Economic and Social Council

Distr.: Limited
11 December 2023

Original: English

For information

United Nations Children's Fund
Executive Board
First regular session 2024
6–9 February 2024
Item 10 of the provisional agenda*

UNICEF management response to the report of the United Nations 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 2022, which is contained in document (A/78/5/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 and conclusions contained in the reports of the Board of Auditors for the annual financial period 2022 for the United Nations funds and programmes (A/78/215). This report also takes into consideration comments made by the Advisory Committee on Administrative and Budgetary Questions (A/78/578) and the Fifth Committee 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. [a] Also, as required by paragraph 3 of UNICEF Executive Board decision 2023/10, UNICEF has included a section on the impacts of the implementation of audit recommendations in this report.

The UNICEF Executive Director and senior management value the Board of Auditors' recommendations and attach great importance to their implementation. This commitment has resulted in a sustained high implementation rate in past years, including financial year 2022, as commended by the Board of Auditors.

[a] The harmonized template was discussed with the United Nations Development Programme, the United Nations Capital Development Fund, the United Nations Population Fund, the United Nations Office for Project Services, and the United Nations Entity for Gender Equality and the Empowerment of Women.

* E/ICEF/2024/1.

Please recycle

I. Overview

1.   UNICEF has received an unqualified audit opinion from the United Nations Board of Auditors on its financial statements for the year ended 31 December 2022. This achievement continues to demonstrate the commitment of UNICEF to adhere to the International Public Sector Accounting Standards, 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 2022 (A/78/5/Add.3) identified opportunities for improvement in the areas of implementing partnerships, information and communications technology (ICT), enterprise risk management, investment management, budget management, chargeback cost distribution, Global Shared Services Centre performance, funds held on behalf of third parties and procurement management. In this context, the Board of Auditors issued 30 recommendations, including 9 main (high priority) recommendations, which are further explained in this management response.

3.   In 2022, UNICEF successfully implemented 82 per cent of the 28 outstanding recommendations that were open at the beginning of the financial year 2022. UNICEF aims to implement approximately 80 per cent of the recommendations currently open by the end of the first quarter of 2024, including one of the three from prior years. UNICEF looks forward to the Board of Auditors' assessment of the management actions during the audit of the 2023 financial statements.

4.   UNICEF internal controls and the accountability framework continue to ensure fiduciary responsibility in the management of resources. UNICEF has issued its first Anti-Money Laundering and Countering the Financing of Terrorism policy and has commenced its implementation and compliance monitoring. UNICEF also issued its third Statement on Internal Controls for the financial year ended 31 December 2022.

5.   In 2022, UNICEF continued to respond to the continued increase in humanitarian crises, including those in Afghanistan and Ukraine amongst others, and to the weakening of the global economy, including the rise in prices of food and other commodities that further strained global supply chains. The Headquarters Efficiencies Initiative brings headquarters functions closer to the country realities; increases efficiencies; and brings cost savings, while leveraging technology to improve the integrity and quality of the information that supports the different streams of work for controls, approvals and monitoring.

6.   UNICEF continues to rank as one of the most transparent aid organizations in the world, according to the Aid Transparency Index issued by Publish What You Fund.[1] The organization ranked first among all United Nations agencies in 2022, and sixth overall in the global International Aid Transparency Initiative publication report.

7.   Effective 2022, UNICEF has a new strategic plan for the period 2022–2025 and recorded significant voluntary contributions of $10.02 billion (2021: $8.29 billion), driven by increased earmarked funding for the responses to the Ukraine and Afghanistan crises and the coronavirus disease (COVID-19) pandemic response. While the other resources increased significantly, regular resources were 19 per cent lower than in 2021. UNICEF continues to strive for operational improvements, increased efficiencies and resilience to fulfil the mandate of the organization in the context of decreasing flexible funding for two consecutive years.

---

[1] International Aid Transparency Initiative, Aid Transparency Index, https://www.publishwhatyoufund.org/the-index/2022/.

