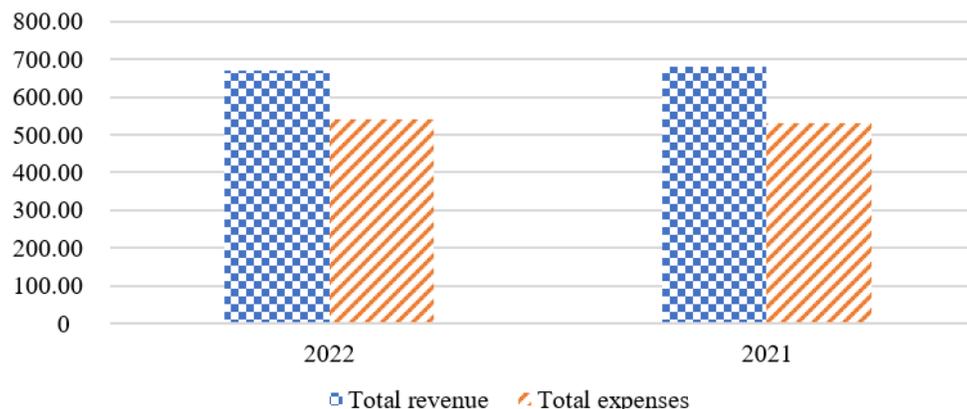
Financial performance

9. As at 31 December 2022, total revenue of UN-Women amounted to \$671.07 million (2021: \$681.47 million), against total expenses of \$540.25 million

(2021: \$530.74 million), resulting in a surplus for the year of \$130.82 million (2021: \$150.73 million), a decrease of \$19.91 million (13 per cent). A comparison of revenue and expenses for the financial years 2022 and 2021 is illustrated in figure II.I.

Figure II.I
Financial performance pattern for 2022 and 2021

(Millions of United States dollars)

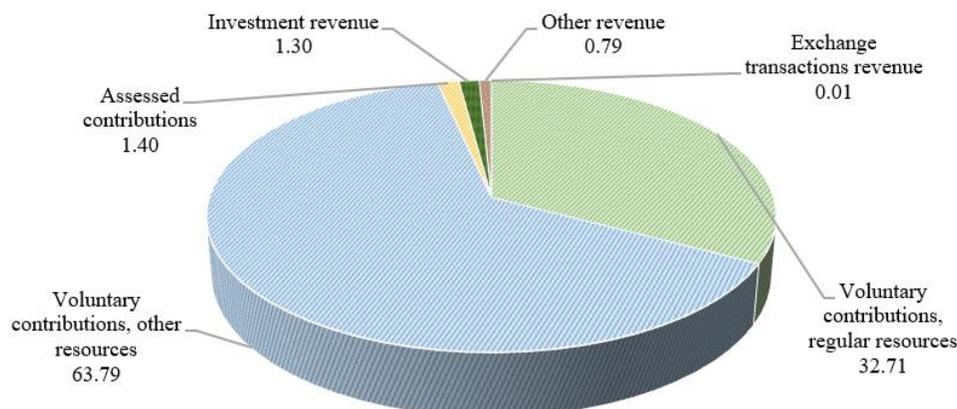


Source: Board analysis of UN-Women financial statements for the years ended 31 December 2022 and 2021.

10. The total revenue reported by UN-Women in 2022 fell by \$10.4 million, a decrease of 2 per cent over 2021. Voluntary contributions amounted to \$647.60 million (2021: \$657.25 million), representing 97 per cent of total revenue for 2022. The main component of voluntary contributions is represented by other resources, which are earmarked for specific programmes and projects. In 2022, this component decreased by 5 per cent, to \$428.07 million (2021: \$451.18 million), owing mainly to fewer resources received for coronavirus disease (COVID-19) pandemic-related activities and to the ending of the Spotlight Initiative of the European Union. Regular resources or core contributions totalled \$219.52 million (2021: \$206.07 million), an increase of 3 per cent attributable mainly to the signing of six multi-year agreements in 2022. The sources of revenue for 2022 are illustrated in figure II.II.

Figure II.II
Revenue by source in 2022

(Percentage)



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

11. The total expenses reported by UN-Women in 2022 increased by \$9.51 million, an increase of 2 per cent compared with 2021. The most significant increase under this item was that of travel costs, which reached \$32.74 million (2021: \$16.59 million), an increase of 97 per cent attributable to increased costs of tickets and the daily subsistence allowance resulting from a return to the pre-pandemic levels of 2019 and earlier. Another relevant variation is an increase of 6 per cent in employee benefits, reaching \$175.86 million (2021: \$166.46 million), related to the hiring of 144 employees, the revision of the salary scales and the increase in the post adjustment multiplier.

Financial position

12. UN-Women had total assets of \$1,324.70 million (2021: \$1,205.69 million), total liabilities of \$134.09 million (2021: \$173.56 million) and total net assets of \$1,190.60 million (2021: \$1,032.12 million).

13. In respect of the composition of the assets, cash and cash equivalents increased by 21 per cent, totalling \$122.04 million (2021: \$101.23 million). This increase was attributable mainly to an increment in money market instruments of \$20.10 million resulting from an investment decision of the Investments Unit of the United Nations Development Programme (UNDP) Treasury, which anticipated higher rates in the near future to reinvest excess funds.

14. Total investments of UN-Women decreased by 1 per cent and stood at \$638.4 million in 2022 (2021: \$644.33 million). Of its total investments, \$230.28 million corresponded to current investments (2021: \$193.28 million) and \$408.12 million to non-current investments (2021: \$451.04 million). Investments held to maturity amounted to \$586.16 million in 2022 (2021: \$583.37 million), and investments available for sale amounted to \$52.24 million in 2022 (2021: \$60.95 million). The account movements were attributable to factors such as anticipated interest rate increases, maturity of existing investments and timing of funds received.

15. The distribution of investments held to maturity was 4 per cent in money market instruments, amounting to \$24.9 million (2021: \$104.97 million), and 96 per cent in bonds and notes, totalling \$561.24 million (2021: \$478.41 million). Current investments in the money market held to maturity decreased by \$80.06 million, totalling \$24.9 million (2021: \$104.97 million), and in bonds held to maturity amounted to \$205.11 million (2021: \$87.85 million), an increase of \$117.27 million. Likewise, non-current investments in bonds held to maturity amounted to \$356.13 million (2021: \$390.56 million), a decrease of \$34.42 million. This shift in allocation was attributed to the underlying interest rate. The average yield on investments for 2022 was 1.04 per cent (2021: 0.5 per cent).

16. Accounts receivable increased by 27 per cent, totalling \$485.57 million (2021: \$381.26 million). Current accounts receivable increased by 24 per cent, reaching \$264.18 million (2021: \$212.88 million). Non-current accounts receivable grew by 31 per cent, amounting to \$221.39 million (2021: \$168.38). The increase in accounts receivable is related to the signature of new multi-year agreements between UN-Women and its donors in 2022; therefore, the accrued portion of future contributions had an impact on receivables. In addition, multi-year funding was mobilized for UN-Women work in Afghanistan, a portion of which will be collected in future years; thus, multi-year funding was included as accounts receivable at the close of the financial year.

17. Liabilities reported in 2022 fell by \$39.47 million, decreasing by 23 per cent compared with 2021. Of total liabilities, \$108.09 million (2021: \$135.10 million), equivalent to 81 per cent, represented obligations for employee benefits. The liabilities arising from post-employment benefits are determined by independent

actuaries, and the 2022 actuarial report resulted in a significant actuarial gain attributable to the increase in the equivalent discount rate (from 3.37 per cent in 2021 to 5.37 per cent in 2022), which was recorded in after-service health insurance.

Financial ratios

18. The analysis of the main financial ratios presents a large increase, which denotes that UN-Women maintains an adequate financial position to meet its short-term liabilities with its liquid assets. Similarly, a sound financial position is exhibited in all ratios.

19. Current assets reached \$682.80 million against current liabilities of \$46.96 million, resulting in net current assets of \$635.84 million. The current ratio increased from 9.95 to 14.54, which is attributable mainly to the increase in accounts receivable and the moving of funds in investments from non-current to current.

20. Regarding the solvency ratio, its increase from 6.95 to 9.88 was attributable mainly to an increase in accounts receivable. Total assets exceed total liabilities by \$1,190.60 million, which indicates a healthy financial position.

21. The cash and quick ratios increased, from 5.10 to 7.50 and from 8.79 to 13.13, respectively, owing mainly to an increase in current accounts receivable, the change from long-term to short-term investments and the increment in the money market. In this regard, the current liabilities are still covered by cash and cash equivalents, short-term investments and current accounts receivable. Table II.2 contains key financial ratios derived from the UN-Women financial statements for the years ended 31 December 2022 and 31 December 2021.

Table II.2
Ratio analysis

<i>Description of ratio</i>	<i>31 December 2022</i>	<i>31 December 2021</i>
Current ratio^a		
Current assets: current liabilities	14.54	9.95
Total assets: total liabilities^b		
Assets: liabilities	9.88	6.95
Cash ratio^c		
Cash and short-term investments: current liabilities	7.50	5.10
Quick ratio^d		
Cash and short-term investments and current accounts receivable: current liabilities	13.13	8.79

Source: Board analysis of UN-Women financial statements for the years ended 31 December 2022 and 2021.

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

^b A high ratio indicates an entity's ability to meet its overall obligations.

^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. Implementation of the new enterprise resource planning system

Migration from Atlas to Quantum

22. In 2020, a multi-year project was launched to replace the enterprise resource planning system Atlas with a cloud-based digital platform named Quantum, led by

UNDP. Since 2020, the implementation of Quantum has experienced delays owing to issues associated with data quality and preparedness and ongoing tests, among others.

23. In 2022, various processes, such as data conversion and payroll testing, were carried out to prepare for the launch of the new enterprise resource planning system. From March to November, UN-Women participated in user acceptance testing.

24. It is important to highlight that Quantum went live in January 2023 for UN-Women transactions of 2023 onward with the modules of human resources, procurement, finance and project management, meaning that the accounting system that supported the preparation of the financial statements for the period ended 31 December 2022 was Atlas. Moreover, the Entity informed the Board that, since Quantum began its operation, various problems had arisen, such as issues related to supplier payments, salary payments and reporting configurations, among others. The Entity, together with UNDP, is working to implement solutions to overcome the problems.

25. Considering that operations in Quantum began in 2023, the Board wishes to emphasize that the key operational processes and opening balances will be part of the scope for the audit of the year ended 31 December 2023.

4. Strategic plan

Weaknesses in the implementation of the UN-Women strategic plan

26. The UN-Women strategic plan 2022–2025 captures expected development results at the impact, outcome and output levels, as well as organizational effectiveness and efficiency output results, and defines the indicators that will be used to measure progress over the years.

27. The Entity uses the integrated results and resources framework, updated in May 2022, to measure its results on the basis of indicators, their baselines, milestones and targets.

28. Furthermore, the UN-Women results management system is the corporate tool for all field offices and headquarters units to plan, monitor and report against the strategic note and workplan, providing linkages to the UN-Women strategic plan, along with all monitoring and reporting data collected throughout the year.

29. In this context, the step-by-step guidance for strategic note and annual workplan monitoring, issued in 2021, establishes as mandatory that each office report on planned activities every quarter and on the results of the strategic note output level every second and fourth quarter of the implementing year. In addition, the annual report guidance for UN-Women field offices for 2021 establishes in its timetable that the final validated data phase for the annual report ended on 25 March 2022.

30. Moreover, the Entity uses the strategic note as a main planning document for country and regional offices with the purpose of aligning the Entity's global directions with the local priorities that the field offices must face.

31. The country office strategic notes guidance, issued in 2021, establishes that all offices must include baselines, annual milestones and targets, as well as credible means of verification for all indicators in the results management system to track the implementation of results, along with a resource plan. The guidance also establishes that, at the output level, indicators are expected to include the collection method and frequency.

32. The Board reviewed the closing process of the previous strategic plan (2018–2021) and the planning and monitoring process of the current strategic plan (2022–

2025) on the basis of information hosted in the results management system as at 10 October 2022 and observed the following situations:

- (a) Regarding the strategic plans 2018–2021 and 2022–2025:
 - (i) The Entity’s funds were not allocated or tracked at the Sustainable Development Goal indicator level. It should also be noted that the results management system does not provide budget utilization at this level;
 - (ii) It was verified that the results management system hosts a strategic note results structure that includes impact, outcomes and outputs; however, the project-level results did not appear as registered;
- (b) Regarding the strategic plan 2018–2021:
 - (i) A total of 27 country offices had approved the 2021 annual reports after 25 March 2022;
- (c) Regarding the strategic plan 2022–2025:
 - (i) A total of 12 strategic plan indicators did not have baselines or milestones and had “to be determined” status;
 - (ii) A total of 68 business units had registered all or some of the strategic plan indicators’ baselines, milestones and targets as “not available”;
 - (iii) A total of 66 business units had entered target values for the entire strategic plan period without providing details on target indicators for each year;
 - (iv) There were 32 business units for which the 2022 annual workplan had been approved in the second half of 2022 mainly because the results management system allows users to change plans without proper registration, losing track of the modifications made to the document and leaving only the latest version. Furthermore, 10 business units had their 2022 annual workplan in draft mode in the results management system;
 - (v) A total of 44 business units had registered their first quarterly monitoring with “in progress” or “not started” status, although their deadline was 15 April 2022. It should be noted that, although quarterly monitoring of the first quarter was optional, 29 business units (40 per cent of the total) had met their monitoring deadlines;
 - (vi) A total of eight business units had registered their second quarter monitoring with “in progress” status. However, the deadline was 15 July 2022.

33. The Board considers that, if UN-Women does not properly register resource allocations to the indicators of the Goals in the results management system, the organizational resources investment aimed at meeting the 2030 Agenda will not be accurately measured, which could also have an impact on the administration of future resources allocated to these efforts and their sustainability over time.

34. Furthermore, the Board is of the opinion that a lack of project information in the results management system affects the UN-Women project-level monitoring and reportability process, which could lead to the Entity’s objectives being unfulfilled and, consequently, the inefficient use of the funds allocated for the project’s implementation.

35. The Board is of the view that the untimely reporting in the results management system by the business units may denote a lack of oversight regarding the proposed objectives, which could affect the proper implementation of the strategic plan and have an impact on due accountability to the Entity’s stakeholders.

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.

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.**

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.**

39. UN-Women accepted the recommendations.

5. Programme management

Limited progress related to environmental matters in the programme area

40. With regard to environmental matters, the UN-Women strategic plan 2022–2025 includes indicator O 1.8, which measures the percentage of country offices applying environmental and social standards in UN-Women programmes, in line with United Nations standards and the Sustainable Development Goals of the 2030 Agenda.

41. Likewise, UN-Women participates in the United Nations Environment Programme initiative Greening the Blue, which supports the United Nations system in the transition towards greater environmental sustainability in managing its facilities and operations.

42. In these matters, UN-Women has been evaluated through two assessments. The first assessment, carried out by the Multilateral Organisation Performance Assessment Network between 2017 and 2018, it covered four areas of organizational effectiveness: (a) strategic management; (b) operational management; (c) relationship management and performance management; and (d) results. The second assessment was carried out in 2020 by the Joint Inspection Unit (see [JIU/REP/2020/8](#)), which, among other objectives, had to determine to what extent environmentally sustainable policies had been developed and to examine the implementation of environmentally sustainable operations and practices.

43. In the light of the above-mentioned assessments, the Board reviewed the programme cycle, considering the integration of the environmental sustainability perspective into it. The following situations were noted:

(a) The reports issued by the Multilateral Organisation Performance Assessment Network, the Joint Inspection Unit and the Greening the Blue initiative coincided in their evaluations that UN-Women did not have an organization-wide policy for environmental sustainability. The review carried out by the Board verified that UN-Women had been developing a framework thereon; however, it has been in the draft stage since 2020. It should be noted that, in the framework, among other provisions is consideration of the involvement of implementing partners to accomplish the environmental criteria of the project cycle;

(b) According to the UN-Women strategic plan, specifically regarding the indicator related to environmental matters, none of the 14 business units of the East and Southern Africa region applied the environmental standards in their functions;

(c) As was previously mentioned, UN-Women incorporated into its strategic plan an indicator to measure its contribution to Goal 13. In this regard, 13 out of 14 business units of the East and Southern Africa region did not include the indicator to measure their contributions to the Goal, thereby not aligning with the UN-Women strategic plan.

44. In addition, the Board confirmed the progress made by UN-Women in environmental matters in terms of procurement, facilities and travel processes; however, the Entity did not have clear and cross-cutting specifications in the programme area in this regard, or in the relationships that UN-Women must build with its implementing partners.

45. In this context, the Board analysed the terms of reference of the contract between UN-Women and an external consultant to support the framework's compliance with the system-wide requirements, in accordance with the organization's mandate and activities and helping the Entity with the phased implementation of the framework. By the Board's review date, in October 2022, it was verified that some activities that should have been submitted in April, June and September 2022 were still pending. It is important to highlight that it was stipulated in the contract that all activities were to be satisfactorily completed no later than 24 January 2023.

46. The Board is of the opinion that the absence of a fully promulgated framework on environmental topics limits the implementation of concrete measures in the UN-Women programme area, which is relevant, given that programmatic matters are the Entity's core business. Thus, UN-Women should drive actions to integrate environmental sustainability into its internal processes and, consequently, effectively engage with its implementing partners on this matter.

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.

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.

49. UN-Women accepted the recommendations.

5.1. Programme partners cycle

50. The procedure for the selection of programme partners, issued in 2020, provides a description of the sourcing, evaluation and assessment, quality review and approval process that must be followed by the Entity in selecting programme partners.

51. It is indicated in the procedure that a risk-based partner capacity assessment should be conducted to assess the partner's capacity to deliver the results of the programme or project as outlined in the project document, the outputs of which will result in the assignment of a risk rating that facilitates various types of decision-making related to engagement with the partner (e.g. modality of paying the partner, and design and implementation of a capacity-building plan).

52. The capacity assessment, which must be conducted for partners that are government entities and civil society organizations, is performed by the programme/project manager prior to signing the agreement with the partner. The validity of the capacity assessment is four years, after which a new risk-based capacity assessment must be conducted for partners that will receive funds from the Entity.

53. It is also stated in the procedure that, if significant changes have been made to the potential partner's organizational management structure or processes and procedures, a new risk-based capacity assessment may be deemed necessary.

54. It is established in the above-mentioned procedure that the Project/Programme Manager must conduct a final performance evaluation of the programme partner. The evaluation is embedded in the closure process for the partner and grant agreement

management system, which serves as the central repository of all partners' final performance evaluations and shall be accessible to all personnel.

55. The following observations were made on this matter:

Lack of partner capacity assessment

56. The Board reviewed the validity of the capacity assessment of partners of UN-Women worldwide (including 67 field offices in six regions and headquarters) as at 18 October 2022 and noted the following situations:

(a) From January to August 2022, the Entity made cash transfers amounting to \$1,105,335 to 31 partners with no capacity assessments;

(b) From January to August 2022, the Entity made a cash transfer of \$1,431,451 to 17 partners with a not-in-force capacity assessment at the time of the start date of the agreement (assessment older than four years).

