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### United Nations Children's Fund

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## UNICEF management response to the report of the Board of Auditors

### *Summary*

Pursuant to paragraph 7 of UNICEF Executive Board decision 2018/3, the present report provides a management response to the key findings and recommendations of the report of the Board of Auditors for the year ended 31 December 2024, which is contained in document (A/80/5/Add.3). This report should be read in conjunction with the note by the United Nations Secretary-General on the concise summary of the principal findings, conclusions and recommendations contained in the reports of the Board of Auditors for the annual financial period 2024 (A/80/253) for the United Nations funds and programmes. This report also takes into consideration comments made by the Advisory Committee on Administrative and Budgetary Questions (A/80/485) and the Fifth Committee of the General Assembly in their respective reviews of the report of the Board of Auditors.

Consistent with paragraph 3 of UNICEF Executive Board decision 2022/7, the presentation of this management response to the report of the Board of Auditors and the implementation of the recommendations is harmonized, as appropriate, with other United Nations funds and programmes. Further, as required in paragraph 3 of decision 2023/4, UNICEF has included a section on the impacts of the implementation of audit recommendations in this report.

The Executive Director and other senior management value the Board of Auditors' recommendations and is dedicated to their implementation. This commitment has resulted in a sustained high implementation rate in past years, including a solid performance in the financial year 2024, as commended by the Board of Auditors.

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\* E/ICEF/2026/1.



## I. Overview

1. UNICEF received an unqualified audit opinion from the Board of Auditors on its financial statements for the year ended 31 December 2024. This accomplishment continues to demonstrate UNICEF commitment to adhere to the International Public Sector Accounting Standards (IPSAS), good internal controls, transparency and accountability in the management of resources.
2. The report of the Board of Auditors for the year ended 31 December 2024 (A/80/5/Add.3) identified some opportunities for UNICEF to further improve in certain key areas, including transfer of programme supplies, cash assistance expense, supply management and the management of implementing partners. Overall, the Board of Auditors issued 36 recommendations with 8 classified as “main” (high priority) recommendations, which are further explained in this management response.
3. The UNICEF commitment to improving the management of resources has been commended by the Board of Auditors, as the organization fully implemented 84 per cent of the 31 outstanding recommendations that were open at the beginning of the financial year 2024 (as compared to 73 per cent in 2023). UNICEF aims to implement approximately 80 per cent of the recommendations currently open by the end of the second quarter of 2026, including those of the prior years. UNICEF looks forward to the Board of Auditors’ assessment of the evidence of management actions during the audit of the 2025 financial statements.
4. UNICEF internal controls and the accountability framework continue to ensure fiduciary responsibility in the management of resources. UNICEF continues to strengthen its risk management, updating and revising key processes and making them more nimble and fit for purpose to effectively support programme implementation.
5. Conflict, climate emergencies and natural disasters continued to be calamitous for the realization of children’s rights in 2024. In 2024, UNICEF responded to 448 emergencies in 104 countries. A Level 3 corporate emergency response – the highest level of UNICEF humanitarian response – was applied to eight crises, activating organization-wide mobilization to help to scale up the response.
6. The new Strategic Plan, 2026–2029 promotes more focus, scale and impact, building on lessons learned from the Strategic Plan, 2022–2025 and it will guide the organization’s final efforts to achieve the child-related Sustainable Development Goals.
7. UNICEF experienced a decline in overall revenue in 2024 as compared to 2023. Total revenue in 2024 amounted to \$8.61 billion, representing a decrease of \$320.5 million, or 3.6 per cent, compared with 2023 (\$8.93 billion). The decline was mainly attributable to lower earmarked voluntary contributions related to humanitarian responses, including reductions of \$294.9 million for Afghanistan and \$105.3 million for Ukraine. In addition, the one-time emergency allocation of \$245.2 million for earthquake relief efforts in the Syrian Arab Republic and Türkiye recorded in 2023 contributed to this difference. While there were increases in contributions for other contexts, such as the State of Palestine (\$335.5 million) and the Sudan (\$213.6 million), these were not sufficient to compensate for the overall decline in revenue. In 2024, contributions from the private sector decreased by \$221.4 million, mainly due to lower funding from private sector fundraising.
8. In light of the marked decline in funding, UNICEF launched the Future Focus Initiative (FFI) in March 2025, a global effort to ensure that UNICEF remains fit for the future. The scope of FFI covers headquarters, regional and country offices as well as all budget sources (programme, institutional and public and private sector

fundraising). The Initiative has highlighted the need to address interdependencies, complementarities and duplications within UNICEF. It aims to make UNICEF more efficient and effective in delivering results for children in this new context, while mitigating the impact on the organization's programmes and operations.