II. Introduction

8. The United Nations 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 2022 financial statements. In 2022, UNICEF appointed its first Chief Risk Officer, whose role is to further embed risk management into strategy-setting for the organization and establish a holistic approach to risk management. The enhancements in the organization's technology continued to support the internal control processes, including transaction-level monitoring of high-risk areas such as procurement and vendor master management.

9. The Board of Auditors, in recognition of the strong commitment of UNICEF to enhance controls in operations, has identified opportunities for further improvements in areas summarized in the 30 audit recommendations issued for 2022, with 9 classified as main (high priority) and 21 as others (medium priority). UNICEF is committed to implementing all recommendations, while prioritizing those categorized as main.

10. The responses contained in the present report have taken into consideration comments made by the Advisory Committee on Administrative and Budgetary Questions (A/78/578) and the Fifth Committee 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 and conclusions contained in the reports of the Board of Auditors for the 2022 annual financial period (A/78/215).

11. UNICEF is implementing remediation actions on all open recommendations at the latest by the end of the second quarter of 2024. Through the continuing guidance and support of the Office of the Comptroller, management looks forward to having the implemented recommendations assessed by the Board of Auditors during the audit of the 2023 financial statements of UNICEF.

12. As referred to in the summary section, this management response to the report of Board of Auditors includes a section on the impacts of the implemented recommendations on the organization.

III. Status of recommendations for the year ended December 2022

13. The following section describes the management response to the 30 recommendations issued by the Board of Auditors for the financial period ended 31 December 2022. Tables 1 and 2 below summarize the status of implementation of the main recommendations and all recommendations for 2022 by thematic area, in accordance with the Board of Auditors report.

Table 1
Status of main recommendations for 2022, by thematic area

United Nations Board of Auditors report thematic area	Total	Closure requested	Under implementation
Information and communications technology	4	–	4
Management of implementing partners	2	–	2
Finance and accounting	2	–	2
Governance, risks, compliance and controls	1	–	1
Total	**9**	**–**	**9**
Percentage	**100%**	**0%**	**100%**

Table 2
Status of all recommendations for 2022, by thematic area

United Nations Board of Auditors report thematic area	Total	Closure requested	Under implementation
Information and communications technology	9	–	9
Management of implementing partners	6	–	6
Finance and accounting[a]	8	2	6
Governance, risks, compliance and controls	5	–	5
Programme management[b]	1	–	1
Supply and logistics[c]	1	1	–
Total	**30**	**3**	**27**
Percentage	**100%**	**10%**	**90%**

[a] Three were documented as not accepted in the audit report: (2) relate to ticket handling, (1) to restrictions to external investments now implemented.
[b] End-user monitoring of supplies.
[c] Procurement plan.

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

A.   Information and communication technology

Main recommendations (high priority)

15.   In paragraph 57 of its report, the Board recommended that UNICEF strengthen its controls over the vulnerability management process by analysing active vulnerability alerts issued by the security tools and promptly resolving them based on the associated risk.

Business unit responsible	Information and Communication Technology Division
Status	Under implementation
Priority	High
Target date	First quarter of 2024

16.   UNICEF management will further increase its automated remediation of identified vulnerabilities and acquire additional resources for the Cybersecurity

Operations Centre to improve surveillance, threat hunting and remediation support capacity.

17. In paragraph 58, the Board recommended that the UNICEF involve the local ICT offices in the process of addressing the vulnerabilities identified more actively.

Business unit responsible	Information and Communication Technology Division
Status	Under implementation
Priority	High
Target date	First quarter of 2024

18. The UNICEF Information and Communication Technology Division (ICTD) has started working with local ICT offices to establish remediation workflows for risks that need local intervention, and to equip them with the knowledge, access and skills to perform the required actions, considering that at UNICEF, vulnerabilities are centrally managed.

19. In paragraph 59, the Board recommended that UNICEF complete the roll-out of Ivanti and ensure validation of the deployment of operating system patches and security updates on employee workstations.