57. Likewise, the Board observed that, from 18 October 2017 to 18 October 2022, UN-Women had not conducted a new risk-based capacity assessment of eight partners that had received a total amount of \$875,477 in funds in 2022. It should be noted that the capacity assessments were in force as at the start date of the agreement.

58. The Board considers that not carrying out a partner capacity assessment within the period established in the procedure, or having an outdated assessment, could result in UN-Women implementing its mandate through a partner without the skills and expertise necessary to comply with the activities, resulting in poor programme delivery entrusted to partners by the Entity. In addition, the absence of an updated assessment could have an impact on the modality of cash transfer to the partner and the selection criteria for assurance activities projects.

59. Given the facts exposed and the sustained growth of the financial resources allocated to programme partners over time, the Board considers it necessary that the Entity improve the preventive controls and monitoring of the partner capacity assessment.

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.

61. UN-Women accepted the recommendation.

Partner performance evaluation not conducted

62. The Board reviewed the partner agreements in relation to performance evaluations managed by the offices of the East and Southern Africa region recorded in the partner and grant agreement management system and noted that 77 agreements out of 107 (72 per cent) had not registered a performance evaluation in the system and that, in their absence, the offices had not provided a hard copy that supported its execution.

63. The Board asked the Entity about the unregistered or absent performance evaluations and noted that the staff in charge did not have enough knowledge of the assessment process. Thus, in several cases, personnel had submitted capacity assessments rather than performance evaluations.

64. Furthermore, in analysing the procedures associated with the process, the Board observed that the Entity had not established a deadline for carrying out the performance evaluations.

65. The Board is of the opinion that the programme cycle of the cases observed is not being closed properly, since a significant number of performance evaluations, which are part of the required procedures at the end of all programme partner agreements, were missing in the partner and grant agreement management system or in hard copy. Moreover, it is crucial that performance evaluations be made available to all UN-Women offices in a timely fashion. The results of their achievements are a significant input in the decision-making process for renewing projects or assigning new projects to a specific partner.

66. Furthermore, given that the capacity assessment and the performance evaluation belong to different phases of the programme cycle, the Board considers it relevant that project managers have enough understanding of these instruments and their contribution to the programme process.

67. Owing to the underutilization of the partner and grant agreement management system by the business units, the Board observes that there is room for improvement regarding the use of the system's potentialities owing to the fact that this tool allows for timely global monitoring of the programme cycle.

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 the partners and grants management system provides in real time to reporting and global tracking.

69. The Board recommends that UN-Women define a formal and precise deadline to conduct the performance evaluation of the programme partners.

70. UN-Women accepted the recommendations.

Delay in financial reports and in recording of partner expenditure

71. In the policy on cash advances and other cash transfers to partners, issued in 2020, it is stated that the funding authorization and certificate of expenditure form replaces all other forms of funding reports used by government, intergovernmental organization and non-governmental organization partners for requesting funds and reporting expenditure.

72. In the policy it is also established that funding authorization and certificate of expenditure forms must be used every time that there is an advance and/or liquidation of an advance and that, even if no funds are being requested, such forms should be prepared and collected every quarter in order to record expenditure.

73. In addition, in the policy it is indicated that the completed and signed funding authorization and certificate of expenditure form should be submitted by the partner no later than 20 calendar days after the quarter's end. Similarly, it is established in the policy that, for year-end financial purposes, partners may be required to submit an interim funding authorization and certificate of expenditure form as at 31 December. Furthermore, it is mentioned in the policy that the partners should report on the form the expenditure incurred from the advance in the reporting period to the field office and that, subsequently, the project manager can accept, reject or request an amendment to the expenditure reported.

74. Moreover, in the accounting policies of UN-Women it is stated that project expenses are recognized once UN-Women receives a financial report from the programme partner in order to provide evidence of the completion of activities.

75. In this regard, the Board reviewed the list of all funding authorization and certificate of expenditure forms issued by programme partners in 2022 to 14 field offices, observing delays in the submission of the forms in 50 cases, amounting to

\$1,254,416 in expenses incurred in 2021 or prior, which were registered in the 2022 accounting records. It should be noted that the interim funding authorization and certificate of expenditure forms had not been requested by the field offices in any of the cases, notwithstanding the fact that it was possible to request them prior to the financial year-end closure.

76. The Board considers that the delayed submission of funding authorization and certificate of expenditure forms by programme partners, as well as their delayed posting by project managers, creates cut-off problems at the time of recording expenses for the period in which they were accrued.

77. Given the cases detected, the Board is of the view that project managers may not be carrying out monitoring of the partners systematically to ensure the timely delivery and correct use of financial reports.

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.

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.

80. UN-Women accepted the recommendations.

6. Private sector partnership

Issues in private sector partnership assessment

81. It is stated in the due diligence policy (2018) that a private sector partnership is any arrangement subscribed to between UN-Women and the private sector with the aim of promoting the goals and objectives of the Entity.

82. It is noted in the due diligence policy that, prior to engaging with a private sector partner, it is necessary to carry out an assessment of the prospective partner. This includes an evaluation of exclusionary criteria, which comprises an assessment of whether the proposed partner is complicit in areas that have an impact on human rights, severe discriminatory practices against women, the manufacture or sale of weapons, activities or practices that harm the environment, and terrorism, among others.

83. In this regard, a partnership assessment should encompass the following documents:

- (a) A due diligence screening template for collecting information on the prospective partner;
- (b) An assessment of exclusionary criteria, which contains questionnaires on:
 - (i) The partner's complicity in exclusionary criteria. Possible responses to questions are "no evidence", "not known", "evidence is insignificant" and "evidence";
 - (ii) The partner's violations/controversies of exclusionary criteria. The response to the questions constitute a risk appraisal, whose level could be "none", "insignificant", "minor", "moderate", "high" or "major";
 - (iii) The gender dimension and engagement with the United Nations.

(c) A risk assessment, which contains a matrix to provide information on the likelihood of occurrence of risk events that may have a negative reputational and operational impact on UN-Women, and respective risk areas. There are three levels of risk consideration – low, medium and high – which are determined on the basis of the risk severity points of each area, where 0 to 5 points indicates low risk, 6 to 10 points indicates moderate risk and 11 to 15 points indicates high risk. It is important to note that the matrix is built on the basis of the information collected through the due diligence screening and the questionnaires detailed above.

84. It should be noted that, if the analysed partnership is determined to be high-risk, a due diligence review committee is established to provide advice to the Director of the Strategic Partnerships, Advocacy and Communications Division and the Executive Director on the prospective agreement with the private sector partner.

85. In 2019, UN-Women performed a risk assessment of an investment management company, which was determined to be medium risk. At that time, the due diligence assessment was conducted to determine possible future engagement and not in the context of a specific engagement proposal.

86. In February 2022, new due diligence screening was conducted in relation to a specific engagement proposal for a knowledge exchange partnership with the above-mentioned investment management company on gender lens investing, in which several situations related to exclusionary criteria were detected. Notwithstanding the new information on exclusionary criteria, they were not considered to elevate the risk rating, and the partner remained medium risk.

87. On 25 May 2022, UN-Women and the investment management company signed an agreement to develop strategies to mobilize capital in support of economic opportunity for women. In August 2022, significant concerns were raised by civil society organizations, which demanded the end of the agreement. Following extensive internal consultation and consideration of a variety of factors, the partnership was put on hold and later terminated.

88. Concerning this matter, the Board reviewed the assessment process of private sector partnership conducted by the Entity regarding the above-mentioned private sector company and noted that the due diligence outcomes resulting from the process had been built on the basis of imprecise risk information. In this way, the assessment provided a conclusion that did not clearly incorporate several background facts that the Entity had collected itself. The shortcomings observed in the process are as follows:

(a) Regarding the questionnaire on the partner's complicity in exclusionary criteria, there were inconsistencies between the responses to the questionnaire and the information collected in the 2019 due diligence screening. Moreover, the decision-making table did not match the responses to the questions ticked in the document;

(b) In reference to the 2019 questionnaire on the partner's violations/controversies of exclusionary criteria, in the decision-making table, "one or more minor or insignificant boxes ticked" was selected despite the fact that five of the eight questions (62.5 per cent) were selected as "moderate" risk. In this context, the box "any major or high or several moderate boxed ticked" should have been selected, which would have guaranteed the action "refrain from engaging or escalate to Strategic Partnership Division with justification why a partnership is worth pursuing";

(c) As was previously mentioned, in February 2022, a new due diligence screening was conducted, and the risk rating was not elevated in spite of finding several controversies in the media regarding the private partner under analysis, especially in environmental matters, and criticism from stakeholders, which, according to the definitions established by the Entity, should have resulted in an appraisal of higher risk;

(d) The final aggregate score resulting from the risk assessment in the areas of environmental controversies and criticism from UN-Women partners/agencies, civil society organizations, advisory groups, governmental agencies, media or the general public was that of low risk, which was not aligned with the findings from the 2019 due diligence screening and questionnaire and the 2022 due diligence screening. The issues exposed show that this partner should have had at least 11 points of risk severity, which, according to the scoring guide, would be rated as high-risk and therefore follow the clearance process of the due diligence review committee;

(e) The due diligence outcome of UN-Women was that the private sector partner was medium-risk; however, in two of the three risk ratings of the third party (environmental, social and governance), the partner was rated as a high-risk company.

89. As a consequence of the revision performed, the Board noted the following weaknesses in the private sector partnership assessment:

(a) The questionnaire on the partner's complicity in exclusionary criteria did not include a formal definition of "no evidence", "not known", "evidence is insignificant" and "evidence" and did not classify these kinds of situations clearly;

(b) The questionnaire on the gender dimension and on United Nations engagement did not have a decision-making table, which would have allowed for clear discernment of the Entity's position on these matters;

(c) The risk assessment matrix in the "2. likely" and "3. very likely" probability categories did not have a definition of the period in which the frequency of an event could occur.

90. The Board considers that certain components of the whole process designed by UN-Women to assess potential private sector partnerships can be enhanced to provide better and more objective information that promotes adequate decision-making. Moreover, there is limited clarity regarding some key conceptual definitions and the interconnections between the documents that serve as the basis for risk categorization. The improvement of the documents would allow for a more efficient and refined assessment of the company's risk profile.

91. Likewise, since the Entity engages with private sector partners, the decision-making process must be supported by robust risk screening of companies, as well as by substantial risk mitigation measures, in order to guarantee that prospective partnerships do not affect the image of UN-Women and to avoid the Entity experiencing reputational damage and loss of confidence and credibility on the part of stakeholders.

92. The Board is of the view that the aforementioned partner should have been determined to be high-risk and that a due diligence review committee should therefore have been established with the aim of ensuring that, despite the high risk, the proposed partnership would have a positive impact on and align with UN-Women mandate and objectives.

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.

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.

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.**

96. UN-Women accepted the recommendations.

7. Procurement management

Incorrect use of non-purchase order vouchers

97. It is indicated in section 5.5.2 of the methods of solicitation procedure, issued in 2021, that the creation of a purchase order for goods, services and small works valued at over \$2,500 is mandatory and is optional for those items valued at under that amount. It is also indicated in the procedure that the creation of a purchase order is mandatory for all purchases of goods and/or assets with single items valued at \geq \$1,000, in accordance with the asset management policy.

98. In the same purchase order, the micropurchasing guideline (2015) establishes that the creation of purchase orders is mandatory for all purchases of assets valued at over \$500.

99. The Board observed that the micropurchasing guideline and the methods of solicitation procedure were inconsistent with regard to the mandatory amount for the creation of a purchase order related to purchases of assets.

100. In addition, the Board reviewed payments that originated from non-purchase order vouchers processed by the East and Southern Africa Regional Office and its 11 country offices, as well as the Country Offices in Indonesia, Uganda and Viet Nam, in 2022. It was observed that 33 per cent of them (5 out of 15 offices) had submitted payments related to procurement that should have been made under a purchase order. These situations are as follows:

(a) Two country offices presented cases related to goods valued at over \$1,000;

(b) Five country offices presented payments that exceeded the threshold of \$2,500 without the creation of a purchase order.

101. After consultations with the offices regarding the origin of the purchases and the reasons that they had been made directly through vouchers, the Board observed that staff members had confused the concepts and terms related to these types of purchases and their solicitation methods.

102. The Board is of the opinion that, for at least 33 per cent of the offices reviewed, the shortcomings observed regarding the use of non-purchase order vouchers denote a lack of understanding by the Entity's branches and personnel of purchasing procedures.

103. Likewise, the use of a non-purchase order voucher method would also indicate that these offices are unaware of the purposes and the process of creating a purchase order, affecting the procurement of goods and services that are not fit to satisfy operational needs or that do not provide adequate value for the money. Moreover, these situations could affect mandatory payments from offices to suppliers since, in such cases, no funds would be committed to such transactions.

104. The Board considers that the inconsistency between both instructions could generate errors in the procurement process, as well as misinterpretations by the offices and their personnel, which has been verified through the situations observed.

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.**

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.**

107. UN-Women accepted the recommendations.

Inefficiency in recurring purchases of the same nature

108. In the procurement and contracts management policy, issued in 2021, a long-term agreement is defined as a mutual arrangement with a supplier to provide goods, civil works or services, as required, over a specific period of time, with the quantity to be determined at prescribed prices or in pricing provisions.

109. Likewise, in paragraph 5.1.2 of the long-term agreement procedure (2021), it is indicated that the practice of entering into long-term agreements is a cost-efficient way for UN-Women to procure on a regular basis, since the competitive tender process is only carried out once and the call-off order process is streamlined. This leads to reduced transaction costs and delivery times. Call-off orders can be placed directly against the long-term agreement, and goods, civil works or services can be purchased at a set price and quality.

110. The Board reviewed the list of purchase orders issued by the East and Southern Africa Regional Office and the Kenya Country Office in 2022. After its analysis, the following situations were noted:

(a) For 14 vendors, the East and Southern Africa Regional Office recorded three or more purchase orders during the year and/or one purchase order in one month and at least one other in the following month. The purchase orders were issued under the micropurchasing methodology and were associated with providing the services of catering, conference rooms, advertising, printing services and security services, which are required to support regular activities carried out by UN-Women in its mandate fulfilment. It should be noted that only 1 out of the 14 vendors had a long-term agreement with the Entity;

(b) For 17 vendors, the Kenya Country Office recorded three or more purchase orders during the year and/or one purchase order in one month and at least one other in the following month. The purchase orders were issued under the micropurchasing methodology and were associated with providing the services of catering, conference rooms, advertising and printing services, which are required to support regular activities carried out by UN-Women in its mandate fulfilment. It should be noted that only 1 out of the 17 vendors had a long-term agreement with the Entity.

111. The Board considers that the purchasing cases detected could imply a lack of planning regarding acquisitions needs, whereas other existing procurement solicitation methods could potentially have been utilized since the cases are of a recurring nature and are linked to activities that UN-Women deploy in order to fulfil its mandate.

112. The Board is of the view that the purchases observed could have been carried out through a long-term agreement to increase the efficiency of the procurement process and reduce repetitive, labour-intensive procurement activities, delivery deadlines and possible delays, all of which would result in improving the ability to perform several acquisition tasks proactively.

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.**

114. UN-Women accepted the recommendation.

8. Information and communications technology

Insufficient use of the Leads system

115. In the user guide to Leads system management, issued in 2019, it is established that the application serves as the preferred portal for capturing and tracking the up-to-date UN-Women resource mobilization pipeline. In addition, all field offices and headquarters units with resource mobilization targets are required to use the system to keep track of their engagement efforts.

116. In 2019, owing to technical factors, use of the system went from being mandatory to being fully voluntary for all business units. The Entity reported that the main reason for the change was that the data were considered to be unreliable and had multiple duplicate entries.

117. In this regard, UN-Women developed guidance for information technology change management, issued in 2019, in which it is indicated that “the primary aim of change management is to evaluate and plan the change process in order to ensure that if and when a change is made, it is performed in the most efficient way. It must follow a well-established and agreed upon procedure that ensures the quality and continuity of information technology services at all times”.

118. In the above-mentioned guidance, it is also established that the first step in the change management process is to receive and record a request for change. It is also indicated that, for each request, the change manager must assess its benefit and the impact that it will have on the business processes of the organization, along with classifying the risk associated with implementing it. This should be evaluated by the Change Advisory Board in detail before approving it.

119. The Board analysed the use of the Leads system in UN-Women country offices and observed the following situations:

(a) A total of 18 country offices did not have information uploaded to Leads in 2022, although they had used the system in 2021 to mobilize resources. In addition, those cases had a budget allocated in the system in 2021 and 2022;

(b) There were six country offices that, notwithstanding having a budget allocated in the system for both 2021 and 2022, did not use the Leads system to mobilize resources;

(c) Seventeen country offices created only one opportunity to mobilize resources in 2022, without any specific justification for the low use of the system.

120. Although the technical problems were detected in 2019, and 45 country offices were using Leads in 2022, the Entity has not yet activated the technology change management process, and no request has been processed on the matter. In this context, UN-Women reported that it was preparing a proposal and a workplan to improve Leads in 2022; however, the workplan had not been carried out at the time of the Board’s review.

121. UN-Women informed the Board that it had not measured the impact and risks related to the use or non-use of the system, thereby lacking a detailed analysis that would allow the Entity to know the cost-benefit of using Leads.

122. The Board is of the opinion that keeping a system with technical deficiencies in operation implies a latent risk of using inaccurate information related to the resources mobilization process, which becomes relevant in view of the increasing number of offices that use the Leads system (71 per cent of all the business units).

123. The Board considers that the absence of risk evaluation regarding the implementation of the system, as well as non-performance of an impact analysis of its use, could result in inefficient use of the limited human and financial resources available to fulfil the Entity's mandate.

124. Lastly, the Board is of the view that, if UN-Women does not perform the information technology change management process properly and makes use of the Leads system optional, that could have an impact on the operational standardization of the system worldwide and affect the organizational capacity to detect in a timely manner opportunities for resources to be mobilized, which may result in a weakened monitoring process in relation to these matters at all governance levels.

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.

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.

127. UN-Women accepted the recommendations.

C. Transmission of information by management

1. Write-off of losses of cash, receivables and property

128. 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 \$437,946. In addition, there were no write-offs related to cash and property.

2. Ex gratia payments

129. In accordance with regulation 20.6 of its financial regulations and rules, UN-Women informed the Board that zero ex gratia payments had been paid in 2022.

3. Cases of fraud and presumptive fraud

130. 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.

131. 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 their 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.

132. In 2022, the Office of Internal Oversight Services of the United Nations completed investigations into 10 cases initially categorized as presumptive fraud or financial irregularities. In five of the cases, no fraud or financial irregularities were substantiated. Five cases were substantiated and included procurement irregularities, unauthorized withdrawal of project funds by programme partner personnel, and forgery. Overall, they included substantiated amounts of confirmed cases of fraud of \$22,057. In relation to one of the cases, the fraud resulted in a loss of \$6,839 to UN-Women that will be written off in 2023.