## II. Introduction

9. The Board of Auditors concluded that the overall financial position of UNICEF remained sound and that no significant issues were identified from their review of the 2024 financial statements. UNICEF continues the promotion of ethics, integrity and anti-fraud measures and to setting the right tone at the highest level of the organization. UNICEF has further strengthened its fraud management governance by updating its Policy on Anti-fraud and Corruption and issuing a new Procedure on Imposition of Sanctions and Remedial Measures on Implementing Partners.

10. The Board of Auditors, in recognition of the strong commitment by UNICEF to enhance controls in its operations, identified opportunities for further improvements in a few areas. The Board issued 36 audit recommendations for 2024, with 8 classified as "main" (high priority) and 28 as "others" (medium priority). UNICEF is committed to implementing all the recommendations, prioritizing the ones categorized as main.

11. UNICEF is implementing remediation actions on all open recommendations with timelines. With the continuing guidance and support of the Office of the Comptroller, management looks forward to sharing the implemented recommendations with the Board of Auditors for assessment and closure during the audit of the UNICEF financial statements for the year ended 31 December 2025.

12. The responses contained in the present report have taken into consideration comments made by the Advisory Committee on Administrative and Budgetary Questions (A/80/485) and the Fifth Committee of the General Assembly in their respective reviews of the report of the Board of Auditors, as well as the note by the United Nations Secretary-General on the concise summary of the principal findings, conclusions and recommendations contained in the reports of the Board of Auditors for the annual financial period 2024 (A/80/253).

13. As referred to in the summary above, this management response to the report of the Board of Auditors includes a section on the impacts of the implemented recommendations on the organization, in accordance with the request made in paragraph 3 of UNICEF Executive Board decision 2023/4.

## III. Status of recommendations for the year ended 31 December 2024

14. The following section describes the UNICEF management response to the 36 recommendations issued by the Board of Auditors for the financial period ended 31 December 2024. Tables 1 and 2 below respectively summarize the status of implementation of the main recommendations, and all recommendations for 2024, by thematic area, in accordance with the report of the Board of Auditors.

Table 1  
**Status of main recommendations for 2024, by thematic area**

<i>Board of Auditors' report thematic area</i>	<i>Total</i>	<i>Closure requested</i>	<i>Under implementation</i>
Transfer of programme supplies	2	–	2
Cash assistance expense	1	–	1
Supply management	4	1	3
Management of implementing partners	1	–	1
<b>Total</b>	<b>8</b>	<b>1</b>	<b>7</b>
<b>Percentage of the total</b>	<b>100%</b>	<b>13%</b>	<b>87%</b>

Table 2  
**Status of all recommendations for 2024, by thematic area**

<i>Board of Auditors' report thematic area</i>	<i>Total</i>	<i>Closure requested</i>	<i>Under implementation</i>
Programme supplies management	2	–	2
Cash assistance management	3	–	3
Grants management	1	–	1
Property, plant and equipment management	2	–	2
Value-added tax receivables management	1	–	1
Master data management	1	–	1
Cash management	1	–	1
Construction expenses management	1	–	1
Employee benefits management	1	–	1
Supply management	6	1	5
Warehouse and inventory management	4	4	–
Procurement and contract management	4	3	1
Management of implementing partners	9	6	3
<b>Total</b>	<b>36</b>	<b>14</b>	<b>22</b>
<b>Percentage of the total</b>	<b>100%</b>	<b>39%</b>	<b>61%</b>

15. The following paragraphs report on the status and management action plans for all recommendations issued by the Board of Auditors for 2024.

## **A. Programme supplies management**

### **Main recommendations (high priority)**

16. **In paragraph 36 of its report, the Board recommended that UNICEF verify the feasibility of aligning the timing of expense recognition for transfers of programme supplies with the point at which redistribution to final beneficiaries is confirmed by the Implementing Partner, considering the forthcoming implementation of IPSAS 48.**

Business unit responsible	Division of Financial and Administrative Management
Status	Under implementation
Priority	High
Target date	Second quarter of 2026

17. UNICEF is seeking to determine the feasibility of aligning the timing of expense recognition for transfers of programme supplies at the point at which redistribution to final beneficiaries is confirmed by the implementing partner, taking into consideration the implementation of IPSAS 48 and the existing system capabilities.