Business unit responsible	Information and Communication Technology Division
Status	Under implementation
Priority	High
Target date	First quarter of 2024

20. UNICEF management confirms that the pilot of Ivanti was released globally for all clients in June 2023, with the expected delivery of outstanding patches and reactivation of the regular patch cadence in late 2023.

21. In paragraph 60, the Board recommended that UNICEF carry out the penetration test as soon as possible and then continue to test annually as required by the procedure.

Business unit responsible	Information and Communication Technology Division
Status	Under implementation
Priority	High
Target date	First quarter of 2024

22. UNICEF management confirms that the ICTD transition to Valencia, Spain, co-located with the United Nations Information and Communications Technology Facility, has been completed, and that ICTD has commenced the process to engage a vendor and organize full penetration testing by the first quarter of 2024.

Other recommendations (medium priority)

23. In paragraph 70, the Board recommended that UNICEF conduct a comprehensive inventory of the organization's information assets (systems, tools, reports and documents) and assign an owner, whether a group or individual, responsible for controlling each asset.

Business unit responsible	Information and Communication Technology Division
Status	Under implementation
Priority	Medium
Target date	First quarter of 2024

24. UNICEF management is currently conducting an inventory and tooling exercise focused on information assets and will assess the feasibility of implementing a long-term solution that can serve as a centralized repository.

25. In paragraph 71, the Board recommended that UNICEF consider the feasibility of managing asset information in a centralized repository that allows controlling and updating the information contained therein.

Business unit responsible	Information and Communication Technology Division
Status	Under implementation
Priority	Medium
Target date	First quarter of 2024

26. The action plans described in paragraph 24 will also cover this recommendation.

27. In paragraph 82, the Board recommended that ICTD, the Division of Human Resources and the Global Shared Services Centre work together to improve the management process for active directory and Virtual Integrated System of Information (VISION) accounts to ensure that access rights are appropriately assigned and to maintain the accounts currently used.

Business unit responsible	Information and Communication Technology Division, Division of Human Resources and Global Shared Services Centre
Status	Under implementation
Priority	Medium
Target date	First quarter of 2024

28. UNICEF management confirms that improvements to the current user deprovisioning process require interdivisional efforts among ICTD, the Division of Human Resources and the Global Shared Services Centre to identify and implement the appropriate adjustments in the various processes that trigger user deprovisioning. The relevant divisions and office have initiated discussions to better understand the exceptions and evaluate the best approach to follow.

29. In paragraph 83, the Board recommended that ICTD and the Global Shared Services Centre assess the value of conducting periodic manual reviews of the active directory and VISION users to identify cases that the automated process cannot detect.

Business unit responsible	Information and Communication Technology Division and Global Shared Services Centre
Status	Under implementation
Priority	Medium
Target date	First quarter of 2024

30. ICTD and the Global Shared Services Centre will assess the value of a periodic manual review vis-à-vis the related cost for any acceptable exceptions.

31.   In paragraph 90, the Board recommended that ICTD and the Division of Human Resources accelerate the completion of the general information security awareness course by all UNICEF staff and non-staff.

Business unit responsible	Information and Communication Technology Division and Division of Human Resources
Status	Under implementation
Priority	Medium
Target date	Second quarter of 2024

32.   UNICEF management is committed to accelerating, as much as possible, the completion of the course by staff and non-staff according to the established targets, with the aim of presenting the completion status during the audit of the 2023 financial statements.

B.   Management of implementing partners

Main recommendations (high priority)

33.   In paragraph 45, 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 performed by the organization to ensure the effectiveness of this assurance activity.

Business unit responsible	Division of Data, Analytics, Planning and Monitoring
Status	Under implementation
Priority	High
Target date	Second quarter of 2024

34.   Management has issued a high-level communication to Regional Heads of Office with recommendations for Spot Checks (Financial Assurance) to include current year expenditures and is also working on further revised guidance to revisit the criteria on sampling of expenses for review and to update the procedures, if necessary, as a result.

35.   In paragraph 46, the Board recommended that UNICEF identify the root causes of delays in spot checks and take concrete and proactive measures to address them.