133. To address the substantiated cases, UN-Women was taking action in accordance with the legal policy for addressing non-compliance with United Nations standards of conduct or UN-Women agreements with related parties.

134. As at 31 December 2022, the Office of Internal Oversight Services had under investigation nine cases involving allegations of presumptive fraud or financial irregularities, including allegations of procurement irregularities, fraud by programme partners, forgery, entitlement fraud, or misappropriation.

D. Acknowledgement

135. 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) **Jorge Bermúdez**
Comptroller General of the Republic of Chile
(Lead Auditor)

(Signed) **Pierre Moscovici**
First President of the Court of Accounts of France

26 July 2023

Annex

Status of implementation of recommendations up to the financial year ended 31 December 2021

No.	Audit report year	Report reference	Board's recommendation	Management 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. 31	The Board recommends that UN-Women structure the risk appetite in a statement that determines the types and quantities of risks, with the purpose of achieving its strategic objectives expressed in quantitative and/or qualitative terms.	UN-Women informed the Board that the risk management committee had approved the risk appetite and risk tolerance implementation plan in the first quarter of 2022. In the first and second quarters of 2022, bilateral consultations with divisional and regional heads were undertaken. The risk appetite statement was approved by the Executive Director in December 2022.	The Board verified that UN-Women had established a risk appetite statement, which defines the types of risks and their risk appetite scales. Therefore, this recommendation is considered as implemented.	X			
2	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 reported that it had begun with the implementation of risk tolerance boundaries as part of the quarterly business review process. Risk tolerance boundaries were to be considered for additional mitigating measures introduced in the quarterly business review reports from 2023 onward.	The Board acknowledges management's efforts regarding the implementation of the risk tolerance boundaries and will verify the effectiveness of the measures reported in the next audit visit. Therefore, this recommendation is considered as under implementation.		X		
3	2020	A/76/5/Add.12 , chap. II, para. 47	The Board recommends that UN-Women include and increase the frequency of mandatory training on enterprise risk management at different staff levels. This should start with the risk owners and risk focal points of each risk entity and subsequently be rolled out to all staff and personnel who are responsible and	UN-Women stated that it had developed a training exercise for all risk owners and risk focal points, rolled out on time in the fourth quarter of 2022. The training was made available to other relevant personnel to ensure sufficient coverage. Regular webinars had supplemented it at headquarters and field offices. Materials from all training and webinars, as well as other	The Board verified that the risk area had contacted personnel when they were assigned as risk owner and had given them access to all webinars, courses, guides and procedures that were on an intranet platform that was created for that purpose, which improves the opportunity of access to the training. Therefore, this	X			

No.	Audit report year	Report reference	Board's recommendation	Management response	Board's assessment	Status after verification			
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			accountable for annual work planning and performance reporting.	resources, had been made available to all UN-Women personnel through a dedicated intranet page.	recommendation is considered as implemented.				
4	2020	A/76/5/Add.12 , chap. II, para. 63	The Board recommends that all risk entities of UN-Women keep the most up-to-date standardized risk register template, which should include all the changes resulting from the risk assessment process.	The Entity reported that it had issued the guidance requiring all risk entities to document any changes resulting from the risk assessment process, including the quality assurance process, and to record the feedback in the standardized risk register template. Risk entities' compliance and continuous improvement opportunities will have been closely monitored for consideration in the next assessment cycle.	The Board reviewed the information provided by UN-Women and confirmed that the standard used for enterprise risk management had been updated in accordance with the recommendation made by the Board. Therefore, this recommendation is considered as implemented.	X			
5	2020	A/76/5/Add.12 , chap. II, para. 77	The Board recommends that UN-Women enhance its risk management system for the optimal inclusion of all evaluated risks in the enterprise risk management OneApp platform in order to improve the visibility of all risks and facilitate the quality assurance process.	UN-Women informed the Board that it had included a new feature whereby the system requires risk focal points to complete a mandatory assessment and evaluation of all standardized risks, ensuring that all risks have been recorded on the OneApp enterprise risk management platform to improve the visibility of all risks and facilitate the quality assurance process.	The Board verified the improvements to the system reported by the Entity. Therefore, this recommendation is considered as implemented.	X			
6	2020	A/76/5/Add.12 , chap. II, para. 86	The Board recommends that UN-Women ensure that the risk owners and risk focal points examine the procedures regarding how the controls or mitigation actions for risks are identified to ensure that they include clear, measurable,	The Entity reported that it had taken the following steps to sustainably address the Board's recommendations: the 2023 annual risk assessment guidance provided specific key principles that all risk units should follow in designing their mitigating actions; UN-Women had hosted global	The Board reviewed a sample of mitigation actions created in enterprise risk management in OneApp and noted that the actions were clear and measurable. Therefore, this recommendation is considered as implemented.	X			

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			quantifiable and time-bound actions to guarantee that the likelihood and/or the impact of the risk identified can be sufficiently reduced or mitigated.	webinars that included a specific deep-dive segment on mitigating actions; as part of the mandatory quality assurance process for all risk registers, there was one criterion under which specific mitigating actions were examined and scored against the criteria set.				
7	2020	A/76/5/Add.12 , chap. II, para. 142	The Board recommends that UN-Women carry out and formalize the end-to-end programme partner policies and procedures, especially with regard to strengthening the monitoring mechanisms applied to programme partners in situations of crisis when no mandatory on-site monitoring activities are possible, in order to ensure that they are effectively undertaken.	UN-Women informed the Board that the fast-tracking of programme actions procedure had been promulgated, including selection of partners. The procedure included a section on monitoring during a humanitarian crisis or in an emergency context.	The Board verified that the Entity had established and formalized a monitoring procedure for a humanitarian crisis or in an emergency context. Therefore, this recommendation is considered as implemented.	X		
8	2020	A/76/5/Add.12 , chap. II, para. 150	The Board recommends that the UN-Women West and Central Africa Regional Office, notwithstanding the COVID-19 pandemic, ensure compliance with the policy on cash advances and other cash transfers to partners, in order to reflect the periodicity of implementing partner and/or responsible party reports within the terms established therein.	The West and Central Africa Regional Office reported that a Programme Management Support Consultant had been hired and had begun his mission in early May 2022. In addition, a training plan had been developed for capacity-building. Furthermore, a focal point had been designated to monitor the automatic reminding messages sent to project managers to ensure that actions were actually taken once those reminders about reporting due dates had been received.	The Board reviewed the quarterly narrative reports prepared by the programme partners of the West and Central Africa Regional Office, verifying an improvement in the periodicity of the submission of the reports. Therefore, this recommendation is considered as implemented.	X		

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9	2021	A/77/5/Add.12 , chap. II, para. 33	The Board recommends that UN-Women introduce, as part of the ongoing development of the new enterprise resource planning system, "Quantum", a stronger interface between the UN-Women corporate systems for financial management and the system for planning and results management, with the aim of reducing manual interventions, and provide greater systemic flexibility to the end users in order to ensure a complete alignment of approved annual workplan activities with financial resources used.	The Entity informed the Board that the new enterprise resource planning system, Quantum, was rolled out in early 2023. UN-Women ensured that system requirements were met to enable accurate and complete linkages between financial resources managed in Quantum and planned strategic notes/workplan activities managed in the results management system. Quantum mandates users to link each project activity and its budget to a strategic notes/workplan activity in the results management system. The list of pertinent strategic notes/workplan activities is automatically imported from the results management system to Quantum.	The Board verified the process of linkage between the project information hosted in Quantum and the data hosted in the results management system, verifying that the project activities were linked with the information that both systems had. Therefore, this recommendation is considered as implemented.	X			
10	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 the closure of partner audit financial findings by designating a corporate business process owner for the partner audit portfolio. In addition, it had continued to monitor the closure of partner audit financial findings for the 2021 audit and would treat any outstanding financial findings according to the procedure for the resolution of audit recommendations.	The Board noted the progress made by the Entity to address the partner audit financial findings. The effectiveness of the measures reported will be verified at the next audit visit. Therefore, this recommendation is considered as under implementation.		X		
11	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 Entity informed the Board that UN-Women corporate monitoring of the closure of partner audit financial findings had been strengthened by a designated	The Board acknowledged management's efforts to resolve the long-standing partner audit financial findings and will verify the		X		

No.	Audit report year	Report reference	Board's recommendation	Management response	Board's assessment	Status after verification			
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			the use of the funds transferred to partners in prior years.	corporate business process owner for the partner audit portfolio. UN-Women had been working continuously to resolve the long-outstanding partner audit financial findings. The findings from 2012 to 2017 had been fully closed in 2022 through a one-time conclusive assessment exercise. Since the issuance of the 2021 audit reports, 59 per cent of the outstanding 2018–2020 financial findings had also been resolved. UN-Women had aimed to close the remaining outstanding findings by 31 December 2022 while extending the timeline to 2023 for those with valid reasons, in line with the procedure for the resolution of audit recommendations arising from project partner audits.	effectiveness of the measures reported at the next audit visit. Therefore, this recommendation is considered as under implementation.				
12	2021	A/77/5/Add.12 , chap. II, para. 55	The Board recommends that the UN-Women United Republic of Tanzania country office request the funding authorization and certificate of expenditure forms in a timely manner and record the expenses in the correct period in which they are executed, with the aim of the transactions and other events being recognized when they actually occur.	The Country Office reported that it had introduced additional strict measures to ensure that expenses were recorded in the period in which they had occurred. In addition, during the year-end closure exercise, it reported that it had taken a further step to ensure that all advances that overlapped between the financial years 2021 and 2022 were not due for reporting and were properly accounted for. Lastly, the Country Office reported that it had begun the practice of requesting that partners submit interim liquidation documentation to record all expenses that had been	The Board verified the instructions given by the Country Office to record the expenses in the period in which they had occurred. Moreover, the Board reviewed in the journal entries the record of funding authorization and certificate of 2022 expenditure forms and noted that the partner expenses were being recorded in the correct period. Therefore, this recommendation is considered as implemented.	X			

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				incurred under the financial year 2021 to ensure that the cut-off had been observed.				
13	2021	A/77/5/Add.12 , chap. II, para. 56	The Board recommends that the UN-Women Colombia and United Republic of Tanzania country offices countersign any changes or amendments to the signed funding authorization and certificate of expenditure form, in order to record the accounting information accurately.	The United Republic of Tanzania Country Office reported that it had introduced the additional measure of working jointly with partners in the preparation of funding authorization and certificate of expenditure forms to ensure that the correct account code information would be entered before the form was signed and submitted to UN-Women. The measure had been taken prior to contract engagement with the partners, as well as during the project implementation stage, when there was an adjustment or reallocation of the project activities and budget items. The Colombia Country Office reported that it had configured the Excel spreadsheet of the funding authorization and certificate of expenditure form to limit its use to only the codes parameterized for implementation of the partner agreement.	The Board reviewed the evidence of joint work with partners developed by the United Republic of Tanzania Country Office (minutes of the technical meeting) and verified the new funding authorization and certificate of expenditure form template provided by the Colombia Country Office, concluding that the actions taken by the Country Offices overcame the weaknesses identified by the Board. Therefore, this recommendation is considered as implemented.	X		
14	2021	A/77/5/Add.12 , chap. II, para. 57	The Board recommends that the UN-Women Bangladesh and Colombia country offices improve their controls related to posting the expenses reported in the funding authorization and certificate of expenditure form in Atlas, in order to	The Colombia Country Office reported that it had introduced two additional review controls when processing funding authorization and certificate of expenditure forms from partners. The Bangladesh Country Office reported that it had implemented	The Board reviewed a sample of the funding authorization and certificate of expenditure form related to both the Colombia and the Bangladesh Country Offices, noting that the reported expenditure was properly recorded in the accounting. Therefore, this	X		

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15	2021	A/77/5/Add.12 , chap. II, para. 58	record the accounting information accurately. The Board recommends that the UN-Women Bangladesh and Colombia country offices provide training and strengthen the capacity of the implementing partners in the use of the accounts and expenses classifications in the funding authorization and certificate of expenditure form.	an action plan to address the recommendation. The Bangladesh Country Office reported that it had shared with all staff its planned training of partners in the third and fourth quarters of 2022, including on the proper completion of funding authorization and certificate of expenditure forms and on the use of correct account codes. The Colombia Country Office reported that it had trained its partners on matters related to compliance with the terms of partner agreements, proper completion of funding authorization and certificate of expenditure forms, and understanding of UN-Women policies and procedures related to programme and project implementation.	recommendation is considered as implemented. The Board reviewed the report related to training provided by the Country Offices to the programme partners, which provided technical support regarding the correct use of accounts on the funding authorization and certificate of expenditure form, as well as other technical support. Therefore, this recommendation is considered as implemented.	X			
16	2021	A/77/5/Add.12 , chap. II, para. 59	The Board recommends that UN-Women introduce, as part of the ongoing development of the new enterprise resource planning system, "Quantum", stronger preventive controls in the classification and recording of the expenditures reported in the funding authorization and certificate of expenditure forms, with the aim of reducing manual interventions and human errors at the time of posting the funding authorization	The Entity reported that a new category of general ledger expenditure accounts had been created in Quantum specifically for partner expenditure, to be used to liquidate the funding authorization and certificate of expenditure forms.	The Board reviewed the new category of general ledger expenditure accounts developed in Quantum and noted that it had strengthened preventive controls in the classification and recording of the expenditure reported by programme partners in the funding authorization and certificate of expenditure form. Therefore, this recommendation is considered as implemented.	X			

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17	2021	A/77/5/Add.12 , chap. II, para. 73	and certificate of expenditure forms. The Board recommends that UN-Women strengthen its internal controls with the aim that the Procurement Section at headquarters improve on its monitoring process for procurement activities based on risk, ensuring that solicitation methods are used appropriately and that purchase orders are issued in accordance with the contracts established with suppliers.	UN-Women reported that it had recognized the importance of addressing the capacity gap in the procurement and travel management functions and had taken steps to enhance the effectiveness and efficiency of these functions. The UN-Women executive-level team had approved a road map that provided an outline of a management action plan to strengthen the procurement function and reconcile staffing levels with service demands and risk mitigation needs. The recruitment of the new Chief of Procurement and Travel Services was under way, and additional capacity would be installed following the appointment of the Chief.	The Board verified that the Procurement Section had created several instructions that guided the staff in the process of performing purchases. It was also verified that those instructions were hosted on the SharePoint procurement site, allowing the staff continuous access. Therefore, this recommendation is considered as implemented.	X			
18	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 reported that it had engaged with other participating United Nations agencies in configuring the new Quantum Oracle cloud enterprise resource planning system. Among the initial reporting tool requirements submitted by UN-Women, this was a helpful report for users that would capture global data for all stages of the procure-to-pay cycle. Recently, agency-specific reporting requirements were discussed in a few dedicated meetings, and it was reaffirmed that, following the launch of Quantum, the reporting tool	The Board acknowledged management's efforts regarding coordination related to the procurement process. The effectiveness of the measures reported will be verified at the next audit visit. Therefore, this recommendation is considered as under implementation.		X		

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19	2021	A/77/5/Add.12 , chap. II, para. 81	The Board recommends that the UN-Women United Republic of Tanzania country office improve its internal controls, to ensure that purchase orders are created for all purchases over \$2,500.	would be the focus area of developers and would be prioritized. The Country Office informed the Board that it had introduced an additional control mechanism to ensure that all procurement activities, regardless of amounts, had been processed through purchase orders. In addition, a checklist had been developed specifically for the procurement area as a control tool and as a guideline for approvers on the set of documents required before approving a procurement transaction.	The Board verified the checklist developed by the Country Office and reviewed a list of purchase orders over \$2,500 made in 2022, noting that the controls in place had been effective. Therefore, this recommendation is considered as implemented.	X			
20	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 its procedures had been amended, ensuring that all regular resources contribution agreements were included in the Atlas PeopleSoft enterprise resource planning system. The exact process would be guaranteed upon migration to the new Quantum Oracle cloud enterprise resource planning system, ensuring that all donor agreements, including regular resources agreements, would be entered into the system.	The Board acknowledged management's efforts to include all regular resources and other resources contribution agreements in its enterprise resource planning system and will verify the effectiveness of the measures reported at the next audit visit. Therefore, this recommendation is considered as under implementation.		X		
21	2021	A/77/5/Add.12 , chap. II, para. 99	The Board recommends that UN-Women establish deadlines for each content owner to allow the Entity to update its policies, procedures and guidance in a timely manner, considering the necessary	The Entity reported that the policy, procedure and guidance team had sent a reminder email, with the policies that were due by a certain revision date published on the policy, procedure and guidance framework intranet, to each head of responsible unit,	The Board verified the formal communications between business teams, the establishment of deadlines and the improvements made in the intranet reported by the Entity. Therefore, this	X			

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			commitment that content owners must have and the monitoring activities for the authority levels in the business unit and the effects that non-compliance situations could generate.	requesting them to develop new documents or review the existing ones. The responsible unit was also informed of the deadline by which to remedy the request; otherwise, there was the possibility of extending the term through a request form, which must be completed and sent to the Director of the Strategy, Planning, Resources and Effectiveness Division, with a copy to the policy, procedure and guidance team, no later than 30 days after the expiration date.	recommendation is considered as implemented.				
22	2021	A/77/5/Add.12 , chap. II, para. 100	The Board recommends that UN-Women enhance the participation of all levels of governance in the construction, formalization and update activities for policy, procedure and guidance; thus the importance of an adequate policymaking process is established; and therefore, UN-Women would have appropriate and up-to-date documentation to ensure its compliance with the underlying instructions.	UN-Women informed the Board of the creation of a technical team belonging to various areas in order to actively support and reinforce policies. A business review committee was also created, together with support for the regulation of the review committee and procedures for the review. The incorporations and creations are found in the Business Review Committee – Technical Management Group procedure and the Business Review Committee procedure, as well as the members who were representatives of various levels of governance of the Entity.	The Board validated the establishment of technical and procedure committees, teams that effectively represent the various levels of governance. Therefore, this recommendation is considered as implemented.	X			
23	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, as part of its workplan to improve compliance with mandatory course completion, it had identified the need for an organization-wide completion month in 2023, and actions for	The Board noted the progress made by the Entity to implement a workplan to correct the lack of compliance with the mandatory training courses. The effectiveness of the measures reported will be		X		

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				this were being developed. This is an addition to the review of policy for the completion of mandatory courses.	verified at the next audit visit. Therefore, this recommendation is considered as under implementation.				
24	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 reported that it had been testing the new learning management system available in the Quantum Oracle cloud enterprise resource planning system. The ongoing test includes the system's capacity to notify, monitor and report in relation to mandatory courses.	The Board acknowledges management's efforts to redesign the monitoring control related to mandatory training courses and will verify the effectiveness of the measures reported at the next audit visit. Therefore, this recommendation is considered as under implementation.		X		
25	2021	A/77/5/Add.12 , chap. II, para. 124	The Board recommends that UN-Women perform an information security assessment based on the risks of each type of office at all governance levels (global, regional and country) in order to improve the monitoring process.	The Entity reported that an instruction had been sent by mail to all offices, addressed to all levels of governance (global, regional and national), informing them of new procedures and the appointment of focal points to look at these issues and requesting, by a defined date, an evaluation of security aspects in field offices following the minimum cybersecurity requirements published and adopted by all agencies under the High-level Committee on Management and the Digital and Technology Network, both United Nations entities.	The Board noted an update in the way of measuring information security risks, involving the directors of each region, accompanied by an update on the compliance and information security procedure of the field office. Therefore, this recommendation is considered as implemented.	X			
26	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	UN-Women reported that, in addition to updating and harmonizing the field office information security and compliance procedure with the newly released United Nations cybersecurity minimum baseline	The Board noted the progress made by the Entity towards updating and documenting activities related to information security. The effectiveness of the measures reported will be verified at the next audit visit.		X		

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			information security at all governance levels (global, regional and country).	standard, the Entity had taken steps to document the timely monitoring and increased the visibility of cybersecurity compliance to senior management through the quarterly business review. In the quarterly review, field office cybersecurity compliance was now included as one of the key performance indicators monitored and reported to the UN-Women Business Review Committee. In the quarterly business review report of 30 September 2022, it was noted that 58 per cent of the field offices had been compliant with cybersecurity standards, compared with less than 50 per cent noted during the audit.	Therefore, this recommendation is considered as under implementation.					
27	2021	A/77/5/Add.12, chap. II, para. 130	The Board recommends that the UN-Women Colombia country office and the Asia and the Pacific Regional Office carry out the InfoSec certification renewal in a timely manner, as established in the procedure, in order to mitigate the risks regarding information security.	UN-Women reported that both offices had complied with the mandatory evaluation in 2022. Moreover, it reported that measures to facilitate the evaluation in the review of risks related to information security had been put in place.	The Board reviewed the information provided by the Entity, compared it with the information contained in OneApp and verified that the measures reported had been effective. Therefore, this recommendation is considered as implemented.	X				
Total number of recommendations						27	19	8	–	–
Percentage of total number of recommendations						100	70	30	–	–

Chapter III

Certification of the financial statements

Letter dated 28 April 2023 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 2022.