**18. In paragraph 37 of its report, the Board recommended that UNICEF enhance the link between the existing monitoring mechanisms and financial reporting, with a view to progressively incorporating information on relevant losses, delays, or deviations occurring between implementing partners and final beneficiaries into financial disclosures.**

Business unit responsible	Division of Financial and Administrative Management
Status	Under implementation
Priority	High
Target date	Second quarter of 2026

19. In its 2025 financial statements, UNICEF will undertake additional financial disclosures regarding the description of Last Mile and illustrative results for the scope covered in Last Mile on relevant losses, delays or deviations occurring between implementing partners and final beneficiaries.

## B. Cash assistance management

### Main recommendations (high priority)

**20. In paragraph 44 of its report, the Board recommended that UNICEF take measures to reflect, in its financial statements, the expenses approved by UNICEF corresponding to services delivered during the reporting period by implementing partners under the harmonized approach for cash transfers modality.**

Business unit responsible	Division of Financial and Administrative Management
Status	Under implementation
Priority	High
Target date	Third quarter of 2026

21. As part of the measures for the 2025 financial year-end closure, UNICEF will include in the closing instructions a requirement for a second round of reviewing accruals by the end of February 2026. Country offices will be reminded of the importance of communicating to implementing partners the need for timely receipt of funding authorization and certificate of expenditure forms for the year-end reporting.

### Other recommendations (medium priority)

**22. In paragraph 54 of its report, the Board recommended that UNICEF develop and implement real-time system controls or manual periodic revisions of entries in general ledger account 7700410 to ensure that only expenses of**

**transfers of cash to beneficiaries or salary top-ups related to those programmes are recorded in this general ledger account.**

Business unit responsible	Division of Financial and Administrative Management
Status	Under implementation
Priority	Medium
Target date	Third quarter of 2026

23. UNICEF is developing the eZCASH platform that will control accounting entries for cash-based transfers to beneficiaries to general ledger (GL) 7700410. In October 2025, the eZCASH project started the design phase. Some system development is expected before the end of 2025 and the project is on track to be fully implemented in 2026. In addition, UNICEF undertook an interim expense review as at 30 September 2025 to identify and, where necessary, adjust documents booked to GL 7700410. This effort will reduce the 2025 year-end workload for the review of this account.

**24. In paragraph 55 of its report, the Board recommended that UNICEF conclude the final version of the accounting instructions for cash transfers to beneficiaries, which accompany the UNICEF procedure on cash assistance transfers to beneficiaries' programmes.**

Business unit responsible	Division of Financial and Administrative Management
Status	Under implementation
Priority	Medium
Target date	Second quarter of 2026

25. UNICEF will issue updated accounting instructions as part of the eZCASH roll-out in 2026.

## C. Grants management

### Other recommendations (medium priority)

**26. In paragraph 63 of its report, the Board recommended that UNICEF implement a mechanism to identify and notify country offices of goods remaining in inventory at a reasonable period before a grant's operational closure, enabling them to take timely actions such as accelerating distribution or requesting a grant extension.**

Business unit responsible	Division of Financial and Administrative Management
Status	Under implementation
Priority	Medium
Target date	Second quarter of 2026

27. Inventory on expired grants is part of the Division of Financial and Administrative Management's quarterly report to regional offices, which will be rolled out by the end of 2025.

## D. Property, plant and equipment management

### Other recommendations (medium priority)

28. **In paragraph 76 of its report, the Board recommended that UNICEF review the residual values of all asset classes to ensure compliance with IPSAS 17, paragraph 67, prioritizing transportation equipment, and provide documentation evidencing this review, including relevant entries in the materiality log, in accordance with the UNICEF framework for reporting materiality.**

Business unit responsible	Division of Financial and Administrative Management
Status	Under implementation
Priority	Medium
Target date	Second quarter of 2026

29. UNICEF has performed an analysis of the residual values of all asset classes to ensure compliance with IPSAS 17 for 2024, and the overall impact is deemed immaterial. The analysis report will be shared with the Board of Auditors for review during the audit of 2025 financial statements.

30. **In paragraph 85 of its report, the Board recommended that UNICEF implement a review of the useful life assumptions currently applied to major classes of fixed assets and apply the revised estimates in accordance with the relevant IPSAS applicable.**

Business unit responsible	Division of Financial and Administrative Management
Status	Under implementation
Priority	Medium
Target date	Second quarter of 2026

31. UNICEF has performed an analysis of the useful lives of fixed assets for 2024, and the overall impact is deemed immaterial. The analysis report will be shared with the Board of Auditors for review during the audit of 2025 financial statements.