Business unit responsible	Division of Data, Analytics, Planning and Monitoring
Status	Under implementation
Priority	High
Target date	Second quarter of 2024

36.   UNICEF Division of Data, Analytics, Planning and Monitoring will work with the local teams globally to itemize the root causes for delays and define a plan with concrete measures to address them.

Other recommendations (medium priority)

37.   In paragraph 23, the Board recommended that UNICEF promote and remind the eTools users of the relevance of this platform's action points module to ensure that they make full use of the tool to manage assurance activities in a timely manner.

Business unit responsible	Division of Data, Analytics, Planning and Monitoring
Status	Under implementation
Priority	Medium
Target date	First quarter of 2024

38.   UNICEF management plans to work on a high-level communication strategy to promote and highlight the use of the action points module as a more efficient approach for capturing and following up actions and engaging regional offices for regular monitoring of the use of the tool through review mechanisms such as the Country Management Team and biannual harmonized approach to cash transfers (HACT) status report.

39.   In paragraph 24, the Board recommended that UNICEF ensure that its country offices regularly monitor that the action points in eTools are properly addressed to ensure their effectiveness.

Business unit responsible	Division of Data, Analytics, Planning and Monitoring
Status	Under implementation
Priority	Medium
Target date	First quarter of 2024

40.   UNICEF will focus on the implementation of further enhancements that facilitate monitoring by the country offices. For example, enhancements to the oversight process by improving the HACT Annual Global Reporting with a specific section on action points management.

41.   In paragraph 28, the Board recommended that UNICEF improves the practice of uploading the supporting documentation of actions taken in eTools or any other platforms as appropriate.

Business unit responsible	Division of Data, Analytics, Planning and Monitoring
Status	Under implementation
Priority	Medium
Target date	First quarter of 2024

42.   UNICEF management plans to improve the practice of uploading supporting documents related to action points through the issuance of additional instructions and support to offices and staff. The enhanced instructions will be shared with auditors as soon as finalized and documented.

43.   In paragraph 33, the Board recommended that the UNICEF Philippines Country Office monitors the updates of the action points on assurance activities in the eTools platform regularly.

Business unit responsible	Philippines Country Office
Status	Under implementation
Priority	Medium
Target date	First quarter of 2024

44.   The UNICEF Philippines Country Office will regularly update the completion of action points and monitor the status of assurance activities in the monthly programme management team meeting.

C.   Finance and accounting

Main recommendations (high priority)

45.   In paragraph 160, the Board recommended that UNICEF revise the existing post management procedure to adequately reflect the reality of the challenges faced by its offices in allocating funds and ensure their timely assignment.

Business unit responsible	Division of Financial and Administrative Management
Status	Under implementation
Priority	High
Target date	First quarter of 2024

46.   UNICEF will make the necessary changes to the policies and monitoring systems to ensure that adequate attention is given to the funding situation of staff members, allowing offices to effectively manage their resources and continue their work with minimal disruptions.

47.   In paragraph 161, the Board recommended that UNICEF implement systems to monitor the funding situation of staff members.

Business unit responsible	Division of Financial and Administrative Management
Status	Under implementation
Priority	High
Target date	First quarter of 2024

48.   UNICEF management is currently developing a solution to streamline the process and make it easier for heads of offices to ensure that payroll funding is prioritized, and that gaps are promptly identified and addressed.

Other recommendations (medium priority)

49.   In paragraph 135, the Board recommended that UNICEF disseminate an updated version of the treasury, cash and investment management procedures in order to align them with the current investment process.

Business unit responsible	Division of Financial and Administrative Management
Status	Closure requested
Priority	Medium
Target date	Fourth quarter of 2023

50.   UNICEF confirms the implementation of this recommendation. An updated procedure has been approved to include the changes made at the May 2023 Financial Advisory Committee meeting and published, effective September 2023.

51.   In paragraph 147, the Board recommended that UNICEF seek to establish the same standard of investment restrictions in the external and internal portfolios.