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 2022

A. Introduction

1. The Executive Director of the United Nations Entity for Gender Equality and the Empowerment of Women (UN-Women) has the honour to submit the financial report for the year ending 31 December 2022, together with the audited financial statements and the report of the Board of Auditors. This submission is made in compliance with regulations 12.1 and 26.2 of the financial regulations and rules of UN-Women. The annual financial statements cover all the resources for which the Executive Director is responsible.

2. The financial statements have been prepared in accordance with the International Public Sector Accounting Standards (IPSAS) and were transmitted to the Board of Auditors on 30 April 2023. The Advisory Committee on Administrative and Budgetary Questions has received the financial statements of UN-Women for 2022, as required by financial rule 1202. The Board has given its opinion and report on the 2022 financial statements, both of which are also submitted to members of the Executive Board.

3. The achievement of gender equality, the empowerment of women and girls and the realization of their human rights are objectives in themselves as well as prerequisites and drivers for sustainable development, peace and security and human rights and humanitarian action. UN-Women has completed its twelfth year of operating as a composite entity since its creation by the General Assembly in resolution [64/289](#). The Assembly, the Economic and Social Council and the Commission on the Status of Women provide guidance for the normative support functions of UN-Women; the Assembly, the Council and the Executive Board of UN-Women provide guidance for its operational activities.

B. Resource mobilization and funding status

4. For the purpose of chapter IV, sections B and C, of the present financial report, revenue figures are based on recognition in accordance with management accounts reporting so as to facilitate comparison with the integrated budget. Revenue is recorded and reported in accordance with the financial regulations and rules requirements for contributions' schedule of payments or milestones. This is different from revenue recognition in accordance with the financial statements, as shown in paragraph 40 of section D ("Financial performance").

5. In 2022, despite global challenges, UN-Women received a total of \$545.4 million in contribution revenue, exceeding \$500 million for the fourth year in a row. This demonstrated the confidence that UN-Women funding partners have in the organization as a reliable custodian of their resources.

6. UN-Women operational activities are mainly funded by voluntary contributions (98 per cent in 2022), comprising regular resources and other resources. Assessed contributions (2 per cent in 2022) are received from the United Nations Secretariat to contribute to the normative support functions of UN-Women.

7. The Entity's integrated budget comprised an estimated total of \$500 million in voluntary contributions in 2022, \$200 million in regular resources and \$300 million in other resources. A total of \$153.3 million (\$46.7 million less than projected) was received towards regular resources, and a total of \$382.7 million (\$82.7 million more than projected) was received towards other resources.

8. The largest share of UN-Women funding was from Governments, which provided 75 per cent of total voluntary contributions. The top 15 government and/or intergovernmental contributors were Australia, Canada, Denmark, the European Commission (including the Spotlight Initiative of the European Union and the United Nations), Finland, France, Germany, Japan, Luxembourg, the Kingdom of the Netherlands, Norway, the Republic of Korea, Sweden, Switzerland and the United States of America.

9. Multilaterals were the second largest contributors. This category had been growing year on year, influenced largely by the increasing number of joint programmes and collaborations with other agencies. Funding from international financial institutions increased, from \$0.58 million in 2021 to \$5.74 million in 2022. However, total funding from multilaterals declined by 9.5 per cent, to \$90 million.

10. UN-Women continues to build on efforts to diversify its funding sources, focusing on growing partnerships with the private sector, including corporations and foundations, strengthening the network of national committees to increase contributions from private individuals and the private sector locally and leveraging advocacy activities. In 2022, UN-Women national committees raised \$10.05 million, a 54 per cent increase compared with 2021, of which 56 per cent were individual donors. This translated to \$7.3 million directly remitted to UN-Women, an increase from \$4.9 million in 2021. Revenue from the private sector resulted in a total amount of \$27.2 million, compared with \$21.6 million in 2021, attributable primarily to a 63 per cent increase in revenue from foundations (from \$11.3 million in 2021 to \$18.3 million in 2022) and a 27 per cent increase in revenue from corporations (from \$5.5 million in 2021 to \$6.4 million in 2022). UN-Women top private sector funding partners include the Bill and Melinda Gates Foundation, the BHP Foundation, the Foundation to Promote Open Society and De Beers PLC, as well as the Germany national committee and the Iceland national committee.

11. UN-Women expresses its sincere appreciation and gratitude to its funding partners in 2022. As the Entity commences the implementation of the new strategic plan 2022–2025, it counts on its partners to ensure that it is adequately resourced. The organization will continue to strengthen its existing public sector partnerships, nurture relations with emerging partners and grow partnerships with the private sector. The Entity is also continuing its efforts to leverage United Nations system coordination work to cultivate and grow partnerships with other United Nations agencies and intergovernmental organizations, including international financial institutions, to accelerate progress on gender equality and, through joint resource mobilization efforts, increase its revenue. The organization will also build further on the successful use of the Gender Equality Marker in the COVID-19 response and recovery multi-partner trust fund to advocate the application of financial targets for the Marker to other pooled funding mechanisms, increasing funding for gender equality work.

C. Major achievements, institution-building and progress on organizational effectiveness and efficiency in 2022

1. Implementation of strategic priorities

12. Gender equality and women's rights faced continued threats in 2022, in a polycrisis context marked by the structural inequalities exacerbated by the coronavirus disease (COVID-19) pandemic, resulting in increasing violence against women and escalating humanitarian needs linked to sudden-onset emergencies and protracted conflicts. Opposition to gender equality, often referred to as a "backlash", while not new, has grown in strength and visibility, causing drastic reversals with

regard to the rights of women and girls around the world. The deteriorating global peace and security and the broader context present immense challenges for programme delivery, reversing progress across many global goals and commitments. While good progress has been made in global normative frameworks to advance gender equality and operationalize them at the country level, including through United Nations system coordination efforts, the most recent figures indicate that the world is not on track to achieve gender equality by 2030. Over 25 per cent of the Sustainable Development Goals gender indicators are far from the 2030 targets, and it could take 286 years to achieve gender equality.

13. Against this backdrop, UN-Women commenced implementation of its strategic plan 2022–2025, designed to address these rapidly evolving, emerging and interconnected challenges, as well as the structural barriers to gender equality. The Entity supported 100 countries and territories with total expenditure of \$540.3 million to deliver results for women and girls through an integrated approach encompassing seven systemic outcomes contributing to four impact areas. This work cumulatively contributed to keeping gender equality and women’s empowerment a national and international priority and facilitating partnerships and financing for its advancement in the face of the global pushback on women’s rights.

14. In the first year of its strategic plan 2022–2025, UN-Women supported 100 countries and territories, including high-income countries, to advance gender equality and women’s empowerment. The Entity achieved good performance (reaching at least 90 per cent of the 2022 milestone) for 77 per cent of indicators with data available at the development results output level.

15. In the area of governance and participation in public life, women saw a slight increase in representation as Heads of State or government, from 26 countries in 2021 to 31 in 2022. UN-Women leveraged its triple mandate to accelerate progress, including through the creation of platforms such as the General Assembly Platform of Women Leaders, which works to identify inclusive solutions to complex challenges affecting participatory governance and leadership. A gender perspective has been integrated into 62 per cent of the resolutions adopted by the Assembly, the Security Council and the Human Rights Council in 2022. At the country level, 100 per cent of United Nations country teams submitted reports (19) to the Committee on the Elimination of Discrimination against Women. UN-Women supported the adoption, amendment and/or implementation of laws, policies, plans and budgets, leading to 157 laws being adopted or amended to advance gender equality and women’s empowerment across six regions. A total of 156 gender-responsive national/local multisectoral policies, strategies and plans were adopted across 42 countries. The capacity of over 86,000 women and girls to participate in public life and exercise their leadership was strengthened through UN-Women support. Sixty-four countries advanced gender-responsive fiscal laws, policies, budgets and systems enabling governments to better track and target public resources. A total of 254 government partners applied newly obtained knowledge, technical skills and capacities to mainstream gender effectively into fiscal laws, policies and standards in areas including taxation, trade and decentralization.

16. In relation to women’s economic empowerment, efforts towards transforming the care economy gained momentum. The Entity supported governments in tackling the issue of financing for care infrastructure and services at scale across 26 countries, resulting in an expansion of access to care services and facilitating women’s participation and re-entry into paid employment. UN-Women helped to build 15 gender-responsive national social protection systems that reduced gender gaps and strengthened COVID-19 response and recovery efforts. Moreover, in partnership with the Economic Commission for Latin America and the Caribbean and the Government of Argentina, UN-Women supported 30 governments and rallied support from 17

United Nations entities, 14 intergovernmental organizations and numerous civil society organizations, culminating in the adoption of the Buenos Aires Commitment, establishing care as a human right.

17. The Entity intensified efforts to end violence against women by working alongside partners to change social norms, prevent violence and increase survivors' access to comprehensive, multisectoral services. Across 41 countries, UN-Women worked with 868 national and subnational governments, civil society organizations and private institutions to strengthen the provision of essential services, goods and/or resources to end violence against women. Efforts to prevent and address intersecting forms of violence, including in the context of climate change and the digital landscape, were operationalized through the Generation Equality Action Coalition on Gender-based Violence and the Generation Equality Action Coalition on Feminist Action for Climate Justice, as well as the United Nations trust fund in support of actions to eliminate violence against women. In 34 countries, UN-Women expanded work on preventing and responding to sexual violence in public and/or private spaces, with 31 countries focusing on new multi-stakeholder initiatives relating to sexual harassment and adaptations to urban settings in 18 countries. Sixteen countries advanced policies to end violence against women and girls, with a strong focus on prevention, including by addressing harmful social norms. Forty-four programming initiatives to prevent violence against women and girls were developed and implemented across various settings to support positive changes around gender/social norms, including by engaging with men and boys and faith-based institutions.

18. The work of UN-Women work to prevent and respond to conflicts, crises and disasters and to build peace has grown significantly. In 2022, the Entity became a full member of the Inter-Agency Standing Committee in recognition of its engagement in more than 40 crisis settings and its vital coordination role in strengthening and maintaining accountability towards the implementation of gender commitments governing humanitarian operations. UN-Women strengthened partnerships to provide technical assistance on gender and protection issues, helping the broader humanitarian footprint of the United Nations system to deliver effectively for women and girls. A total of 87 per cent of humanitarian response plans of humanitarian country teams that UN-Women engaged with incorporated steps to advance gender equality outcomes, exceeding the milestone of 75 per cent. Through the Entity's operational arm, services and information were delivered to over 800,000 women and girls, reducing their use of negative coping mechanisms to meet urgent, life-saving needs. UN-Women supported a total of 1,330 women's organizations across 40 crisis contexts to participate in humanitarian and refugee coordination and response mechanisms, advancing the common localization agenda and accountability in relation to affected populations. The Entity's work to strengthen women's resilience to disaster also continued to expand, reaching 61 countries in 2022 (51 in 2021).

19. The Entity continued to lead coordination on women and peace and security, serving as the secretariat for all main global implementation mechanisms, including the Informal Expert Group on Women and Peace and Security of the Security Council and the Member State-led Women and Peace and Security Focal Points Network, as well as the Women's Peace and Humanitarian Fund and the Elsie Initiative Fund for Uniformed Women in Peace Operations, which both expanded their reach in 2022. In 2022, UN-Women undertook women and peace and security-focused initiatives in over 70 countries, spearheading multi-stakeholder efforts that have resulted in the development and implementation of over 100 national action plans relating to women and peace and security to date, generating concrete results for women's advancement in these areas. Thirty-three peacebuilding processes inclusive of young women were supported in nine countries in collaboration with the United Nations Population Fund. The Peacebuilding Fund exceeded its 30 per cent gender funding target by allocating

47 per cent of resources to projects supporting gender equality and women's empowerment.

20. Over 5 million women, including survivors of violence, internally displaced women and refugees, gained access to information, goods, resources and/or services through UN-Women-supported platforms and programmes in relation to livelihoods, financial services, social protection and legal aid. Over 140 global initiatives were launched to support women's rights organizations, as well as youth and adolescent girls, to lead the call for gender equality, disbursing approximately \$59 million to civil society organizations working on gender equality and women's empowerment, including through the United Nations trust fund in support of actions to eliminate violence against women and the Women's Peace and Humanitarian Fund.

21. Forty-six inter-agency coordination mechanisms strengthened statistical systems, contributing to increased data to monitor Sustainable Development Goals gender indicators, from 42 to 50 per cent of gender-specific Goal indicators. Statistical systems in 43 countries demonstrated the use of gender data on the Goals for gender-responsive policy decision-making. Seventy-six United Nations country teams implemented the United Nations country team System-wide Action Plan (an increase from 38 in 2020 and 61 in 2021).

22. Geographically, the highest expenditure was in Asia and the Pacific (\$92.1 million), followed by East and Southern Africa (\$82.3 million). Thematically, the equitable access of women to services, goods and resources had the highest expenditure (\$97.9 million) among outcome areas, followed by global normative frameworks and gender-responsive laws, policies and institutions (\$90.6 million). By function, capacity development and technical assistance continued to be provided in most countries, along with advocacy, communications and social mobilization (in 78 and 77 countries, respectively).

2. Organizational effectiveness and efficiency

23. UN-Women sustained its focus on operational excellence, understanding that strengthened organizational efficiency and effectiveness are key to ensuring impact at scale in the achievement of gender equality and women's empowerment.

24. To this end, UN-Women launched the Quarterly Business Review in 2022, an internal performance management tool that covers organizational effectiveness and efficiency, driving performance and a culture of proactive management and decision-making, enabling greater responsiveness and agility.

25. Efforts were made to shore up the second line of defence, strengthen the profile of risk management by rolling out the first corporate risk appetite statement, increase commitment to transparency by launching the Transparency Portal, continue to publish through the International Aid Transparency Initiative and develop a new uptake mechanism for audit recommendations. The year 2022 was significant thanks to the roll-out of its new enterprise resource planning system, Quantum. These changes led to positive results in implementing long-standing audit recommendations (meeting the twin milestones of 15 per cent, respectively, for both internal and external recommendations) and enterprise risk management.

26. In 2022, UN-Women increased the number of active partnerships with the public and private sectors, as well as engagement with international financial institutions and non-traditional partners, including by mobilizing individual giving for gender equality. UN-Women national committees raised 49 per cent more funds in 2022 compared with 2021 (50 per cent from individual giving). The Entity significantly deepened its engagement with diverse young people and adolescents in its programming by working closely with youth focal points in programme countries

across all six regions. Despite global challenges, including the regression of women's rights, UN-Women received continued financial support from 188 partners (an increase from 179 in 2021), with 21 government partners committing to multi-year funding (17 in 2021). The Entity received \$545.4 million in contributions, exceeding the \$500 million baseline for the fourth consecutive year. UN-Women saw the first decline in voluntary contributions in 2022, although it was minimal (less than 1 per cent) and largely attributable to unfavourable exchange rates and late payments related to shifting aid priorities. However, regular resources decreased by 7 per cent from the previous year, bringing the ratio of regular to other resources to 28.1 per cent, an unfavourable downward trend that needs to be reversed.

27. An important transformation in the UN-Women strategic plan 2022–2025 is the renewed determination to focus on field results and field-focused service delivery, ensuring that resources, expertise and authority are available at the regional and country levels. While UN-Women met its milestone of 73.5 per cent for redistributing posts to the field, the Entity did not meet milestones for country office sustainability. Milestones were surpassed for cross-regional knowledge exchange initiatives (17) and were met for business process improvements (5). UN-Women continues to demonstrate its commitment to delivering at the heart of the United Nations system, increasing use of common premises to 72 per cent, exceeding the milestone of 71 per cent for the quadrennial comprehensive policy review of operational activities for development of the United Nations system indicator.

28. The UN-Women strategic plan 2022–2025 includes for the first time specific indicators in relation to empowered people, encompassing human resources, operations, diversity and inclusion, and personnel safeguarding and well-being. In addition to addressing sexual exploitation and abuse and sexual harassment internally, UN-Women continued its active inter-agency engagement by inter alia providing technical support to the United Nations System Chief Executives Board for Coordination Task Force on Addressing Sexual Harassment within the Organizations of the United Nations System on advancing a victim-centred approach, promoting behavioural change, measuring data and results, and enhancing cooperation. Training was expanded across the personnel spectrum, including on workplace relations and standards of conduct, leadership development, 360-degree feedback reviews and coaching for 200 managers, and the mainstreaming of disability inclusion. Milestones relating to swifter recruitment and diversity were also met. The Entity promoted collaboration and coordination among United Nations entities to address the intersectionality of gender and disability, convening the United Nations Inter-agency Group on Gender Equality and Disability Inclusion. The joint programming and advocacy initiatives on disability inclusion of over 20 United Nations country teams were supported through the provision of policy guidance and technical assistance.

29. UN-Women strengthened strategic planning at the global, regional and country levels by streamlining various planning and monitoring processes. The Entity continued to leverage high-quality evaluations to generate evidence and lessons learned, supporting organizational learning and decision-making. In 2022, 86 per cent of completed evaluations (still below the milestone of 90 per cent) obtained a “good and above” rating based on an external assessment.