## E. Value-added tax receivables management

### Other recommendations (medium priority)

32. **In paragraph 105 of its report, the Board recommended that UNICEF enhance the monitoring process for impaired VAT receivables by adopting clear, consistently applied criteria, such as aging thresholds, collection history, recovery risks and follow-up effectiveness, to assess long-outstanding balances, in alignment with practices from other United Nations agencies.**

Business unit responsible	Division of Financial and Administrative Management
Status	Under implementation
Priority	Medium
Target date	Second quarter of 2026

33. UNICEF is working on a proposed new accounting process aimed to be rolled out in 2026. This exercise is a part of UNICEF endeavour to address the risks of value-added tax-related recoveries while pursuing a harmonized approach with other United Nations agencies.

## F. Master data management

### Other recommendations (medium priority)

34. In paragraph 114 of its report, the Board recommended that UNICEF reinforce the obligation for a signed amendment to the programme cooperation agreement in cases of changes in the bank account of civil society organizations, in line with the Programme Implementation Handbook.

Business unit responsible	Division of Financial and Administrative Management
Status	Under implementation
Priority	Medium
Target date	First quarter of 2026

35. UNICEF has issued a global broadcast to the key stakeholders on this matter and is currently in the process of updating the respective procedure to reinforce the need to sign an amendment to the programme cooperation agreement for bank account changes of civil society organizations, in line with the *UNICEF Programme Implementation Handbook*.

## G. Cash management

### Other recommendations (medium priority)

36. In paragraph 128 of its report, the Board recommended that UNICEF assess the adequacy of existing arrangements for enforcing the operational requirements of the procedure on bank and cash account reconciliations across offices and, where necessary, implement appropriate measures to strengthen oversight and monitoring.

Business unit responsible	Division of Financial and Administrative Management
Status	Under implementation
Priority	Medium
Target date	Second quarter of 2026

37. The eZCASH project, to be rolled out in 2026, will address internal control weaknesses on liquidation and expensing of cash-based transfers to beneficiaries and will standardize the process for approval of payment cycles.

## H. Construction expenses management

### Other recommendations (medium priority)

38. In paragraph 138 of its report, the Board recommended that UNICEF take measures to achieve the correct classification of construction expenses.

Business unit responsible	Division of Financial and Administrative Management
Status	Under implementation
Priority	Medium
Target date	First quarter of 2026

39. To prepare its 2025 financial statements, UNICEF will undertake a review of material construction expenses and reclassify expenses as necessary.

## I. Employee benefits management

### Other recommendations (medium priority)

40. **In paragraph 148 of its report, the Board recommended that UNICEF ensure the segregation of the current and non-current portions of employee benefit liabilities, as measured actuarially, in accordance with the requirements of IPSAS 1.**

Business unit responsible	Division of Financial and Administrative Management
Status	Under implementation
Priority	Medium
Target date	First quarter of 2026

41. In its 2025 financial statements, UNICEF will reclassify current and non-current portions of employee benefit liabilities.

## J. Supply management

### Main recommendations (high priority)

42. **In paragraph 159 of its report, the Board recommended that the Supply Division develop actions that integrate the last-mile system with existing platforms for prioritized offices and products.**

Business unit responsible	Supply Division
Status	Closure requested
Priority	High
Target date	Not applicable

43. UNICEF has integrated the Last Mile Supply Monitoring solution into the existing UNICEF eTools platform and invites the Board of Auditors for review. UNICEF has requested for review and closure by the Board.

44. **In paragraph 160 of its report, the Board recommended that the Supply Division adopt a common guideline that formally defines steps, roles, competencies and responsibilities related to the last mile supply monitoring activities.**

Business unit responsible	Supply Division
Status	Under implementation
Priority	High
Target date	Fourth quarter of 2026

45. UNICEF is in the process of developing a guideline that will define the steps, roles, competencies and responsibilities related to the last mile supply monitoring activities.

46. **In paragraph 161 of its report, the Board recommended that the Supply Division develop an action plan to extend the last mile supply monitoring project to prioritized countries, regional offices, partners and other product categories.**

Business unit responsible	Supply Division
Status	Under implementation
Priority	High
Target date	Fourth quarter of 2026

47. UNICEF is in the process of developing a cost-effective strategy to extend the last mile supply monitoring project to prioritized offices, taking into consideration the funding constraints of the extension.