Business unit responsible	Division of Financial and Administrative Management
Status	Not accepted
Priority	Medium
Target date	Not applicable

52. There was a misunderstanding of the management feedback to the auditors, which was reflected in the audit report. Management intends to engage further with the Board of Auditors to clarify the language to reflect the proper management position and actions. UNICEF acknowledged that the guidelines referred to by the Auditors were developed collectively for application by all the United Nations agencies as a uniform criterion. It also formed the basis for setting the performance benchmarks with the External Asset Managers and application to the initial investment portfolio. Altering the exclusion criteria mid-way through the investment cycle would have adversely impacted the portfolio performance. Subsequently, during the February 2023 meeting of the Investment Committee on after-service health insurance, an amendment to the after-service health insurance investment guidelines to align exclusion criteria of the externally managed investments to those that are managed internally by UNICEF was approved.

53. In paragraph 171, the Board recommended that UNICEF review the Global Shared Services Centre chargeback methodology on a yearly basis to ensure the rates charged to each office are as fair as possible.

Business unit responsible	Division of Financial and Administrative Management
Status	Under implementation
Priority	Medium
Target date	First quarter of 2024

54. UNICEF is considering making additional changes to the current methodology to simplify the chargeback process and improve its transparency and fairness.

55. In paragraph 180, the Board recommended that the Global Shared Services Centre engage with its clients to analyse the root causes of the high number of returned and rejected cases.

Business unit responsible	Global Shared Services Centre
Status	Not accepted
Priority	Medium
Target date	Not applicable

56. UNICEF management disagreed with the findings and recommendations. The related root causes of the rejected and returned cases are known, analysed and documented in the management tool (Ticket Handling Guidelines). Consistent with industry best practice, UNICEF conducted a review and established a benchmark of 10 per cent acceptable error rate on rejections/returns of cases submitted for processes by entities similar to the Global Shared Services Centre. UNICEF has used this benchmark for its quality assurance, review and monitoring of cases coming through to the Service Centre. However, upon similar analysis by the audit team, the Board of Auditors found that 7 per cent of cases are being returned or rejected, which is fully in line with the UNICEF acceptable threshold and therefore confirms this is not a significant area of concern. It is a common industry practice of Shared Services to encounter submission errors during the course of business operations. Therefore, it is impractical to expect a 0 per cent rate of returned or

rejected cases due to submission errors, incorrect request type, requests that are ineligible, or requests that fall outside the scope of the Global Shared Services Centre. UNICEF management plans to discuss and hopefully resolve this during the 2023 audit.

57. In paragraph 181, the Board recommended that based on the root causes analysis, UNICEF, from an organization-wide perspective, take measures to ensure the integrity and quality of documents sent by the clients to the UNICEF Global Shared Services Centre.

Business unit responsible	Global Shared Services Centre
Status	Not accepted
Priority	Medium
Target date	Not applicable

58. UNICEF management disagreed with the findings and recommendations. As stated in paragraph 56, the main causes for rejection have already been identified by the Global Shared Services Centre and documented in the guidelines, with the root causes being related to (a) Local Focal Point (LFP) knowledge gap; (b) monitoring LFP performance; and (c) specific issues. The Global Shared Services Centre has deployed extensive initiatives to address (a) through LFP mandatory training and documented knowledge aids, (b) through dashboards for close monitoring of performance and (c) with dedicated calls to understand specific cases and provide targeted solutions. Management has further shared the evidence of all measures undertaken with the audit team, which will be assessed during the 2023 audit.

59. In paragraph 196, the Board recommended that UNICEF strengthen its internal controls over inactive funds by developing a transparent approach that includes the terms of communication with its procurement services partners, the timelines and the documentation that supports the considerations for the future use of inactive funds.

Business unit responsible	Supply Division
Status	Under implementation
Priority	Medium
Target date	First quarter of 2024

60. UNICEF is developing a guidance document that outlines its approach to communicating with its procurement services partners. The document will also detail the careful considerations made when deciding whether to recognize residual balances as contributions to UNICEF.

