Statement by the UK on behalf of

Item 4 - Financial report and audited financial statements for the year ended 31 December 2013 and report of the Board of Auditors (1)

Mr President,

I am pleased to deliver this statement on behalf of Belgium, Canada, Estonia, Finland, Germany, Ireland, the Netherlands, New Zealand, Norway, Sweden, Switzerland, and my own delegation the United Kingdom.

We very much welcome UN Women’s first presentation of its financial report, audited financial statements and report of the Board of Auditors. This is an important element of the Executive Board’s oversight role. We also welcome that UN Women added to its website the Report of the Secretary General on the implementation of the Recommendations of the Board of Auditors contained in its report on the United Nations funds and programmes for the financial period ended 31 December 2013. We would request UN Women that the presentation of the financial reports, audited financial statements, report of the Board of Auditors and Implementation of the Recommendations become a recurring item on the agenda of the first regular session of the Executive Board, to allow the Executive Board to adopt decisions under this agenda item.

Mr President,

We welcome the unqualified audit opinion on UN Women for 2013. The Report of the Secretary General on the implementation of the recommendations of the Board of Auditors also contains useful information on the progress made in implementing previous recommendations. We note that out of the 22 recommendations which remained outstanding as of 31 December 2012, 13 had been implemented and 9 were under implementation. This is positive progress. we join the Board of Auditors in its call to close down outstanding recommendations.
We look forward to seeing further progress on the recommendations made by the Board of Auditors, and would like to highlight three particular areas:

Firstly, we welcome UN Women's progress in resource mobilization and in broadening its partnership base, and encourage UN Women to continue to strengthen its resource mobilization capacity in order to sustain its future plans and effectively deliver its mandate. We note that overall levels of liquidity have actually increased from 2012 to 2013 and while we acknowledge the requirement for the organisation to hold sufficient cash balances and that a substantial part of the contributions were made late in the calendar year, we ask that these are managed effectively.

Secondly, turning to procurement, the Board of Auditors has expressed concerns as to understaffing of the procurement unit, the delegated procurement authority across the organisation, and identified a conflict of interest in which the secretary to the Acquisition Management Review Committee is placed. We also note procurement is an area where previous audit recommendations have not yet been fully implemented and where potential fraud cases have been identified. We urge UN Women to promptly take steps therefore to address the Board of Auditors recommendations in this area to mitigate the important risks identified.

And thirdly, with regard to fraud more generally, we note the information provided on current and concluded investigations. We encourage UN Women to ensure continued vigilance in efforts to both prevent and uncover procurement irregularities and other fraudulent practices, as well as to ensure effective follow up on any cases identified. We would welcome more details on these measures in future reports.

Finally, Mr President, we recognise the challenges that IPSAS continues to place on UN Women in areas such as improving systems, strengthening internal controls, and asset management. We encourage UN Women to continue its efforts to strengthen its capacity in these areas, particularly at the regional, sub-regional and country levels. We also welcome the progress
made in addressing the significant employee benefits liabilities and encourage
UN Women to share its positive experience with donors and other UN
organisations facing this system-wide challenge.

Mr President,

Thank you.