**48. In paragraph 162 of its report, the Board recommended that the Supply Division develop a comprehensive training programme for stakeholders, focusing on building competencies in last mile processes.**

Business unit responsible	Supply Division
Status	Under implementation
Priority	High
Target date	Fourth quarter of 2026

49. UNICEF is in the process of developing a more focused training programme for respective staff and implementing partners to build their competencies in the last mile system processes.

#### **Other recommendations (medium priority)**

**50. In paragraph 170 of its report, the Board recommended that the Supply Division establish a formal forecasting guideline that clearly defines the steps, roles and responsibilities of all stakeholders, including the Supply Division, regional offices and country offices.**

Business unit responsible	Supply Division
Status	Under implementation
Priority	Medium
Target date	Fourth quarter of 2026

51. UNICEF will establish a guideline to formalize and standardize the forecasting practices and processes that are in place. The guideline will complement the UNICEF Procedure on Supply Strategy and Planning and its related guidance document, which constitute the current regulation on forecasting.

**52. In paragraph 181 of its report, the Board recommended that the Supply Division develop a comprehensive plan to fully digitalize manual workflows, processes, and activities currently conducted outside formal systems, with a particular focus on forecasting, requisition processes, requirement definition, and Contracts Review Committee activities related to goods and services procurement and ensuring interoperability in discharging these functions.**

Business unit responsible	Supply Division
Status	Under implementation
Priority	Medium
Target date	Second quarter of 2026

53. UNICEF has been working on its plans regarding focused engagement on digital initiatives. Core processes, including legacy solutions and manual actions, are in scope for review and potential replacement.

## K. Warehouse and inventory management

### Other recommendations (medium priority)

54. **In paragraph 187 of its report, the Board recommended that the Pakistan Country Office establish a distribution plan to optimize stock management – prioritizing the redistribution of long-stored and near-expiry items and aligning procurement with actual programme needs to minimize losses and reduce storage costs – while retaining flexibility for items the office considers necessary to keep in stock for a longer period.**

Business unit responsible	Pakistan Country Office
Status	Closure requested
Priority	Medium
Target date	Not applicable

55. The Pakistan Country Office has confirmed that it has developed an inventory management dashboard that provides real-time visibility of inventory age. Customized automated emails alerts are sent to programme sections of the Pakistan Country Office on critical inventory status. In addition, the office has instituted a systematic review of the inventory for each programme and contingency plans. These measures have ensured that long-stored and near-expiry items are flagged for timely and informed decision-making on distribution and alignment of procurement plans with actual programme needs, and they help to reduce the risk of stock loss. UNICEF considers this recommendation to have been implemented and requests its closure by the Board of Auditors.

56. **In paragraph 197 of its report, the Board recommended that Pakistan Country Office reassess the cost benefit of requiring the implementation of a warehouse management system, as initially proposed under contract LTA-S 42412524.**

Business unit responsible	Pakistan Country Office
Status	Closure requested
Priority	Medium
Target date	Not applicable

57. The Pakistan Country Office has finalized a new tender to establish a long-term agreement (LTA) with a vendor capable of fully meeting the required standards. The new LTA has ensured the implementation of a warehouse management system for better stock control and visibility, temperature-controlled storage of ready-to-use therapeutic foods (RUTF) in line with UNICEF guidelines and product specifications, and stock management practices that maintain at least 80 per cent of remaining shelf life for RUTF upon receipt. UNICEF considers this recommendation to have been implemented and requests its closure by the Board.

58. **In paragraph 198 of its report, the Board recommended that Pakistan Country Office requires the contracted party under LTA-S 42412524 to store the ready-to-use therapeutic food in a temperature-controlled environment, with a**

desired range as established in the UNICEF guidance and procedure on warehouse and inventory management or as mentioned in the ready-to-use therapeutic food product specification sheet.

Business unit responsible	Pakistan Country Office
Status	Closure requested
Priority	Medium
Target date	Not applicable

59. UNICEF refers to its comments in paragraph 57 above relating to the recommendation in paragraph 197 of the Board's report for the year ended 31 December 2024.

60. **In paragraph 199 of its report, the Board recommended that Pakistan Country Office control ready-to-use therapeutic food stocks to ensure that the products in stock are of fresh production, having at least 80 per cent of their shelf life.**

Business unit responsible	Pakistan Country Office
Status	Closure requested
Priority	Medium
Target date	Not applicable

61. UNICEF refers to its comments in paragraph 57 above relating to the recommendation in paragraph 197 of the Board's report for the year ended 31 December 2024.