3. Transparency and accountability

30. The Independent Evaluation and Audit Services continued to be independent of the Entity's management operationally and in determining and reporting on the scope of its work. The Services were a regular proactive observer of and adviser to the senior management team, the Business Review Committee, the project board for the enterprise resource planning system implementation and other forums. The Advisory Committee on Oversight also reports to the Executive Board at its annual session on

the Committee's advice to the Executive Director. The Committee contributes to the promotion of a culture of oversight. Its members assist the Executive Director in her oversight duties.

31. Lessons and recommendations from evaluations and internal audits supported the implementation of the UN-Women strategic plan 2022–2025. They have generated insights to inform the Entity's strategic decision-making, promotion of organizational learning and driving of change through evaluative evidence. In 2022, the Independent Evaluation Service completed two corporate evaluations and initiated or conducted five corporate evaluations and studies. As part of continuing efforts to improve the coverage, timeliness and quality of the Entity's evaluations, the Service conducted an evidence gap mapping analysis in which existing evaluative evidence was reviewed and areas that are strategically important to UN-Women were identified during the implementation of the strategic plan 2022–2025.

32. In 2022, overall progress on the key performance indicators of the UN-Women evaluation function remained steady. A total of 98 per cent of UN-Women country and regional offices had at least one monitoring and evaluation officer or focal point, and 93 per cent of regional and country offices completed at least one evaluation between 2018 and 2022. A total of 92 per cent of planned evaluations were being implemented. Of the 42 UN-Women evaluations completed in 2022, 86 per cent of the reports received an external rating of "good and above". Five regional and eight country portfolio evaluations were completed, while seven and five, respectively, were initiated. Overall, the total number of strategic evaluations, in particular Independent Evaluation Service-led evaluations, was higher in 2022 compared with previous years. In 2022, 29 per cent of the total evaluations undertaken throughout the year were joint evaluations. All completed evaluations had received a management response at the time of reporting, and the implementation of agreed management actions for evaluations completed in the previous year was 91 per cent. A total of 87 per cent of relevant offices reported that they were using evaluations.

33. In 2022, the Independent Evaluation Service continued to support internal evaluation capacity development and substantive knowledge-sharing and communication for evaluation use. Regional evaluation specialists trained more than 130 UN-Women personnel and key stakeholders. Country-level training was provided to enhance key stakeholders' understanding of monitoring and evaluation principles and the Entity's evaluation practices. In 2022, the Global Accountability and Tracking of Evaluation Use (GATE) system had over 28,700 page views, and UN-Women evaluation pages had over 28,800 page views.

34. Internal audit engagements generally covered governance, risk management and controls in the selected offices or were related to the Entity's systems and processes. In 2022, the Internal Audit Service conducted 14 internal audit and advisory engagements related to the 2022 audit plan, with 11 final reports issued by mid-March 2023 and 3 internal audits carried forward to 2023. Two audited offices were rated as "satisfactory", six as "some improvement needed" and one as "major improvement needed", while the remaining two were advisory engagements, which used a different assessment methodology.

35. The 2022 annual overall opinion of the Internal Audit Service was that, based on the internal audit work performed in 2022, the Entity's governance, risk management and control processes were generally established and functioning but needed some improvement. The Service noted the efforts that UN-Women had made to enhance governance and risk management in 2022. At the same time, the Service's 2022 audit and advisory assignments identified some overarching areas for improvement that required executive management attention. They are summarized in the 2022 annual report on *internal* audit and investigation services. Updates on

management actions to address these overarching areas for improvement are presented in the management response to the 2022 annual report on internal audit and investigation services. The percentage of long-outstanding internal audit recommendations was 15 per cent. In 2019, there were 9 long-outstanding recommendations; in 2020, there were 13 recommendations; and in 2021, there were 30 recommendations, 17 of which were high priorities, while 35 were medium priorities.

36. In 2022, UN-Women continued with financial transparency by reporting on all six financial data standards set out in the data cube initiative. The Entity's International Aid Transparency Initiative score was 85 for 2022.

4. External audit and recommendations

37. UN-Women continued to demonstrate strong management and internal controls in 2022, receiving its eleventh consecutive unqualified audit opinion on its financial statements from the Board of Auditors. This confirms that the financial statements are in accordance with IPSAS and that transactions tested as part of the audit have in all significant respects been in accordance with the financial regulations and rules of UN-Women.

38. The management of UN-Women is committed to implementing the external audit recommendations issued by the Board of Auditors and made significant achievements in 2022. Consistent with its performance in 2021, UN-Women has no long-outstanding external audit recommendations and only 10 remaining external audit recommendations for action. The Entity completed actions for 11 of the 19 audit recommendations issued for 2021 and 21 of the 23 audit recommendations issued by the Board for 2020. The two remaining outstanding 2020 audit recommendations are targeted to be completed within 2023. No prior-year audit recommendations that were made before 2020 remain. In May 2023, management had completed 52 per cent of the outstanding recommendations. While management strives to increase the implementation rate, several of the remaining audit recommendations depend on the stabilization of the newly implemented enterprise resource planning system.

D. Financial performance

Summary of financial results

39. During 2020, following a recommendation from the external auditors, UN-Women revised its revenue recognition policy. Under the previous policy, UN-Women recognized revenue based on payment plan due dates included in the donor agreements, which served as a proxy for identifying the period in which programmatic activities were being carried out and conditions were met. Under the new policy, revenue is recognized in full, including for multi-year contributions, at the time that the agreement is signed, as agreements are taken to have stipulations and restrictions rather than conditions. 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. Enforceability of agreements occurs upon signature.

40. The main financial results for 2022 are summarized as follows:

(a) Total revenue reached \$671.1 million, a decrease of \$10.4 million from the 2021 amount of \$681.5 million. This is the fourth time that contribution revenue generated by UN-Women since its inception has reached and exceeded the \$500 million revenue target set in 2011;

(b) Voluntary contributions decreased by \$10.3 million, or 15 per cent. Funding received from the Spotlight Initiative represented 8.8 per cent of total other resources;

(c) Regular resources increased by \$13.5 million, or 6.5 per cent, with 6 of the top 20 contributing Member States signing multi-year agreements in 2022 where revenue is recognized in the year in which the agreement is signed;

(d) Total assets increased by 9.9 per cent, to \$1.3 billion, composed of accounts receivable as well as cash and investments that had accumulated, as regular resources, and other resources contributions collected exceeded expenses paid in the financial year;

(e) Employee benefits liabilities decreased by 20 per cent, to \$108.1 million. UN-Women employee benefits liabilities are fully funded.

Surplus

41. As total revenue for UN-Women was \$671.1 million and total expenses were \$540.3 million, the Entity recorded a surplus of \$130.8 million for the year ended 31 December 2022 compared with a surplus of \$150.7 million for 2021. Other resources contributed \$62.1 million, or 47.5 per cent of the total surplus of \$130.8 million.

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>2022</i>	<i>2021</i>
Total revenue	230 094	457 995	10 667	(27 650)	671 066	681 468
Total expenses	160 215	395 833	11 853	(27 650)	540 251	530 742
Surplus/(deficit) for the year	69 879	62 122	(1 186)	–	130 815	150 726

Revenue

42. The decrease in voluntary contributions from donors in 2022 of \$10.3 million is attributable to an increase in regular resources of \$13.5 million and a decrease in other resources of \$23.1 million. The increase in regular resources is mainly a result of major donors signing multi-year agreements in 2022 where revenue is recognized in the year in which the agreement is signed. The decrease in other resources is attributable in part to the ending of the Spotlight Initiative and the short-term increase in 2021 resources for COVID-19-related activities.

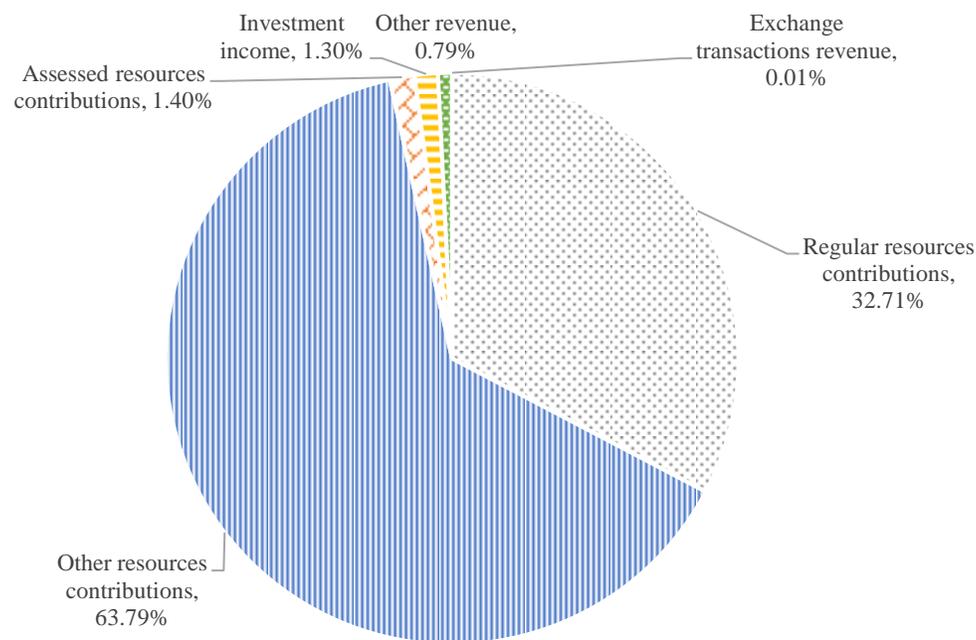
Revenue analysis

(Thousands of United States dollars)

	<i>Regular resources</i>	<i>Other resources</i>	<i>Assessed</i>	<i>Elimination</i>	<i>2022</i>	<i>2021</i>
Contributions	219 522	428 073	9 392	–	656 987	667 325
Investment revenue	8 329	433	–	–	8 762	8 958
Other revenue	2 243	29 406	1 275	(27 650)	5 274	4 931
Exchange transactions revenue	–	43	–	–	43	254
Total	230 094	457 995	10 667	(27 650)	671 066	681 468

43. The total revenue for 2022 includes revenue received and receivable, in accordance with IPSAS. The matching principle of revenue and expense does not apply for non-exchange transactions (see notes 2 and 3 to the financial statements).

Figure IV.I
2022 revenue by nature



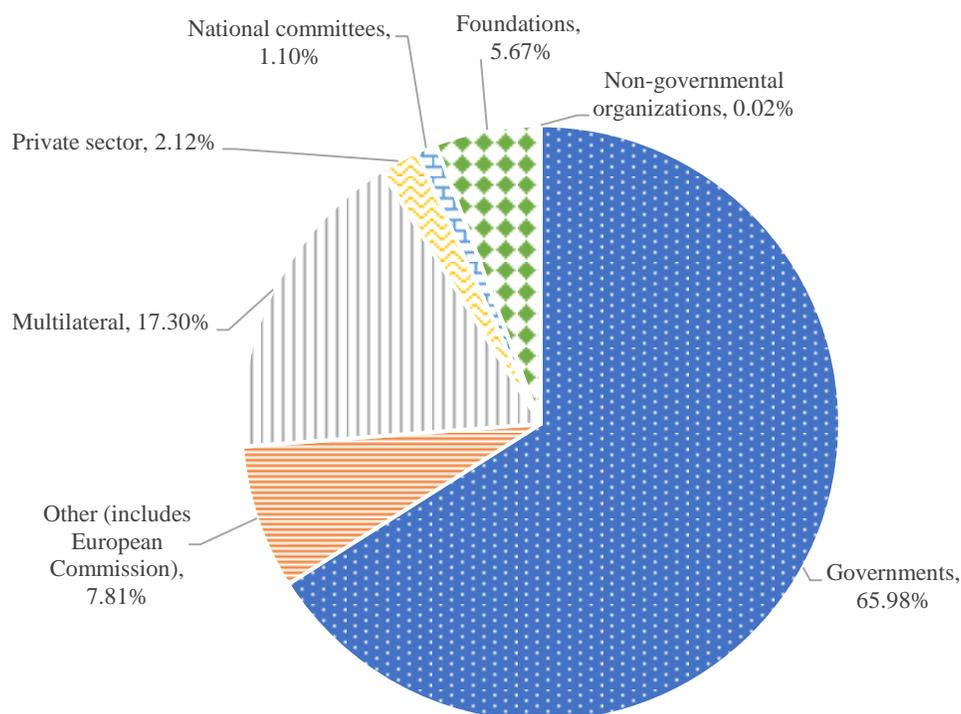
44. In figure IV.I, of the total revenue of \$671.1 million (2021: \$681.5 million), contributions accounted for \$657.0 million (2021: \$667.3 million) and comprised:

(a) Voluntary regular resources of \$219.5 million, or 32.7 per cent (2021: \$206.1 million, or 30.2 per cent), which are unearmarked and fund the operational requirements and projects and programmes of UN-Women;

(b) Voluntary other resources of \$428.1 million, or 63.8 per cent (2021: \$451.2 million, or 66.2 per cent), which are earmarked for specific programmes and projects.

45. Assessed resources from the United Nations regular budget of \$9.4 million, or 1.4 per cent (2021: \$10.1 million, or 1.5 per cent), fund the normative and intergovernmental work of UN-Women.

Figure IV.II
2022 voluntary contributions by donor type



46. Figure IV.II shows the breakdown of voluntary contributions revenue for 2022 by donor type, as follows:

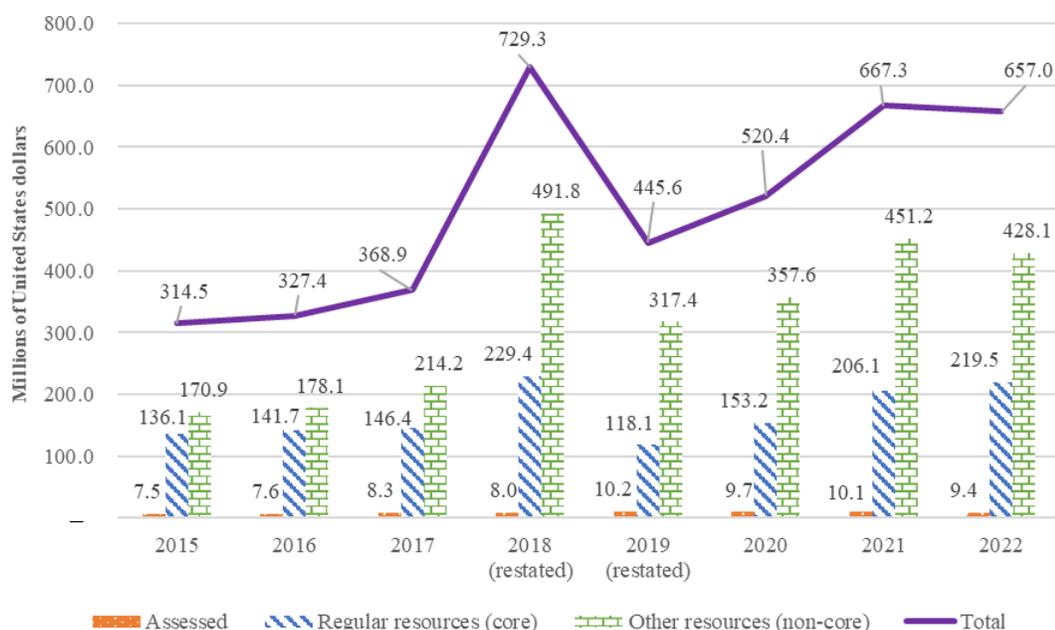
(a) UN-Women revenue is sourced mostly from government and intergovernmental agencies (other), which contributed \$484.7 million, or 73.8 per cent (2021: \$530.9 million, or 79.3 per cent), of the revenue;

(b) Multilaterals contributed \$113.7 million, or 17.3 per cent (2021: \$110.4 million, or 16.5 per cent);

(c) The private sector, national committees, foundations and other donors contributed \$58.6 million, or 8.9 per cent (2021: \$26.0 million, or 3.9 per cent).

Figure IV.III
Trend in contributions revenue

(Millions of United States dollars)



Note: In 2020, UN-Women changed its accounting policy for revenue recognition. The 2018 and 2019 amounts were restated to reflect this change in policy. See note 3 to the financial statements.

Expenditure

47. The total expenses for 2022 amount to \$540.3 million (2021: \$530.7 million) and represent expenses incurred, both paid and payable. Of the total expenses, regular resources represent \$160.2 million, or 29.7 per cent (2021: \$152.6 million, or 28.8 per cent), other resources (after reduction for elimination items) represent \$368.2 million, or 68.2 per cent (2021: \$392.3 million, or 73.9 per cent) and assessed expenses represent \$11.8 million, or 2.2 per cent (2021: \$11.2 million, or 2.1 per cent). The other resource expenses for the year include programme and project delivery during the year from unspent 2021 budgets, as well as current-year budgets.

48. Expenditure analysis for 2022 compared with 2021 showed increases in employee benefits and travel, which were offset by decreases in all other expense categories.

Expenditure analysis

(Thousands of United States dollars)

	<i>Regular resources</i>	<i>Other resources</i>	<i>Assessed</i>	<i>Elimination</i>	2022	2021
Employee benefits	97 808	67 692	10 363	–	175 863	166 458
Contractual services	22 990	142 581	176	–	165 747	170 257
Grants and other transfers	153	18 515	–	–	18 668	22 072
Supplies and maintenance	5 023	15 031	143	–	20 197	23 279
Operating costs	22 754	116 976	1 080	(27 650)	113 160	122 332
Travel costs	6 412	26 260	66	–	32 738	16 589
Depreciation and amortization	2 087	946	2	–	3 035	2 767
Finance costs	56	127	–	–	183	407
Other expenses	2 932	7 705	23	–	10 660	6 581
Total	160 215	395 833	11 853	(27 650)	540 251	530 742

Figure IV.IV
Trend in expenses by nature

(Percentage of total expenses)



Net assets and liabilities**Financial position by funding source**

(Thousands of United States dollars)

	<i>Regular resources</i>	<i>Other resources</i>	<i>Assessed</i>	2022	2021
Total assets	481 795	847 210	(4 309)	1 324 696	1 205 685
Total liabilities	125 750	8 343	–	134 093	173 562
Total net assets/equity	356 045	838 867	(4 309)	1 190 603	1 032 123

49. Total net assets/equity by segment (see note 5 to the financial statements) comprise:

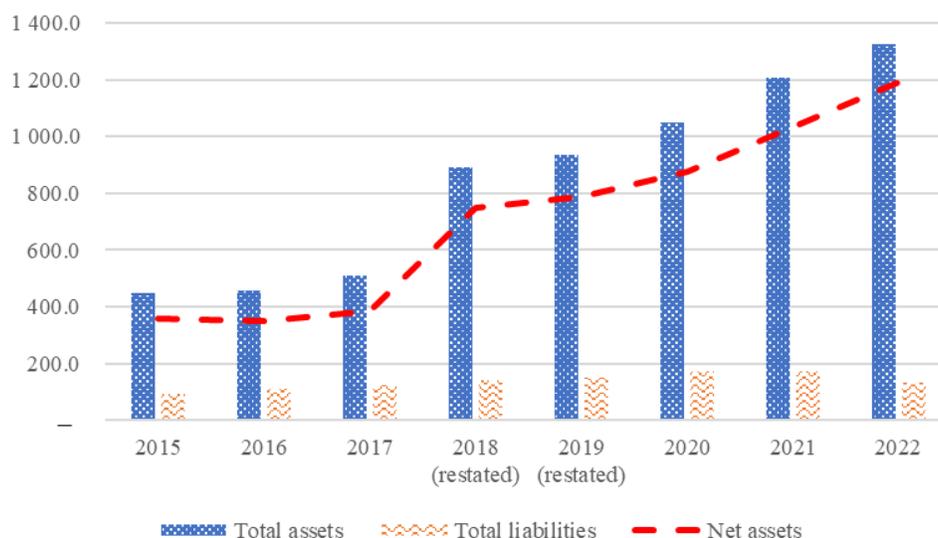
(a) Regular resources: the cash required to fund operations for the first few months of the new financial year while UN-Women awaits new voluntary contributions from donor Governments, funds for employee benefits and liabilities, and prior years' unspent cash balances;

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

Figure IV.V

Total assets, liabilities and net assets, 2015–2022

(Millions of United States dollars)



Note: In 2020, UN-Women changed its accounting policy for revenue recognition. The 2018 and 2019 amounts were restated to reflect this change in policy. See note 3 to the financial statements.