D.   Governance and risks

Main recommendations (high priority)

61. In paragraph 98, 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 – Chief Risk Officer
Status	Under implementation
Priority	High
Target date	Second quarter of 2024

62.   The newly appointed Chief Risk Officer for UNICEF is developing a multi-year vision and roadmap that will include revisiting and formally defining, as appropriate, roles and responsibilities for risk management for the UNICEF Executive Board and oversight functions.

Other recommendations (medium priority)

63.   In paragraph 106, the Board recommended that UNICEF submit risk reports to the Global Management Team in accordance with the applicable enterprise risk management policy.

Business unit responsible	Office of the Executive Director – Chief Risk Officer
Status	Under implementation
Priority	Medium
Target date	Second quarter of 2024

64.   UNICEF is currently redefining the enterprise risk management governance with the aim of updating the enterprise risk management policy accordingly.

65.   In paragraph 115, the Board recommended that UNICEF conclude the endorsement process of its risk appetite statement and proceed to inform all relevant users.

Business unit responsible	Office of the Executive Director – Chief Risk Officer
Status	Under implementation
Priority	Medium
Target date	Second quarter of 2024

66.   The newly appointed Chief Risk Officer for UNICEF is developing a multi-year vision and road map that will include a consultation on risk appetite as part of a top-down risk assessment exercise with senior management and developing an updated organizational risk appetite statement over the longer term.

67.   In paragraph 116 of its report, the Board recommended that the Senior Management Risk Committee resume its functions and conduct and document its meetings in accordance with its terms of reference.

Business unit responsible	Office of the Executive Director – Chief Risk Officer
Status	Under implementation
Priority	Medium
Target date	Fourth quarter of 2023

68.   UNICEF has reconstituted the Senior Management Risk Committee and held its first meeting in June 2023.

69.   In paragraph 128, the Board recommended that the East Asia and Pacific Regional Office, in coordination with the Chief Risk Officer, reinforce its enterprise risk management functions at the regional level and ensure that risks are described, and responses to them are measurable and quantifiable in the enterprise governance, risk and compliance tool, with the aim of supporting the country offices under its supervision.

Business unit responsible	East Asia and Pacific Regional Office and Office of the Executive Director – Chief Risk Officer
Status	Under implementation
Priority	Medium
Target date	First quarter of 2024

70.   UNICEF is committed to reinforcing the enterprise risk management functions at the regional level by early 2024 with the support of the Chief Risk Officer.

E.   Supply chain

Other recommendations (medium priority)

71.   In paragraph 205, the Board recommended that UNICEF Philippines country office review its procurement plan and include as many key milestones as appropriate from the Supply Division guidance on the supply of goods and services.

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

72.   The UNICEF Philippines Country Office confirms completion of this recommendation. The office has reviewed its procurement plan and included key milestones as appropriate with the endorsement of the Country Management Team.

F.   Programme management

Other recommendations (medium priority)

73.   In paragraph 213, the Board recommended that UNICEF Thailand country office, in coordination with the UNICEF East Asia and Pacific Regional Office and UNICEF headquarters, implement a standard procedure for monitoring supplies delivered to final beneficiaries, in line with current organizational initiatives and the supply context of the office.

Business unit responsible	Thailand Country Office
Status	Under implementation
Priority	Medium
Target date	First quarter of 2024

74.   UNICEF confirms that the development and implementation of the guidance and tools to monitor supplies delivered to the final beneficiaries are on track.

IV.   Status of recommendations from prior financial periods

75.   In the annex to its report for the year ended 31 December 2022, 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 completion target dates for those recommendations reported as outstanding to date by the Board of Auditors.