## L. Procurement and contract management

### Other recommendations (medium priority)

62. **In paragraph 205 of its report, the Board recommended that Pakistan Country Office develop a guideline that outlines the conduct of periodic performance reviews of high-value contractual deliverables, key requirements and service expectations.**

Business unit responsible	Pakistan Country Office
Status	Closure requested
Priority	Medium
Target date	Not applicable

63. The Pakistan Country Office has developed a guideline that outlines the conduct of periodic performance reviews of high-value contractual deliverables, key requirements and service expectations. UNICEF considers this recommendation to have been implemented and requests its closure by the Board of Auditors.

64. **In paragraph 206 of its report, the Board recommended that Pakistan Country Office develop a digital environment where performance reviews are housed for transparency, timely monitoring, and internal controls for informed decision-making and proactive contract management.**

Business unit responsible	Pakistan Country Office
Status	Under implementation
Priority	Medium
Target date	Second quarter of 2026

65. The Pakistan Country Office is developing an internal monitoring dashboard for performance monitoring for informed decision-making and proactive contract management.

**66. In paragraph 212 of its report, the Board recommended that Pakistan Country Office develop a procurement sustainability guideline, covering, inter alia, clear standardization criteria and their inclusion into procurement contracts, a structured strategy for consultation with suppliers and useful tools such as a checklist for procurement staff to prepare terms of reference.**

Business unit responsible	Pakistan Country Office
Status	Closure requested
Priority	Medium
Target date	Not applicable

67. The Pakistan Country Office has confirmed that it has developed a procurement sustainability guideline to help procurement staff to prepare terms of reference. UNICEF considers this recommendation to have been implemented and requests its closure by the Board of Auditors.

**68. In paragraph 213 of its report, the Board recommended that Pakistan Country Office improve and enhance training programmes about sustainable procurement.**

Business unit responsible	Pakistan Country Office
Status	Closure requested
Priority	Medium
Target date	Not applicable

69. The Pakistan Country Office has enhanced training programmes about sustainable procurement and has provided orientation to staff and current and prospective suppliers on sustainable procurement. A series of sustainable procurement webinars has also been conducted for staff. UNICEF considers this recommendation to have been implemented and requests its closure by the Board of Auditors.

## M. Management of implementing partners

### Main recommendations (high priority)

**70. In paragraph 226 of its report, the Board recommended that the [UNICEF] Programme Group, the Office of Emergency Programmes and the Brazil Country Office take measures to reinforce open selection as the default approach, such as conducting training sessions or workshops to promote open selection of civil society organisation partners.**

Business units responsible	Programme Group, Office of Emergency Programmes and Brazil Country Office
Status	Under implementation
Priority	High
Target date	First quarter of 2026

71. UNICEF will conduct training sessions and/or workshops to promote open selection of civil society organization partners by the end of January 2026.

**Other recommendations (medium priority)**

**72. In paragraph 232 of its report, the Board recommended that the Office of Emergency Programme registers all selections of civil society organization partners in the United Nations Partner Portal, whether a direct or an open modality has been used.**

Business unit responsible	Office of Emergency Programmes
Status	Closure requested
Priority	Medium
Target date	Not applicable

73. The Office of Emergency Programme now registers and will continue to register all selections of civil society organization partners, whether the selections have adopted a direct or open modality, in the United Nations Partner Portal. All of the new selections that were made since the audit recommendation was issued have been recorded in the portal. UNICEF considers this recommendation to have been implemented and has requested its closure by the Board of Auditors.

**74. In paragraph 237 of its report, the Board recommended that the Brazil Country Office take measures to increase the registration of local civil society organizations on the United Nations Partner Portal and improve their engagement in the open selection processes.**

Business unit responsible	Brazil Country Office
Status	Closure requested
Priority	Medium
Target date	Not applicable

75. The Brazil Country Office has been conducting training sessions to strengthen understanding among staff and partners of UNICEF procedures, focusing on civil society partnerships. Open selection was reinforced as the default approach, with an emphasis on its benefits: broader partnerships, greater reach and civil society strengthening. The requirement for justified direct selection, reviewed by the Deputy Representative, was also highlighted.

**76. In paragraph 238 of its report, the Board recommended that UNICEF enhance the United Nations Partner Portal resource library to facilitate easier registration and application processes for local organizations that encounter difficulties with the official language used.**

Business unit responsible	Division of Data, Analytics, Planning and Monitoring
Status	Under implementation
Priority	Medium
Target date	Second quarter of 2026

77. In coordination with its regional and country offices, the Division of Data, Analytics, Planning and Monitoring is in the process of translating relevant materials from the United Nations Partner Portal resource library from English into the other languages: Arabic, French, Spanish, and Portuguese.