50. Total net assets/equity by segment also comprise other items in relation to the financial position by segment as at 31 December 2022, including:

(a) Current assets of \$682.8 million exceeding current liabilities of \$47 million by \$635.8 million, indicating that the liquidity of UN-Women is very strong (current assets ratio for 2022: 14.5:1; 2021: 10.0:1), with regular resources representing \$215.2 million and other resources \$471.9 million of current assets;

(b) Investments and cash and cash equivalents amounting to \$760.4 million (2021: \$745.6 million), with cash and short-term investments of \$352.3 million for less than 12 months and \$408.1 million for long-term investments;

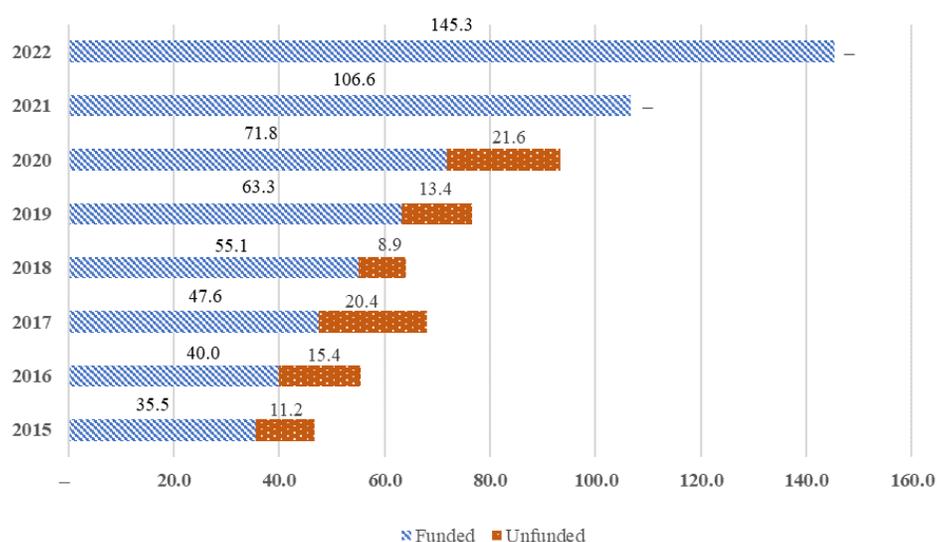
(c) Accounts receivable or unpaid voluntary contributions agreements amounting to \$485.6 million (2021: \$381.3 million), 68.7 per cent of which is from other resources for earmarked projects and programmes;

(d) Employee benefits (contractual obligations to employees, both current and retired) in the amount of \$108.1 million (2021: \$135.1 million) are valued by the actuary. The main liability relates to after-service health insurance of \$77.2 million (2021: \$103.5 million), which is fully funded (2021: fully funded). The portion of the liability for after-service health insurance for the category of active employees not yet fully eligible is \$50.4 million, or 65.3 per cent of the total accrued liability for after-service health insurance;

(e) Reserves include operational reserves of \$26.5 million and field accommodation reserves of \$1 million, together with a further \$26.5 million of operational reserves included in accumulated surplus, are in accordance with decision 2012/8 of the Executive Board.

Figure IV.VI
After-service health insurance liability, 2015–2022

(Millions of United States dollars)

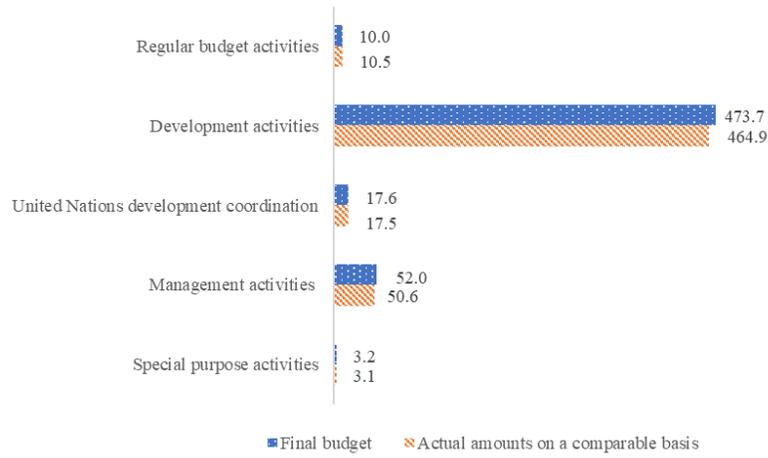


Budgetary performance

51. The integrated resources plan and the integrated budget set out the estimated 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 on a biennial basis. The year 2022 represented approximately 50 per cent of the integrated budget estimates for the biennium 2022–2023.

52. The budget of UN-Women is prepared on a modified cash basis and is presented in the financial statements as statement V, comparison of budget and actual amounts on a comparable basis, with the additional inclusion of assessed resources (regular budget). In order 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 25 to the financial statements.

Figure IV.VII
Budget utilization for the year 2022
(Millions of United States dollars)



Conclusion

53. UN-Women closed 2022 in good financial health through the support of its funding partners, with strong management and internal controls.

Chapter V

Financial statements for the year ended 31 December 2022

United Nations Entity for Gender Equality and the Empowerment of Women

I. Statement of financial position as at 31 December 2022

(Thousands of United States dollars)

	<i>Reference</i>	<i>31 December 2022</i>	<i>31 December 2021</i>
Assets			
Current assets			
Cash and cash equivalents	Note 6	122 040	101 227
Investments	Note 7	230 278	193 284
Accounts receivable	Note 8	264 179	212 881
Advances	Note 9	56 413	48 480
Other assets	Note 10	9 886	18 423
Total current assets		682 796	574 295
Non-current assets			
Investments	Note 7	408 120	451 044
Accounts receivable	Note 8	221 392	168 376
Other assets	Note 10	15	7
Property, plant and equipment	Note 11	12 365	11 954
Intangible assets	Note 12	8	9
Total non-current assets		641 900	631 390
Total assets		1 324 696	1 205 685
Liabilities			
Current liabilities			
Accounts payable	Note 13	2 179	12 351
Employee benefits	Note 14	21 290	20 216
Other liabilities	Note 15	23 487	25 129
Total current liabilities		46 956	57 696
Non-current liabilities			
Employee benefits	Note 14	86 803	114 881
Other liabilities	Note 15	334	985
Total non-current liabilities		87 137	115 866
Total liabilities		134 093	173 562
Net assets		1 190 603	1 032 123
Net assets/equity			
Accumulated surplus/(deficit)	Note 16	1 165 925	996 390
Reserves	Note 17	24 678	35 733
Total net assets/equity		1 190 603	1 032 123

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 2022

(Thousands of United States dollars)

	<i>Reference</i>	<i>2022</i>	<i>2021</i>
Revenue			
Voluntary contributions	Note 18	647 595	657 247
Assessed contributions	Note 19	9 392	10 078
Investment revenue	Note 20	8 762	8 958
Other revenue	Note 21	5 274	4 931
Exchange transactions revenue	Note 22	43	254
Total revenue		671 066	681 468
Expenses			
Employee benefits	Note 23	175 863	166 458
Contractual services	Note 23	165 747	170 257
Grants and other transfers	Note 23	18 668	22 072
Supplies and maintenance	Note 23	20 197	23 279
Operating costs	Note 23	113 160	122 332
Travel costs	Note 23	32 738	16 589
Depreciation and amortization	Note 23	3 035	2 767
Finance costs	Note 23	183	407
Other expenses	Note 23	10 660	6 581
Total expenses		540 251	530 742
Surplus/(deficit) for the year		130 815	150 726

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 2022**

(Thousands of United States dollars)

	<i>Reference</i>	<i>2022</i>	<i>2021</i>
Net assets/equity at the beginning of the year		1 032 123	875 839
Movement during the year			
Current-year surplus/(deficit)		130 815	150 726
Refunds to donors	Note 16	(2 410)	(4 224)
Changes in fair value of available-for-sale investments	Note 17	(11 055)	(1 489)
Actuarial gains/(losses)	Note 16	41 130	11 271
Net assets/equity at the end of the year		1 190 603	1 032 123

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 2022

(Thousands of United States dollars)

	<i>Reference</i>	2022	2021
Cash flows from operating activities			
Net surplus/(deficit) for the year		130 815	150 726
Interest revenue		(8 740)	(8 352)
Amortization on investments		477	(158)
Dividend revenue		(499)	(448)
Unrealized (gain)/loss on foreign exchange		(3 096)	67
Depreciation and amortization expense	Note 23	3 035	2 767
(Increase)/decrease in accounts receivable		(104 314)	(125 507)
(Increase)/decrease in other assets		9 552	(11 032)
(Increase)/decrease in inventories		–	–
(Increase)/decrease in advances		(7 933)	(5 829)
Increase/(decrease) in accounts payable		(10 172)	(4 712)
Increase/(decrease) in employee benefits		(27 004)	2 391
Increase/(decrease) in other liabilities		(2 293)	2 263
(Gains)/losses on sale of property, plant and equipment		176	(41)
Refunds to donors	Note 16	(2 410)	(4 224)
Change in fair value of available-for-sale investments		252	222
Actuarial gains/(losses)	Note 16	41 130	11 271
Net cash generated from operating activities		18 976	9 404
Cash flows from investing activities			
Purchases of property, plant and equipment		(3 678)	(3 171)
Purchases of intangible assets		(5)	(4)
Proceeds from sales of property, plant and equipment		63	107
Purchases of investments – held to maturity	Note 7.1	(230 751)	(617 947)
Maturities of investments – held to maturity	Note 7.1	227 968	545 020
Interest received		7 250	8 365
Dividend received		488	453
Movement in investments – available-for-sale a		(2 594)	(5 718)
Net cash generated from investing activities		(1 259)	(72 895)
Net (decrease)/increase in cash and cash equivalents		17 717	(63 491)
Cash and cash equivalent at beginning of year		101 227	164 785
Effect of exchange rate changes on cash and cash equivalents		3 096	(67)
Cash and cash equivalent at end of year	Note 6	122 040	101 227

^a This amount includes net purchases of bonds \$(1.771) million and equity investments of \$(0.883) million.

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 2022**

(Thousands of United States dollars)

	2022			
	<i>Original budget</i>	<i>Final budget</i>	<i>Actual amounts on comparable basis</i>	<i>Difference between final budget and actual amounts</i>
Regular budget activities	9 957	9 957	10 553	(596)
Development activities				
Programme	418 100	451 175	442 621	8 554
Development effectiveness	27 050	22 561	22 284	277
Subtotal	445 150	473 736	464 905	8 831
United Nations development coordination	17 350	17 602	17 463	139
Management activities				
Recurring	48 600	46 339	45 233	1 106
Subtotal	48 600	46 339	45 233	1 106
Independent oversight and assurance activities				
Evaluation	3 200	2 872	2 853	19
Audit and investigations	2 900	2 826	2 537	289
Subtotal	6 100	5 698	5 390	308
Special purpose activities				
Capital investments: information and communications technology transformation	2 500	2 500	2 500	–
Change management	150	300	300	–
Capital investments: minimum operating security standards compliance	450	400	345	55
Subtotal	3 100	3 200	3 145	55
Total budget	530 257	556 532	546 689	9 843
Total institutional budget	102 200	95 400	93 515	1 885

The accompanying notes are an integral part of these financial statements; see also note 25.

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 63 country offices and serves 52 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, Brussels, Copenhagen, Geneva and Tokyo.

Note 2

Significant accounting policies

(a) Basis of preparation and authorization for issue

Authorization for issue

In accordance with financial regulation 12.1 of UN-Women, the Executive Director is responsible for the financial statements of the Entity. The Director, Division of Management and Administration, has certified that, to the best of his knowledge, information and belief, all material transactions have been properly charged in the accounting records and are properly reflected in the financial statements and supporting schedules. On 28 April 2023, the Executive Director authorized these financial statements to be submitted for audit.

Statement of compliance with the International Public Sector Accounting Standards

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

Basis of recognition of revenue and expenses

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 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. 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. Enforceability of agreements occurs upon signature.

Voluntary contributions for other resources are recognized as revenue when a signed agreement is received from a donor during the financial year, based on the fair value of the benefit received, unless any stipulation 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. Enforceability of agreements occurs upon signature.

Assessed contributions are issued as an annual allotment from the United Nations regular budget and are assessed and approved for a two-year budget period. The amount of those contributions is then apportioned between the two years and recognized on a monthly basis.

In-kind contributions, except services, that directly support approved operations and activities, which have 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, but the estimated cost saving is disclosed in note 18.

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 are recognized once UN-Women receives a financial report from the partner in order to evidence the completion of activities.

Under IPSAS, the matching principle of revenue and expense does not apply for non-exchange transactions. The focus of IPSAS is the financial position, which is evidenced by the recognition of assets when there is sufficient control and of liabilities when the criteria to recognize liabilities exist. As a consequence, the excess of revenue over expenses results in a surplus (or the excess of expenses over revenue results in a deficit), which is carried forward to the accumulated surplus or deficit. Accumulated surplus represents the unexpended portion of contributions to be utilized for future operational requirements of UN-Women.

(b) Foreign currency transactions

The functional and reporting currency of UN-Women is the United States dollar. 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.

(c) Financial instruments

Financial instruments are recognized when UN-Women becomes a party to the contractual provisions of the instrument until such time as when the rights to receive cash flows from those assets have expired or have been transferred and UN-Women has transferred substantially all the risks and rewards of ownership.

Financial assets classification

UN-Women classifies financial assets into the following categories: held-to-maturity; available-for-sale; loans and receivables; and fair value through surplus or deficit in the statement of financial performance. The classification depends on the purpose for which the financial assets are acquired, and is determined at initial recognition and re-evaluated at each reporting date. All financial assets are initially measured at fair value. UN-Women initially recognizes loans and receivables on the date that they originated. All other financial assets are recognized initially on the trade date, which is the date UN-Women becomes party to the contractual provisions of the instrument.

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

All categories of financial assets are assessed at each reporting date to determine whether there is objective evidence that an investment or group of investments is impaired. Evidence of impairment includes default or delinquency of the counterparty or permanent reduction in the value of the asset. Impairment losses are recognized in

surplus or deficit in the statement of financial performance (directly or through the use of an allowance account) in the year in which they arise.

Held-to-maturity financial assets

Held-to-maturity financial assets are financial assets with fixed or determinable payments and fixed maturities that UN-Women has the positive intention and ability to hold to maturity. They are initially recorded at fair value plus transaction costs and subsequently recognized at amortized cost calculated using the effective interest method. UN-Women classified part of its investment portfolio as held-to-maturity assets.

Available-for-sale financial assets

Available-for-sale financial assets are financial assets either designated in this category or not classified in any of the other categories. They are initially recorded at fair value plus transaction costs and subsequently reported at fair value with any resultant fair value gains or losses recognized directly in net assets/equity. Interest on available-for-sale financial assets is calculated using the effective interest method. When an available-for-sale financial asset is derecognized, the gain or deficit accumulated in net assets/equity is reclassified to surplus or deficit in the statement of financial performance. Fair values used for subsequent measurement are based on quoted market prices from reputable vendors.

Cash and cash equivalents

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 change in value, net of impairment 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.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. They are initially recorded at fair value plus transaction costs and subsequently reported at amortized cost calculated using the effective interest method. Interest revenue is recognized on a time proportion basis using the effective interest rate method on the respective financial asset. As at 31 December 2022, UN-Women did not have any loans.

Accounts receivable are stated at fair value, comprising nominal value less allowance for estimated irrecoverable amounts. An allowance is established when there is objective evidence, based on a review of outstanding amounts at the reporting date, that UN-Women will not be able to collect all amounts due according to the original terms of the receivable.

Advances and other receivables are stated at fair value, comprising nominal value less allowance for estimated irrecoverable amounts. Advances represent cash advance payments to partners contracted in the context of programme execution. These advances are recognized at fair value as a receivable. The expense is recognized in the statement of financial performance once UN-Women receives a financial report from the partner to evidence completion of activities. Advances also include payments on behalf of United Nations agencies and cash advance payments to staff members, which are recognized at fair value as receivables.

The expense is recognized when the advance is liquidated through a claim or repayment of the advance. Other receivables represent prepayments on contracts where goods or services are yet to be delivered or rendered.

Fair value through surplus or deficit financial assets

Fair value through surplus or deficit financial assets are so designated on 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 and deficit. Derivatives are used to manage foreign exchange risk and are contracted with creditworthy counterparties in accordance with UNDP investment guidelines. UN-Women classifies derivatives as financial assets at fair value through surplus and deficit in the statement of financial performance. 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. UN-Women does not apply hedge accounting treatment for derivatives.

(d) Inventories

Inventories held for distribution at no charge are stated at the lower of cost and current replacement cost. As there is no related revenue for inventory distributed, the expense is recognized when the goods are distributed. No-charge publication materials that would be defined as inventory are technical publications that relate directly to the programmatic and normative operations and are under the control of UN-Women. These publications must also have longevity where their content remains relevant and valid for more than a 12-month period to be defined as inventory. Publications produced by partners and held for distribution or used by them are not considered to be under the control of UN-Women and therefore are not inventory. No-charge publication materials and campaign brochures prepared by UN-Women for only advertising and promotional information purposes are not inventory. These items normally do not have longevity and are generally used within a 12-month period, as they are produced for a one-off event or purpose, and therefore the value of any remaining materials on hand at year end would be significantly depreciated. Accordingly, the cost of publication material and campaign brochures used for advertising and promotional information is recognized as an expense when incurred.

