

UN Women's Advisory Committee on Oversight (ACO) – Annual Report 2025

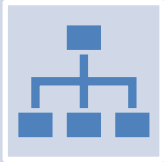
Executive Board Informal Briefing 2026
Audit and Investigation Matters

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ACO Chair

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Mandate and Role of the ACO: Terms of Reference



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



Composition: Four external, independent experts with expertise in **financial management, governance, evaluation, internal audit, ethics and investigations, external audit and risk management.**

ACO Annual Report 2025

In line with the ACO's Terms of Reference, the Committee's 2025 Annual Report focuses on two key areas:

1. Review of oversight functions: advice on the functioning of UN-Women's oversight mechanisms;
2. Review of governance, risk management and control systems, and operational and programme management-advice on accountability systems and internal control processes.

ACO Review of Oversight Functions



AUDIT



EVALUATION



INVESTIGATION



ETHICS



UN BOARD OF
AUDITORS

ACO Review of Oversight Functions

The Committee affirms that the independent evaluation, audit and investigation (IEAIS) functions operate independently, ensuring robust oversight of governance, risk management and the control environment within UN-Women.

Review of Oversight Functions: Key Observations

Audit	Evaluation	Investigation
<ul style="list-style-type: none"> • IAS continues to deliver independent, high-quality audits and advisory services. • Noted the significant progress made in reducing long-outstanding high-priority recommendations from 45 to 11 • The Committee emphasizes the importance of addressing high-priority audit issues related to Trust fund management, cybersecurity and outsourcing governance policy and framework. 	<ul style="list-style-type: none"> • IES contributed actively to strategic and organizational transformation processes at global and regional level. • IES demonstrated agility through rapid and formative evaluative work undertaken in 2025 to inform time-sensitive corporate initiatives. • Strong prioritization and follow-up mechanisms for evaluation findings are important to meaningfully inform organizational learning, resource allocation decisions and performance management at regional and country levels. 	<ul style="list-style-type: none"> • The investigation function plays a critical role in promoting accountability, compliance with established rules of conduct and ultimately promoting trust of the stakeholders in UN-Women. • The Committee notes the importance of the hybrid model of investigation incorporating the internal investigation function and allowing UN-Women to continue to build its internal investigations capacity, complementing the investigation services provided by UN-OIOS. • Sustainable funding is essential to maintain the hybrid model, and it would be desirable to fund the internal investigation function in a way that provides predictability and continuity.

ACO Review of Oversight Functions

- **United Nations Board of Auditors:**
 - Fourteenth consecutive unqualified audit opinion (2024)
 - Improvements in long-outstanding recommendations
 - Urge prompt implementation of remaining outstanding recommendations

ACO Review of Ethics Function

- **Ethics function** is important to actively promote awareness and adherence to ethical standards which are critical for effective risk management, especially with the greater decentralization of workforce.
- ACO welcomed the updating of important policies: anti-fraud policy, hospitality and gifts policy and work of Ethics function in conducting awareness training and outreach across offices.
- Already constrained internal Ethics function was further reduced with the departure of the Ethics Advisor in mid-2025. ACO encourages management's efforts to explore options for outsourcing some ethics functions to complement internal capacity in a hybrid way.
- ACO encourages prioritizing dedicated resources to build on progress in promoting ethical culture.

ACO Review of Governance, Risk Management and Controls, and Operational Programme Management



Financial
resources



Human resources



Financial
statements and
systems



Information and
communication
technology



Third-party risk
management

Financial Resources



Significant funding pressures faced in 2025 and UN Women's swift actions in managing costs



Growing reliance over the years on non-core resources and challenges of maintaining a sufficient core funding base



ACO supports scenario planning, innovative resource mobilization, and consideration of new strategies

Financial statements and systems



The comprehensive overall of financial statements improved clarity and usability of financial statements.



Timely finalization of 2024 audited financial statements

Human Resources



ACO noted efforts to strengthen HR function:

Functional review completed

People Strategy being developed



HR function remains under-resourced: urgent need to dedicate adequate resources especially in light of Pivot exercise to address risks to talent retention and ultimately UN-Women's ability to carry out its mandate.



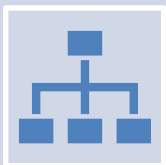
Pivot to Regions and Countries Initiative progressing well.

Important to evaluate the outcomes of Pivot exercise and any impacts on operational efficiency and effectiveness.

Risk Management



ACO notes the continued maturation of the Enterprise Risk Management (ERM) programme. It is important to continue to enhance corporate risk reporting to allow for better risk escalation and top-down monitoring of mitigation actions.



Adequate resourcing in risk management is important as well as the **strengthening of the first and second-line control** functions.



Third-party risk management continues to be an area of concern and importance of this will continue to expand with increased decentralization. Failure to address third-party risk issues could expose UN-Women to greater operation, reputational and fiduciary risk.

ICT & Third-Party Risks



Quantum ERP generally satisfactory; residual risks remain: cybersecurity controls, data protection, change management and partner payment reconciliation



Sustained investment needed in ICT governance, cybersecurity and data management



Third-party risk management requires strengthening, particularly in ICT and data-related areas. ACO encourages implementation of internal audit recommendations in particular in these areas.

Conclusions & 2026 Priorities

- ACO commends UN Women for its continued commitment to organizational excellence and business transformation.
- Focus of ACO in 2026:
 - Strategic Plan 2026–2029 roll-out
 - Organization's adjustment and response to potential, evolving structural changes stemming from UN80 initiative and geopolitical climate.