**78. In paragraph 239 of its report, the Board recommended that the Brazil Country Office take measures to ensure wider civil society organization engagement and participation in partnership opportunities, such as by utilizing diverse communication channels to promote the United Nations Partner Portal.**

Business unit responsible	Brazil Country Office
Status	Closure requested
Priority	Medium
Target date	Not applicable

79. The Brazil Country Office has been conducting training sessions to strengthen understanding among staff and partners of UNICEF procedures, with a focus on civil society partnerships. During these sessions, the United Nations Partner Portal is actively promoted and questions from staff and partners are addressed. These sessions, combined with communication efforts –including the use of diverse channels such as offline materials in Portuguese, tailored guidance and follow-up messages – aim to enhance visibility of the portal and strengthen civil society organizations’ engagement with the platform.

**80. In paragraph 247 of its report, the Board recommended that the Brazil and Ethiopia Country Offices promote awareness among programme document focal points and Goal Area chiefs regarding the recommended deadlines for launching open selections and the respective clarification period, ensuring alignment with UNICEF partner selection guidelines.**

Business units responsible	Brazil and Ethiopia Country Offices
Status	Closure requested
Priority	Medium
Target date	Not applicable

81. The Brazil and Ethiopia Country Offices have completed the implementation of this recommendation by launching and undertaking focused training sessions for programme document focal points and Strategic Plan Goal Area Chiefs on the recommended deadlines for launching open selections and the respective clarification period in compliance with UNICEF partner selection guidelines.

**82. In paragraph 248 of its report, the Board recommended that the Brazil and Ethiopia Country Offices establish a mechanism to review calls for expressions of interest postings, to ensure compliance with the recommended timelines.**

Business units responsible	Brazil and Ethiopia Country Offices
Status	Closure requested
Priority	Medium
Target date	Not applicable

83. The Brazil and Ethiopia Country Offices have implemented a mechanism to review calls for expressions of interest postings to ensure compliance with the recommended timelines. Some of the measures include the review of cases during programme document preparation that ensures alignment with updated local guidance on minimum timelines for open selection and justification requirements for direct selection, and the continuation of training sessions for staff.

**84. In paragraph 255 of its report, the Board recommended that the Ethiopia Country Office conduct a review of the current processes involved in finalizing programme documents to identify bottlenecks and inefficiencies, in order to improve the timeliness of their completion.**

Business unit responsible	Ethiopia Country Office
Status	Closure requested
Priority	Medium
Target date	Not applicable

85. The Ethiopia Country Office has undertaken a review of the current processes involved in finalizing programme documents to identify bottlenecks and inefficiencies in order to improve their timeliness.

**86. In paragraph 256 of its report, the Board recommended that the Ethiopia Country Office implement training for civil society organization partners to ensure they clearly understand the necessary steps and documentation to facilitate smoother and faster completion of programme documents.**

Business unit responsible	Ethiopia Country Office
Status	Under implementation
Priority	Medium
Target date	Fourth quarter of 2025

87. The Ethiopia Country Office commenced training sessions for civil society organization partners to support and encourage them in clearly understanding the necessary steps and documentation required to facilitate smoother and faster completion of programme documents.

#### IV. Status of recommendations from prior financial periods

88. In the annex to its report for the year ended 31 December 2024, the Board of Auditors also provides a summary on the status of implementation of recommendations from previous financial periods. Below are the details of the action plans and expected target dates for completion for those recommendations reported as outstanding to date by the Board of Auditors.

**Table 3**  
**Status of outstanding recommendations from prior years**

<i>Board of Auditors' report thematic area</i>	<i>Total</i>	<i>Closure requested</i>	<i>Under implementation</i>
Division of Financial and Administrative Management	2	–	2
Division of Data, Analytics, Planning and Monitoring	1	1	–
Office of the Executive Director	1	–	1
<b>Total</b>	<b>4</b>	<b>1</b>	<b>3</b>
<b>Percentage of the total</b>	<b>100%</b>	<b>25%</b>	<b>75%</b>

89. The following paragraphs report on the status and management action plans for all of the outstanding recommendations issued by the Board of Auditors for 2022 and 2023.