Inventories held for sale are stated at the lower of cost or net realizable value. Net realizable value is the estimated selling price in the ordinary course of operations, less the estimated costs of completion and the estimated costs necessary to make the sale, exchange or distribution. Cost is determined using the first-in, first-out inventory valuation method. The cost of inventories comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. The cost of inventories acquired through a non-exchange transaction, such as donated goods, is measured as their fair value at the date of acquisition. As at 31 December 2022, UN-Women did not have any inventories held for sale and had not acquired any inventory through a non-exchange transaction.

(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 \$1,000 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 \$1,000 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 27.

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 by article 3 (b) of the Regulations 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 plan 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 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) Financial liabilities

Other financial liabilities

Other financial liabilities are initially recognized at fair value less transaction costs and subsequently measured at amortized cost using the effective interest method. Financial liabilities entered into with duration of less than 12 months are recognized at their nominal value.

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 are delivered or services are rendered and accepted by UN-Women. Liabilities are stated at invoice amounts less payment discounts at the reporting date. The liability is estimated where invoices are not available at the reporting date.

Other liabilities include deferred revenue, representing 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. Other payables represent reimbursable services rendered by the United Nations and United Nations agencies.

Fair value through surplus or deficit financial liabilities

Fair value through surplus or deficit financial liabilities are liabilities that are designated on initial recognition or are held for trading. They are initially recorded at fair value, and any transaction costs are expensed. The liabilities are measured at fair value again at each reporting date, and any resultant fair value gains or losses are recognized through surplus and deficit.

UN-Women classifies derivatives as financial liabilities at fair value through surplus and deficit in the statement of financial performance. Derivatives are used to manage foreign exchange risk and are contracted with creditworthy counterparties. These 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. As at 31 December 2022, UN-Women had no open foreign exchange derivative instruments positions in this category and did not have any embedded derivatives requiring separate accounting at fair value through surplus or deficit in the statement of financial performance. UN-Women does not apply hedge accounting for derivatives.

(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 2022 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

In 2022, UN-Women did not adopt any new accounting standards. A summary of accounting standards published by the IPSAS Board and becoming effective on 1 January 2023 or thereafter is provided below:

(i) IPSAS 41: Financial instruments, was issued in 2018 with an effective date of 1 January 2023 in the light of the impact of the COVID-19 pandemic on constituents. IPSAS 41 replaces IPSAS 29: Financial instruments: recognition and measurement. The new standard establishes new requirements for classifying, recognizing and measuring financial instruments to replace those in IPSAS 29, and its impact on the financial statements of UN-Women upon adoption is currently being assessed. UN-Women expects that the new standard will require a change in the classification and measurement of certain financial assets currently classified and measured at fair value with changes recorded in net assets/equity to fair value through surplus and deficit;

(ii) IPSAS 42: Social benefits, was issued in 2019 with an effective date of 1 January 2023 in the light of the impact of the COVID-19 pandemic on constituents. IPSAS 42 is not expected to be applicable to UN-Women in the foreseeable future;

(iii) IPSAS 43: Leases, was issued in January 2022 with an effective date of 1 January 2025 to allow preparers time to finalize other standards under development, including IPSAS 41: Financial instruments, and IPSAS 47: Revenue, which may have amendments that are consequential to IPSAS 43. Assessment of the impact on the financial statements of UN-Women as well as implementation is continuing;

(iv) 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. Formal assessment will be completed by the mandatory adoption date;

(v) In 2022, the IPSAS Board finalized a new IPSAS standard on property, plant and equipment that will be issued in 2023. IPSAS 45: Property, plant and equipment, which will replace IPSAS 17: Property, plant and equipment, 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 46 clarifies the concept of deemed cost, including its applicability to property, plant and equipment held for operational capacity, and replaces the replacement cost measurement basis with the current operational value, a public sector measurement basis;

(vi) In March 2023, the IPSAS Board approved IPSAS 46: Measurement, which brings measurement guidance together in a single standard, introduces a public sector-specific current-value measurement basis for assets held for their operational capacity and provides additional generic guidance on fair value. This completes the initial phase of the measurement project, and the Board will now consider the broader impact of this new guidance across IPSAS in the ongoing application phase of the measurement project. IPSAS 46 will be effective on 1 January 2025. Formal assessment will be completed by the mandatory adoption date;

(vii) 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. UN-Women expects that this standard will have an impact on the recognition of voluntary contributions and is working on the assessment;

(viii) 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 expects that this standard will have an impact on the recognition of programme expenses and will begin the assessment in 2023;

(ix) The IPSAS Board approved exposure draft 84: Concessionary leases and right-of-use assets in-kind (amendments to IPSAS 43 and IPSAS 23). Exposure draft 84 was published in January 2023 for comments. On accounting for concessionary leases, for lessees, the Board agreed to measure the right-of-use asset at fair value on initial recognition. UN-Women will review the exposure draft and assess the impact on its financial statements.

Note 3**Change in accounting policy**

UN-Women will adopt a new capitalization threshold for property, plant and equipment, for which UN-Women has control effective 1 January 2023. The new capitalization threshold will increase from \$1,000 to \$2,500 per unit for property, plant and equipment, except for leasehold improvements, which will increase from \$1,000 to \$10,000. No changes have been made to the capitalization threshold of intangible assets.

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 2022

(Thousands of United States dollars)

	2022			Total	31 December 2021
	Regular resources	Other resources	Assessed resources		
Assets					
Current assets					
Cash and cash equivalents	51 655	75 438	(5 053)	122 040	101 227
Investments	93 585	136 693	–	230 278	193 284
Accounts receivable	58 529	205 123	527	264 179	212 881
Advances	3 323	53 068	22	56 413	48 480
Other assets	8 152	1 540	194	9 886	18 423
Current assets	215 244	471 862	(4 310)	682 796	574 295

	2022			Total	31 December 2021
	Regular resources	Other resources	Assessed resources		
Non-current assets					
Investments	165 860	242 260	–	408 120	451 044
Accounts receivable	93 025	128 367	–	221 392	168 376
Other assets	7	8	–	15	7
Property, plant and equipment	7 656	4 708	1	12 365	11 954
Intangible assets	3	5	–	8	9
Non-current assets	266 551	375 348	1	641 900	631 390
Total assets	481 795	847 210	(4 309)	1 324 696	1 205 685
Liabilities					
Current liabilities					
Accounts payable	839	1 340	–	2 179	12 351
Employee benefits	21 290	–	–	21 290	20 216
Other liabilities	16 818	6 669	–	23 487	25 129
Current liabilities	38 947	8 009	–	46 956	57 696
Non-current liabilities					
Employee benefits	86 803	–	–	86 803	114 881
Other liabilities	–	334	–	334	985
Non-current liabilities	86 803	334	–	87 137	115 866
Total liabilities	125 750	8 343	–	134 093	173 562
Net assets	356 045	838 867	(4 309)	1 190 603	1 032 123
Net assets/equity					
Accumulated surplus/(deficit)	226 577	779 155	(3 123)	1 002 609	856 107
Current-year surplus/(deficit)	69 879	62 122	(1 186)	130 815	150 726
Actuarial gains/(losses)	34 911	–	–	34 911	(6 219)
Refunds to donors	–	(2 410)	–	(2 410)	(4 224)
Reserves	24 678	–	–	24 678	35 733
Total net assets/equity	356 045	838 867	(4 309)	1 190 603	1 032 123

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.

(Thousands of United States dollars)

	2022			2021
	Regular resources	Other resources	Total	
Property, plant and equipment	2 885	793	3 678	3 171
Intangible assets	5	–	5	4
Total	2 890	793	3 683	3 175

Statement of financial performance by segment for the year ended 31 December 2022

(Thousands of United States dollars)

	2022					31 December 2021
	Regular resources	Other resources	Assessed resources	Elimination	Total	
Revenue						
Contributions	219 522	428 073	9 392	–	656 987	667 325
Investment revenue	8 329	433	–	–	8 762	8 958
Other revenue	2 243	29 406	1 275	(27 650)	5 274	4 931
Exchange transactions revenue	–	43	–	–	43	254
Total revenue	230 094	457 955	10 667	(27 650)	671 066	681 468
Expenses						
Employee benefits	97 808	67 692	10 363	–	175 863	166 458
Contractual services	22 990	142 581	176	–	165 747	170 257
Grants and other transfers	153	18 515	–	–	18 668	22 072
Supplies and maintenance	5 023	15 031	143	–	20 197	23 279
Operating costs	22 754	116 976	1 080	(27 650)	113 160	122 332
Travel costs	6 412	26 260	66	–	32 738	16 589
Depreciation and amortization	2 087	946	2	–	3 035	2 767
Finance costs	56	127	–	–	183	407
Other expenses	2 932	7 705	23	–	10 660	6 581
Total expenses	160 215	395 833	11 853	(27 650)	540 251	530 742
Surplus/(deficit) for the period	69 879	62 122	(1 186)	–	130 815	150 726

The elimination items represent the indirect costs charged by UN-Women in relation to the management of other resources and are based on the rate of recovery of 8 per cent established by the Executive Board of UN-Women in its decision 2013/2 of 8 February 2013, with effect from 1 January 2014 (7 per cent in prior years). These indirect costs charged were recognized during the year as an increase in cost recovery revenue, and at year end those amounts comprised the elimination items.

Note 6
Cash and cash equivalents

(Thousands of United States dollars)

	<i>31 December 2022</i>	<i>31 December 2021</i>
Cash in bank accounts	4 256	3 854
Petty cash	178	20
Money market	115 333	95 232
Term deposits	2 273	2 121
Total	122 040	101 227

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)

	<i>31 December 2022</i>	<i>31 December 2021</i>
Current investments		
Investments – held to maturity	230 022	192 815
Investments – available-for-sale	256	469
Total current investments	230 278	193 284
Non-current investments		
Investments – held to maturity	356 135	390 559
Investments – available-for-sale	51 985	60 485
Total non-current investments	408 120	451 044
Total investments	638 398	644 328

Investments include held-to-maturity assets that are managed by UNDP and available-for-sale assets that are held and managed by external investment managers.

UN-Women had no impaired investments during the year. The exposure of UN-Women to credit risk, market risk and currency risks, and its risk management activities related to financial assets, including investments, are discussed in note 24.

The Entity's cash and cash equivalents and investments include funding for after-service health insurance, repatriation and death benefits in the amount of \$112.8 million, in accordance with note 14, operational reserve, in the amount of \$26.5 million, and field accommodation reserve, in the amount of \$1 million, in accordance with note 17. Investments relate to both regular resources and other resources.

7.1 Investments – held-to-maturity financial assets

(Thousands of United States dollars)

	<i>Closing balance 31 December 2021</i>	<i>Purchases</i>	<i>Maturities</i>	<i>Amortization</i>	<i>Unrealized gains/ losses</i>	<i>Reclassification non-current to current</i>	<i>Closing balance 31 December 2022</i>	<i>Fair value</i>
Current investments								
Money market instruments	104 969	29 863	(125 000)	76	–	15 000	24 908	24 872
Bonds and notes	87 846	27 977	(102 500)	(486)	–	192 276	205 113	200 635
Subtotal	192 815	57 840	(227 500)	(410)	–	207 276	230 021	225 507
Non-current investments								
Money market instruments	–	15 000	–	–	–	(15 000)	–	–
Bonds and notes	390 559	157 911	–	(59)	–	(192 276)	356 135	335 912
Subtotal	390 559	172 911	–	(59)	–	(207 276)	356 135	335 912
Total investments held to maturity	583 374	230 751	(227 500)	(469)	–	–	586 156	561 419

Held-to-maturity financial assets are carried at amortized cost calculated by using the effective interest method. As at 31 December 2022, the fair value of those assets was lower than the book value by \$24.7 million. Fair values are based on quoted market prices from reputable vendors. The average yield on investments for 2022 was 1.04 per cent (2021: 0.5 per cent).

7.2 Investments – available-for-sale financial assets

(Thousands of United States dollars)

	<i>31 December 2022</i>	<i>31 December 2021</i>
Current investments		
Bonds	260	466
Bonds – fair value adjustments	(4)	3
Total current investments	256	469
Non-current investments		
Equities	31 122	30 299
Equities – fair value adjustments	103	8 244
Bonds	23 993	22 016
Bonds – fair value adjustments	(3 233)	(74)
Total non-current investments	51 985	60 485
Total available-for-sale investments	52 241	60 954

The table below presents the fair value hierarchy of the Entity's available-for-sale financial instruments carried at fair value as at 31 December 2022.

(Thousands of United States dollars)

	<i>Level 1</i>	<i>Level 2</i>	<i>Level 3</i>	<i>31 December 2022</i>	<i>31 December 2021</i>
Available-for-sale financial assets					
Equities	31 225	–	–	31 225	38 543
Bonds	21 016	–	–	21 016	22 411
Total	52 241	–	–	52 241	60 954

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).

Available-for-sale financial assets represent investments managed by external investment managers for after-service health insurance (see notes 7 and 24).

Note 8

Accounts receivable

(Thousands of United States dollars)

	<i>31 December 2022</i>	<i>31 December 2021</i>
Current accounts receivable		
Contributions receivable	264 610	213 166
Less: allowance for impairment of receivables	(431)	(285)
Subtotal	264 179	212 881
Non-current accounts receivable		
Contributions receivable	221 392	168 376
Subtotal	221 392	168 376
Total accounts receivable	485 571	381 257

Contributions receivable represents uncollected non-exchange revenue committed to UN-Women by donors, including other United Nations entities. The allowance for impairment on receivables is calculated on the basis of an aged analysis and the collectability of the outstanding balance.

Note 9
Advances

(Thousands of United States dollars)

	31 December 2022	31 December 2021
Advances provided to United Nations agencies	5 510	6 322
Advances provided to other partners	48 554	39 965
<i>Shown by fund type:</i>		
Regular resources	213	439
Other resources		
Cost-sharing	33 034	32 389
United Nations trust fund in support of actions to eliminate violence against women	15 307	7 137
Fund for Gender Equality	–	–
Less: allowance for impairment of advances to partners	(242)	(190)
Subtotal	53 822	46 097
Advances to staff	2 591	2 383
Total advances	56 413	48 480

Advances relate to transfers made to United Nations agencies and other partners in connection with programme execution, and to staff. Such advances are recognized as an asset and are stated at historical cost less an allowance for impairment.

Advances to partners are reduced and expenses are recognized when certified expense reports are received from partners. As at 31 December 2022, approximately 98.7 per cent of the total outstanding advances provided to partners are aged less than 12 months and relate to implementation of programmatic activities.

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 2022	31 December 2021
Current assets		
Interest and dividends receivable	2 150	1 127
Prepaid expenses	13	–
Derivative asset	9	139
Receivables from United Nations agencies		
United Nations Population Fund	–	102
United Nations Development Programme	1 341	10 773
Miscellaneous accounts receivable	6 373	6 282
Subtotal	9 886	18 423

	31 December 2022	31 December 2021
Non-current assets		
Security deposit	15	7
Subtotal	15	7
Total other assets	9 901	18 430

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)

	<i>Building</i>	<i>Communication and information technology equipment</i>	<i>Furniture and fixtures</i>	<i>Vehicles</i>	<i>Heavy machinery/ equipment</i>	<i>Security equipment</i>	<i>Leasehold improvements</i>	<i>Construction of fixed assets</i>	<i>Total</i>
As at 31 December 2021									
Cost	2 519	12 549	1 374	11 036	1 394	964	3 102	42	32 980
Accumulated depreciation	(1 195)	(7 620)	(941)	(7 027)	(940)	(806)	(2 497)	–	(21 026)
Net book value	1 324	4 929	433	4 009	454	158	605	42	11 954
Movements year to 31 December 2022									
Additions	20	2 176	64	970	169	23	355	42	3 819
Receipt accrual	–	(2)	–	–	–	–	–	–	(2)
Cost adjustments	(20)	(48)	–	(106)	(2)	–	37	–	(139)
Retirements	–	(855)	(335)	(246)	(116)	(14)	(111)	–	(1 677)
Assets recategorization cost	–	(2)	(5)	–	2	5	–	–	–
Retirements – accumulated depreciation	–	791	274	201	54	14	109	–	1 443
Depreciation	(199)	(1 434)	(75)	(854)	(110)	(57)	(304)	–	(3 033)
Closing net book value as at 31 December 2022	1 125	5 555	356	3 974	451	129	691	84	12 365
As at 31 December 2022									
Cost	2 519	13 818	1 098	11 654	1 447	978	3 383	84	34 981
Accumulated depreciation	(1 394)	(8 263)	(742)	(7 680)	(996)	(849)	(2 692)	–	(22 616)
Net book value	1 125	5 555	356	3 974	451	129	691	84	12 365

Assets are reviewed annually to determine if there is any impairment in their value, and as at 31 December 2022, UN-Women did not have any impairment in property, plant and equipment. UN-Women holds fully depreciated property, plant and equipment that is still in use, with a cost of \$8.3 million as at 31 December 2022.

Note 12 Intangible assets

(Thousands of United States dollars)

	<i>Externally acquired software</i>	<i>Total</i>
As at 31 December 2021		
Cost	416	416
Accumulated amortization	(407)	(407)
Net book value	9	9
Movements year to 31 December 2022		
Additions	27	27
Cost adjustments	(22)	(22)
Retirement	(4)	(4)
Amortization	(2)	(2)
Closing net book value as at 31 December 2022	8	8
As at 31 December 2022		
Cost	417	417
Accumulated amortization	(409)	(409)
Net book value	8	8

Note 13 Accounts payable

(Thousands of United States dollars)

	<i>31 December 2022</i>	<i>31 December 2021</i>
Payables to third parties	4	9 169
Payables to United Nations agencies		
United Nations Population Fund	16	–
United Nations University	1	–
Accruals	2 158	3 182
Total accounts payable	2 179	12 351

Payables to third parties are related to amounts due for goods and services for which invoices have been received. Payables to United Nations agencies represent expenditure incurred on behalf of UN-Women that are settled in the following year.

As at 31 December 2022, payables to third parties were \$0.004 million (2021: \$9.2 million). Owing to the cutover to a new accounting system on 1 January 2023, payments relating to 2022 goods delivered and services rendered were exceptionally expedited prior to the last banking day of 30 December 2022. This was a preventive measure, as it was anticipated that there may be delays in payment transactions.

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)

	<i>31 December 2022</i>	<i>31 December 2021</i>
Current employee benefits		
Accrued annual leave	17 966	16 865
Accrued home leave	1 855	1 855
After-service health insurance	610	464
Repatriation benefits	830	1 001
Death benefit	29	31
Subtotal	21 290	20 216
Non-current employee benefits		
After-service health insurance	76 586	103 042
Repatriation benefits	9 914	11 461
Death benefit	303	378
Subtotal	86 803	114 881
Total employee benefits	108 093	135 097

(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 \$1.1 million (2021: \$1.2 million). Annual leave balances increased by \$1.1 million (2021: \$1.7 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 2022 in accordance with IPSAS 39: Employee benefits.