Table 3
Status of outstanding recommendations from prior years

United Nations Board of Auditors report thematic area	*Total*	*Closure requested*	*Under implementation*
Information and communications technology	2	1	1
Emergency response	1	–	1
Total	**3**	**1**	**2**
Percentage	**100%**	**33%**	**66%**

A. Report of the Board of Auditors for the year ended 31 December 2021

76.   In paragraph 93 of its 2021 report, the Board recommended that UNICEF ensure that comprehensive testing of the ICTD business continuity and disaster recovery plan is carried out regularly, including necessary simulation exercises at defined intervals, as was previously recommended in the A/75/5/Add.3 report, chap. II, para. 244.

Business unit responsible	Information and Communication Technology Division
Status	Closure requested
Priority	Medium
Original target date	Fourth quarter of 2023
Revised target date	Not applicable

77.   UNICEF confirms completion of this recommendation and awaits the Board of Auditors' assessment of the evidence provided. UNICEF has carried out the testing of the ICTD business continuity and disaster recovery plan.

78.   In paragraph 125 [2021], the Board recommended that UNICEF update the headquarters and regional offices' minimum preparedness standards.

Business unit responsible	Office of Emergency Programmes
Status	Under implementation
Priority	Medium
Original target date	First quarter of 2023
Revised target date	Fourth quarter of 2023

79.   UNICEF is currently working on the revision of the Minimum Preparedness Standard Procedure. The results of this process will inform the necessary updates to those minimum preparedness standards. The process is expected to be completed by the end of 2023.

B. Report of the Board of Auditors for the year ended 31 December 2019

80.   In paragraph 199 [2019], the Board of Auditors recommended that UNICEF take measures to implement the data warehouse strategy as a priority, especially because this is identified as a critical need to build a long-term sustainable platform.

Business unit responsible	Information and Communication Technology Division
Status	Under implementation
Priority	Medium
Original target date	Third quarter of 2021
Revised target date	Fourth quarter of 2023

81.   UNICEF has defined the target architecture of the data warehouse strategy and the project is expected to be presented for endorsement of the Digital Transformation Board by the end of 2023.

V.   Impact of the implementation of audit recommendations

82.   The Board of Auditors, in recent years, has issued audit recommendations to UNICEF in different thematic areas, and UNICEF has been prompt and consistent in implementing them. UNICEF has increasingly improved and maintained a high rate of audit implementation, which is evidenced in the low number of prior years' outstanding recommendations (current audit report [3], 2021 [5], 2020 [22] and 2019 [41]).

83.   The outstanding prior years' recommendations continue to decrease, from 41 contained in the 2019 audit report to 3 in 2022. The successful implementation of audit recommendations issued by the Board of Auditors has positively impacted UNICEF culture in various way and formats. UNICEF staff have been trained on newly issued policies, procedures, processes and tools, which has enhanced UNICEF financial statements disclosure, tracking of agreements, efficient disposal of assets, awareness and accountability over application of internal controls, among others.

84.   The implementation of recommendations relating to the management of implementing partnerships and the application of the HACT framework has contributed to the consistent monitoring and standardization of follow-up of action points resulting from assurance activities. UNICEF has leveraged technology and developed systems to capture assurance activities, which subsequently influence the follow-up actions. The newly developed eTools and ezHACT (a VISION system for the complete end-to-end processing of HACT transactions) are driving efficiencies in performance monitoring and the use of HACT, which ultimately impact programme delivery positively.

85.   On private fundraising and partnerships, UNICEF has maintained great relationships and interaction with the National Committees for UNICEF and has established different mechanisms to increase the culture of collaboration, capacity-building and support. The Joint Strategic Plan between UNICEF and the National Committees aligns with the mutually agreed performance targets and strategies in Income, Influence and Enablers. It ensures compliance between UNICEF global and national priorities to achieve the greatest results for children.

86.   Finally, the recommendations on emergency preparedness have contributed to the strengthening of the UNICEF emergency preparedness planning process with the relevant lessons learned from the COVID-19 pandemic to ensure improved response readiness.

VI.   Conclusion

87.   Management is pleased to receive unqualified audit opinion from the Board of Auditors for the 2022 financial statements and is 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 country level and strengthened the support from divisions and regional offices to facilitate achievement of results for children.

––––––––––––