**90. In paragraph 45 of its 2022 report, the Board recommended that UNICEF take measures to reduce the gaps between the time the expenditures are reported by the implementing partners and the spot checks are performed by the organization to ensure the effectiveness of this assurance activity.**

Business unit responsible	Division of Data, Analytics, Planning and Monitoring
Status	Closure requested
Priority	High
Original target date	Second quarter of 2024
Revised target date	Not applicable

91. UNICEF confirms the completion of this recommendation and awaits the assessment by the Board of Auditors of the evidence provided its closure. All the measures management has taken, including the update of the guidelines for spot checks and training, have contributed to the reduction of the gap between the time expenditures are reported by implementing partners and spot checks are performed by UNICEF.

**92. In paragraph 98 of its 2022 report, the Board recommended that UNICEF clearly describe in its policy on enterprise risk management the roles and responsibilities of the Executive Board, the Legal Office, the Evaluation Office and the Ethics Office.**

Business unit responsible	Office of the Executive Director
Status	Under implementation
Priority	High
Original target date	First quarter of 2024
Revised target date	First quarter of 2026

93. UNICEF has made progress in revising its enterprise risk management policy to clarify the roles and responsibilities of key stakeholders, including the Executive Board, Legal Office, Evaluation Office and Ethics Office. A formal concept note, approved under the new regulatory framework secretariat process, outlines the policy changes required to address the audit recommendation. A detailed update and

finalization of the policy are on course and expected to be completed by the first quarter of 2026.

94. **In paragraph 36 of its 2023 report, the Board recommended that UNICEF update its budget policy and related guidelines to reflect eligibility for the 7 per cent set-aside allocation, the maximum percentage of distribution allowed between offices and possible duly justified exceptions.**

Business unit responsible	Division of Financial and Administrative Management
Status	Under implementation
Priority	High
Original target date	Fourth quarter of 2024
Revised target date	First quarter of 2026

95. UNICEF is finalizing the revised budget procedure and related guidelines for the allocation and management of 7 per cent set aside funds to improve clarity and control on the maximum percentage of distribution allowed between offices and possible justified exceptions.

96. **In paragraph 37 of its 2023 report, the Board recommended that UNICEF allocate the 7 per cent set-aside grants resources in accordance with the applicable policy to prevent unauthorized categories of expenses from being allocated to the set-aside.**

Business unit responsible	Division of Financial and Administrative Management
Status	Under implementation
Priority	High
Original target date	Fourth quarter of 2024
Revised target date	First quarter of 2026

97. UNICEF will ensure that the allocation of the 7 per cent set-aside grants is made in accordance with the applicable policy.

## V. Impact of the implementation of audit recommendations

98. Over the past years, the Board of Auditors has issued audit recommendations to UNICEF in different thematic areas. UNICEF has been prompt in carrying out corrective measures based on those recommendations and has consistently maintained a high rate of audit implementation. UNICEF had the highest implementation rate, at 84 per cent, among the 18 United Nations organizations audited in 2024. During the period 2021–2024, the Board issued a total of 111 recommendations to UNICEF, and the organization has successfully recorded an average implementation rate of 81 per cent.

99. The outstanding prior years' recommendations continue to decrease, from 24 contained in the 2021 audit report ([A/77/5/Add.3](#)) to only 4 in 2024 ([A/80/5/Add.3](#)).

100. The successful implementation of the audit recommendations issued by the Board of Auditors has positively impacted UNICEF in various ways. For instance, UNICEF continues to deliver on its new vision and implementation plan for enterprise risk management. Following a request made in Executive Board decision 2024/16, the first annual report on the risk profile of UNICEF was presented to the Board during its annual session of 2025.

101. Implementation of recommendations relating to the management of implementing partnerships continues to drive transparency and efficiencies in partner selections, performance monitoring and the use of the harmonized approach to cash transfers.

102. UNICEF finalized and disseminated to staff the updated *UNICEF Spot Check User Guide* and an online training course on its execution, aligned with changes to the Procedure on UNICEF Programme Implementation, the *UNICEF Programme Implementation Handbook* and the harmonized approach to cash transfers framework aimed at strengthening the capacity of staff involved in planning, conducting and monitoring spot checks.

## **VI. Conclusion**

103. Management is pleased to have received an unqualified audit opinion from the Board of Auditors on the UNICEF financial statements for 2024 and remains committed to continuous improvements in the fulfilment of the organizational mandate. This is reflected in the consistent implementation of audit recommendations, which has enhanced organizational learning, fostered innovation at the country level, and strengthened the support from headquarters divisions and regional offices to country programmes to facilitate the achievement of results for every child.

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