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 \$76.6 million includes an obligation for active staff not yet fully eligible amounting to \$50.5 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 2022 actuarial report showed a significant actuarial gain having been recorded owing to the increase in the equivalent discount rate: 5.37 per cent (2021: 3.37 per cent).

The plan is funded to the amount of \$93 million as at 31 December 2022, and a funding plan for providing 8 per cent commenced from 1 January 2014. The assets held to support the plan are invested separately in an after-service health insurance investment account by external fund managers, as well as the regular cash and cash equivalents of UN-Women, and held to maturity investments (see notes 7 and 24).

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 \$9.9 million includes an obligation for active staff not yet fully eligible, amounting to \$9.4 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 2022 actuarial report showed a significant actuarial gain having been recorded owing to the increase in the equivalent discount rate: 5.14 per cent (2021: 2.81 per cent).

The plan is funded to the amount of \$19.4 million as at 31 December 2022, 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

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 is fully funded to the amount of \$0.4 million as at 31 December 2022, 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>
Net defined-benefit obligation at the beginning of the year	103 506	12 462	409
Increase of the obligation			
Service cost	9 160	1 563	13
Interest on obligation	3 484	336	10
Actuarial loss/(gain)	(38 474)	(2 588)	(68)
Change in demographic assumptions	–	–	–
Experience adjustments	–	–	–
Decrease of the obligation			
Benefit payments	(480)	(1 029)	(32)
Net recognized liability at the end of the year	77 196	10 744	332

The benefit payments set out in the table above are estimated on the basis of the 2022 year-end actuarial valuations. As at 31 December 2022, actual benefit payments made by UN-Women comprised after-service health insurance in the amount of \$0.4 million and repatriation benefits in the amount of \$0.5 million. In 2022, there were no payments for death benefits.

The 2022 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	9 160	1 563
Interest on obligation	3 484	336
Total expenses recognized	12 644	1 899

Actuarial assumptions

The end-of-service liabilities were valued using yield curves provided by Aon Hewitt as at 31 December 2022 in order to maintain consistency in actuarial assumptions across the United Nations system. 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.

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

(Percentage)

<i>Single equivalent discount rates</i>	2022	2021
After-service health insurance	5.37	3.37
Repatriation benefits	5.14	2.81
Death benefits	5.07	2.63

A review was conducted by the actuary of a number of sources, and the long-term rate of inflation assumption was based on 2.50 per cent. Other actuarial assumptions were as follows:

Health-care cost trend rates (varies by medical plan) (percentage)	2.55–4.15
Salary increase rate (varies by age and staff category) (percentage)	3.9–9.3
Per capita claim cost (varies by age)	\$1 087–\$16 341

Benefits under the after-service health insurance plans are attributed in proportion to the years of service from date of hire until the date of full eligibility, in accordance with the straight-line basis method. Historically, repatriation and death benefits have been based on the straight-line method. As from 1 January 2019, they are attributed on the basis of the benefit formula, which is consistent with the approach used by other United Nations agencies and is in accordance with paragraph 72 of IPSAS 39: Employee benefits. The impact of such a change is disclosed as a change in methodology and is included in the total defined-benefit cost recognized in the statement of financial performance.

Assumptions regarding future mortality for 2022 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 – professionals with 30 or more years of experience</i>	<i>At age 55</i>	<i>At age 65</i>
Male	0.16	1.00
Female	0.20	1.00

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		77 196	10 744	332
Discount rate sensitivity to end-of-year liability				
Increase in discount rate	0.5%	(8 095)	(480)	(12)
As a percentage of end-of-year liability		(10%)	(4%)	(4%)
Decrease in discount rate	(0.5%)	9 088	505	13
As a percentage of end-of-year liability		12%	5%	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%	9 474	Not applicable	Not applicable
Decrease in health-care cost trend rate	(0.5%)	(8 135)	Not applicable	Not applicable
Effect on combined service and interest cost components on net				
Increase in health-care cost trend rate	0.5%	1 587	Not applicable	Not applicable
Decrease in health-care cost trend rate	(0.5%)	(1 342)	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 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 that 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 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 the plan as if it were a defined contribution plan in line with the requirements of IPSAS 39: Employee benefits. The Entity's contributions to the Fund during the financial period are recognized as expenses in the statement of financial performance.

In the Regulations of the Pension Fund, it is stated that the 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 using the open group aggregate method. 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 payable only 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 that 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 a roll forward of the participation data as at 31 December 2021 to 31 December 2022 will be 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 per cent (2019 valuation: 107.1 per cent). The funded ratio was 158.2 per cent (2019 valuation: 144.4 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 of the valuation date. At the time of reporting, the General Assembly had not invoked the provision of article 26.

Should article 26 be invoked owing to an actuarial deficiency, either during the ongoing operation or owing 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 (2019, 2020 and 2021) amounted to \$8,505.27 million, 0.7 per cent of which was contributed by UN-Women.

During 2022, the Entity's contributions paid to the Pension Fund amounted to \$22.7 million (2021: \$21.4 million). Expected contributions due in 2023 are approximately \$22 million.

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 a mutually agreed arrangement between the organization and the Fund. The amount is determined by the Pension Board 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 is in excess of the liabilities is included in the amount.

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

Note 15
Other liabilities

(Thousands of United States dollars)

	<i>31 December 2022</i>	<i>31 December 2021</i>
Current liabilities		
Deferred revenue	485	533
Funds received in advance	2 886	4 089
Investment settlements payable	451	52
Other accruals	19 341	19 301
Other payables	324	1 154
Subtotal	23 487	25 129
Non-current liabilities		
Deferred revenue	334	985
Subtotal	334	985
Total other liabilities	23 821	26 114

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 2023 (2021: January 2022). Other accruals represent funds accrued for payments relating to security, learning, information and communications technology, audit and reimbursements due to United Nations jointly funded activities. Other payables represent refunds pending to donors and other liabilities.

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)

	<i>31 December 2022</i>	<i>31 December 2021</i>
Accumulated surplus/(deficit) at the beginning of the year	996 390	838 617
Subtotal	996 390	838 617
Current-year surplus/(deficit)	130 815	150 726
Refunds to donors	(2 410)	(4 224)
Actuarial gain/(loss)	41 130	11 271
Total accumulated surplus/(deficit) at the end of the year	1 165 925	996 390

(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 gains relating to after-service health insurance, repatriation and death benefit obligations in the amount of \$41.1 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)

	<i>31 December 2022</i>	<i>Movements</i>	<i>31 December 2021</i>
Operational reserve	26 520	–	26 520
Field accommodation reserve	1 000	–	1 000
Changes in fair value of available-for-sale investments	(2 842)	(11 055)	8 213
Total reserves	24 678	(11 055)	35 733

(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 \$26.5 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 2022. 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 as 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 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)

	2022	2021
Contributions	646 165	655 802
Contributions in kind	1 430	1 445
Total voluntary contributions	647 595	657 247

In-kind contributions representing rent provided by Governments and United Nations agencies amounted to \$1.4 million. In-kind services provided to UN-Women during the year amounted to \$12.2 million (2021: \$1.9 million) and 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)

	2022	2021
Assessed contributions	9 392	10 078
Total assessed contributions	9 392	10 078

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

**Note 20
Investment revenue**

(Thousands of United States dollars)

	2022	2021
Interest revenue	8 740	8 352
Amortization on investments	(477)	158
Dividend income	499	448
Total investment income	8 762	8 958

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)

	<i>2022</i>	<i>2021</i>
Currency exchange gains	3 068	2 620
Miscellaneous revenue	1 928	1 947
Fees and support services	27 928	25 720
Less elimination	(27 650)	(25 356)
Total other revenue	5 274	4 931

Miscellaneous revenue represents reimbursement of rent from the United Nations Secretariat, reimbursement from other United Nations entities for provision of services and miscellaneous revenue. The indirect costs charged by UN-Women in relation to the management of other resources are based on the rate of recovery established by the Executive Board and were recognized during the year as an increase in fees and support services revenue, and at year end, those amounts comprised the elimination items (see note 5).

Note 22
Exchange transactions revenue

(Thousands of United States dollars)

	<i>2022</i>	<i>2021</i>
Exchange transactions revenue	43	254
Total exchange transactions revenue	43	254

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)

	2022	2021
Employee benefits		
Salary and wages	120 137	113 640
Pension benefits	22 687	21 418
Post-employment and termination benefits	16 268	15 401
Leave benefits	2 728	3 317
Other employee benefits	14 043	12 682
Subtotal	175 863	166 458
Contractual services		
Contract services with individuals	115 883	120 167
Contract services with companies	44 020	44 028
United Nations Volunteers costs	5 844	6 062
Subtotal	165 747	170 257
Grants and other transfers	18 668	22 072
Supplies and maintenance		
Maintenance and non-capitalized property	10 955	11 799
Maintenance and non-capitalized information technology and communications equipment	2 932	4 049
Maintenance and non-capitalized software and licences	4 439	5 032
Consumables	1 871	2 399
Subtotal	20 197	23 279
Operating costs		
Communication costs	17 961	21 950
Learning, training and recruitment costs	51 538	54 954
Support services paid to United Nations agencies	6 728	9 038
Insurance/warranties	127	170
Rent, leases and utilities	20 631	20 682
Professional services	3 750	3 944
Freight costs	164	257
Other operating costs	7 971	7 067
General management costs	4 290	4 270
Subtotal	113 160	122 332
Travel costs		
Tickets	11 405	4 060
Daily subsistence allowance	17 650	10 177
Other	3 683	2 352
Subtotal	32 738	16 589

	2022	2021
Depreciation and amortization	3 035	2 767
Finance costs		
Bank charges	183	407
Subtotal	183	407
Other expenses		
Stationery and other project expenses	5 887	5 142
Currency exchange losses	3 960	2 553
Losses on property, plant and equipment	176	(41)
Impairment and prior and current period write-offs	637	(1 073)
Subtotal	10 660	6 581
Total expenses	540 251	530 742

Note 24**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 a detailed monthly and quarterly investment performance report from UNDP that shows the composition and performance of the investment portfolio. The Director of Management and Administration, the Deputy Director of Financial Management and the Chief of Budget meet with the UNDP Treasury each quarter to review the investment portfolio performance of UN-Women and provide updated cash flow projections.

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 2022, this portfolio was classified as available-for-sale.

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 outstanding at year end based on the IPSAS classifications adopted by UN-Women.

(Thousands of United States dollars)

	<i>Held-to-maturity</i>	<i>Available-for-sale</i>	<i>Receivables</i>	<i>Fair value through surplus or deficit</i>	<i>31 December 2022</i>	<i>31 December 2021</i>
Cash and cash equivalents	–	–	122 040	–	122 040	101 227
Investments	586 156	52 241	–	–	638 397	644 328
Accounts receivable	–	–	485 571	–	485 571	381 257
Advances	–	–	56 413	–	56 413	48 480
Other assets	–	–	9 901	–	9 901	18 430
Total financial assets	586 156	52 241	673 925	–	1 312 322	1 193 722

Held-to-maturity financial assets are carried at amortized cost and, as at 31 December 2022, the market value of those assets was lower than book value by \$24.7 million. The carrying values for loans and receivables are a reasonable approximation of their fair value. As at 31 December 2022, available-for-sale assets were carried at fair market value based on quoted prices obtained from knowledgeable third parties. UN-Women had no outstanding balances of financial assets classified as fair value through surplus or deficit.

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

(Thousands of United States dollars)

	<i>Other financial liabilities</i>	<i>Fair value through surplus or deficit</i>	<i>31 December 2022</i>	<i>31 December 2021</i>
Accounts payable	2 179	–	2 179	12 351
Other liabilities	23 821	–	23 821	26 114
Total financial liabilities	26 000	–	26 000	38 465

As at 31 December 2022, UN-Women had no outstanding financial liabilities recorded at fair value through surplus or deficit. The carrying value of other financial liabilities is a reasonable approximation of their fair value.

Credit risk

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

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 of America. 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 2022, 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)

<i>31 December 2022</i>	<i>AAA</i>	<i>AA+</i>	<i>AA</i>	<i>AA-</i>	<i>A+</i>	<i>A</i>	<i>A-</i>	<i>Total</i>
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
<i>31 December 2021</i>	<i>AAA</i>	<i>AA+</i>	<i>AA</i>	<i>AA-</i>	<i>A+</i>	<i>A</i>	<i>A-</i>	<i>Total</i>
Money market instruments	19 995	–	44 994	39 980	–	–	–	104 969
Bonds and notes	237 898	169 024	45 104	16 373	10 006	–	–	478 405
Total	257 893	169 024	90 098	56 353	10 006	–	–	583 374

Credit ratings of investments under external investment managers

(Thousands of United States dollars)

	AAA	AA+	AA	AA-	A+	A	A-	BBB+	BBB	United States Treasury	Others	Total
<i>31 December 2022</i>												
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
<i>31 December 2021 (restated)</i>												
Bonds and notes	785	106	115	510	368	380	159	395	163	2 322	17 108	22 411
Total	785	106	115	510	368	380	159	395	163	2 322	17 108	22 411

Externally managed investments are governed by the after-service health insurance investment guidelines. Other rated bonds include government bond funds in the amount of \$15.9 million (2021: \$17.1 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 (16 per cent) and current investments (30 per cent) sufficient to cover its commitments as and when they fall due, shown in the table below and in notes 6 and 7.

(Thousands of United States dollars)

	<i>31 December 2022</i>	<i>Percentage</i>	<i>31 December 2021</i>	<i>Percentage</i>
Cash balances	4 434	1	3 874	1
Cash equivalents	117 606	15	97 353	12
Total cash and cash equivalents (net)	122 040	16	101 227	13
Investments				
Current investments	230 278	30	193 284	26
Non-current investments	408 120	54	451 044	61
Total current and non-current investments	638 398	84	644 328	87
Total investments cash and cash equivalents	760 438	100	745 555	100

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 (8 per cent) of the Entity's investment portfolio is classified as available-for-sale investments that are carried at fair value through net assets/equity, which expose UN-Women to interest rate risk. However, a significant portion (92 per cent) of the investment portfolio is classified as held-to-maturity, which is not marked to market. Changes in interest rates do not have an impact on held-to-maturity book 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 2022, UN-Women had no outstanding floating rate fixed-income securities.

Equity price risk

In 2022, UN-Women held equity investments in its externally managed portfolio of after-service health insurance funds. The sensitivity pertains to equity investments classified as available-for-sale, which are marked to market through net assets/equity; changes in their prices would therefore have no impact on the UN-Women surplus or deficit. See the table below.

(Thousands of United States dollars)

31 December 2022 market value	Sensitivity variation	Impact on the financial statements	
		Net assets	Surplus or deficit
31 225	5 per cent increase	1 561	–
31 225	5 per cent decrease	(1 561)	–

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, but also in a number of major currencies, including the pound sterling, the euro, the Swedish krona and the Norwegian krone. On an ongoing basis, UN-Women evaluates its need to hold cash and other assets in foreign currencies against its foreign currency obligations during the quarterly meetings with the UNDP Treasury. UN-Women commenced a hedging strategy from March 2015.

As at 31 December 2022, all investments of UN-Women were denominated in United States dollars. However, cash balances were held in several non-United States dollar currencies, representing 86.7 per cent of total cash balances. See the table below.

(Thousands of United States dollars)

	<i>United States dollar</i>	<i>Euro</i>	<i>Pound sterling</i>	<i>Norwegia n krone</i>	<i>Swedish krona</i>	<i>Others</i>	<i>31 December 2022</i>	<i>31 December 2021</i>
Cash in bank accounts	542	3 629	26	19	40	–	4 256	3 854
Petty cash	49	–	–	–	–	128	177	20
Total cash balances	591	3 629	26	19	40	128	4 433	3 874

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 2022, 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 25

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 2022 represents approximately 50 per cent of the integrated budget estimates for the biennium 2022–2023.

(a) Regular budget activities – assessed contributions 2022

For the year 2022, there is a total variance showing overexpenditure of \$0.6 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 2022.

(b) Development activities – voluntary contributions 2022**(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 2022 were \$500 million.

Total programme variances are \$8.6 million, split between regular and other resources as follows:

(a) Programme expenditure from regular resources are \$2 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. Actual delivery rates for the core programme averaged 95.8 per cent, with a budget utilization rate of 97 per cent. 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 \$6.6 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. The delivery rate averaged 86.1 per cent, with a budget utilization rate of 98.3 per cent.

(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 \$1.9 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 98 per cent. The institutional budget is available for spending during the 2022–2023 biennium. Any unspent balances at the end of the biennium 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. UN-Women also applies the same practice for year-end unspent balances.

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:

- 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

- 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
- 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	(546 688)	–	(546 688)
Basis differences	(106 428)	(1 259)	(107 687)
Timing differences	1 026	–	1 026
Presentation differences	671 066	–	671 066
Actual amount in statement of cash flow	18 976	(1 259)	17 717

Note 26

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 Assistant Secretaries-General 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.

(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 2022</i>	<i>Outstanding advances</i>
Key management personnel	9	2 026	84	843	2 953	41
Close family member	1	148	–	46	194	–
Total	10	2 174	84	889	3 147	41

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 2022, after-service health insurance, repatriation and death benefits for key management personnel included in employee benefits liabilities amounted to \$1.8 million, as determined by actuarial valuation.

Note 27**Commitments and contingencies****(a) Open commitments**

As at 31 December 2022, commitments of UN-Women for the acquisition of various goods and services contracted but not yet received amounted to \$35.9 million (2021: \$32.1 million).

(b) Lease commitments

As at 31 December 2022, UN-Women had future obligations for minimal lease payments as set out in the table below.

(Thousands of United States dollars)

	<i>31 December 2022</i>	<i>31 December 2021</i>
Obligations for property leases		
Within 12 months	8 372	6 619
1–5 years	32 701	8 820
Beyond 5 years	25 559	3 629
Total property lease obligations	66 632	19 068

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

During the year, UN-Women concluded contribution agreements where the total contribution value did not meet the definition of an asset. Those amounts are disclosed in the notes as contingencies until the asset recognition criteria are met, or cash is received from the donor. The total amount of these contingent assets was \$8.6 million as at 31 December 2022.

(d) Legal or contingent liabilities

As at 31 December 2022, UN-Women had a limited number of immaterial contingent liability cases that represented ongoing legal and administrative law claims.

Owing to the uncertainty of the outcomes of the cases, neither a liability nor a provision was recorded as at the reporting date because the occurrence and timing of outflow is not certain. Moreover, on the basis of current knowledge, UN-Women believes that the amount or range of estimated value of any liability resulting from the loss of a claim will not, either individually or in the aggregate, have a material adverse effect on its operations, financial position, financial performance or cash flows. However, because the outcome of such legal matters is inherently unpredictable and subject to significant uncertainties, the possible obligations may become actual liabilities as a result of the occurrence or non-occurrence of one or more uncertain future events that are not wholly within the control of UN-Women.

Note 28

Events after the reporting date

The reporting date for UN-Women is 31 December of each year. The date of certification and transmittal of the financial statements is 28 April of the year after the financial year end. No other material event, 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.

