
Management response to organizational oversight reports

56th PCB Meeting
Agenda item 9.5



Management welcomes the recommendations of the oversight bodies that support UNAIDS to continuously improve policies, procedures and effectiveness

Gratitude towards Secretariat staff for significant achievements despite a difficult financial context:

- **Internal audit recommendations:** 70 recommendations closed in 2024, including 22 with high residual risk, the balance of open recommendations stands at its lowest level
- **Asset register:** more than 2,000 assets have been updated in the fixed asset register in 2024
- **Marked improvement in register accuracy:** 69% decrease in reported missing items since 2023

UNAIDS Management presents an overview of actions taken to further strengthen internal controls and organizational accountability and ensure more effective use of resources.

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2024 External Audit

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Audit of UNAIDS Financial Statements for the year ended 31 December 2024 and compliance audit

Issuance of an unmodified /clean audit opinion on the financial statements

5 new recommendations:

- **Accounting of voluntary contributions** received, included in the financial statements
- **Continue monitoring completion/ closure of POs**
- Increase staff knowledge, understanding and application of **Gender Equality Marker**
- **PFV non-compliance:** corrective actions covering support, training, use of dashboard and data analysis to be carried out
- **Reinforce control on adherence to standard competitive process**, document deviations and to upload mandatory supporting documents, including past performance

Of the 6 Past recommendations, as of December 2024:

- 4 were already implemented
- 2 are under implementation
 - Actuarial Staff Health Insurance (ASHI)
 - Business continuity planning (BCP)

Ongoing or planned actions: new recommendations

External audit recommendations

Ensure that voluntary contributions received by UNAIDS are accounted in the financial statements in compliance with the accrual concept of accounting. **(High)**

Continue efforts to monitor the completion/ closure of Purchase Orders ... to ensure adherence to the timelines as stipulated in their Manual. **(Medium)**

Gender Equality Marker: consider increasing the knowledge of its staff through orientation/ refresher courses using illustrative cases to ensure as far as possible a uniform understanding and application of the GEM. **(Medium)**

Non-compliances observed in the contractual agreements being covered in the Post Facto Verification (PFV): ensure that corrective actions covering support, training, use of dashboard and data analysis are carried out. **(High)**

Reinforce control on adherence to standard competitive process, document deviations and to upload mandatory supporting documents in the ERP, including past performance. Also, it may ensure that deliverables are made specific in the ToR. **(High)**

Ongoing or planned actions

UNAIDS will reinforce timely communication through notices to all UNAIDS offices and inclusion of the contributions agreements as part of year-end checklist

Building on significant achievements through dedicated support and regular monitoring, UNAIDS will:

- (1) Develop automatic alerts for upcoming deliverables
- (2) Follow ups with priority focus on supporting closing UCOs
- (3) Reinforce and expand current policy to ensure compliance.

Agreed. Ongoing restructuring and funding availability will determine course design , including inclusion in the staff orientation guidance and webinars during the 2026 planning.

UNAIDS will: (1) Return to ex-ante Quality Control Check (QCC) in cases of high non-compliance
(2) Provide target training to concerned offices (by Q4 2025)
(3) Ensure continuous monitoring through BI dashboards
(4) Where possible configuration of new ERP/WHO BMS approvals flow to include QCC approvals.

Remedial actions detailed in response to recommendation 4 will also contribute to address recommendation 5. In addition, UNAIDS will reintroduce mandatory ex-ante Quality Control for higher value contracts.

Ongoing or planned actions: past recommendations

Past recommendations

External audit recommendations

Business continuity planning: *Management may ensure timely creation, updation and monitoring of the Business Continuity Plan in all its offices.*

Actuarial Staff Health Insurance (ASHI): *Closer collaboration with SHI for more accurate actuarial valuation in future periods*

Ongoing or planned actions

A new version of the BCP has been developed and deployed. All Country and Liaison Offices are required to complete their BCP by end 2025.

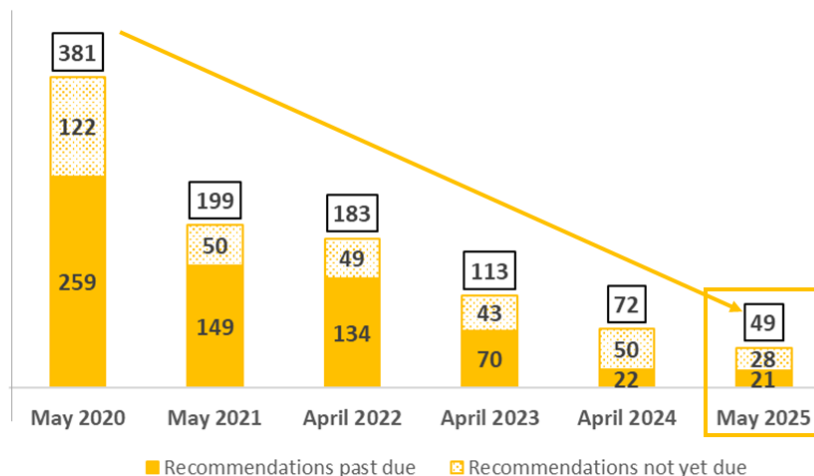
The next full actuarial valuation will be done in 2025 and close collaboration with SHI is already in place and will continue to ensure that accurate demographic data is used.

Internal audit and investigations

Continued improvement of internal audit recommendations closures

Since last reporting to PCB, IOS closed 70 audit recommendations, of which 22 were high residual risk recommendations.

Recommendations not closed – April 2024	72
New audit recommendations	+47
Audit recommendations closed	-70
Recommendations not closed – May 2025	49



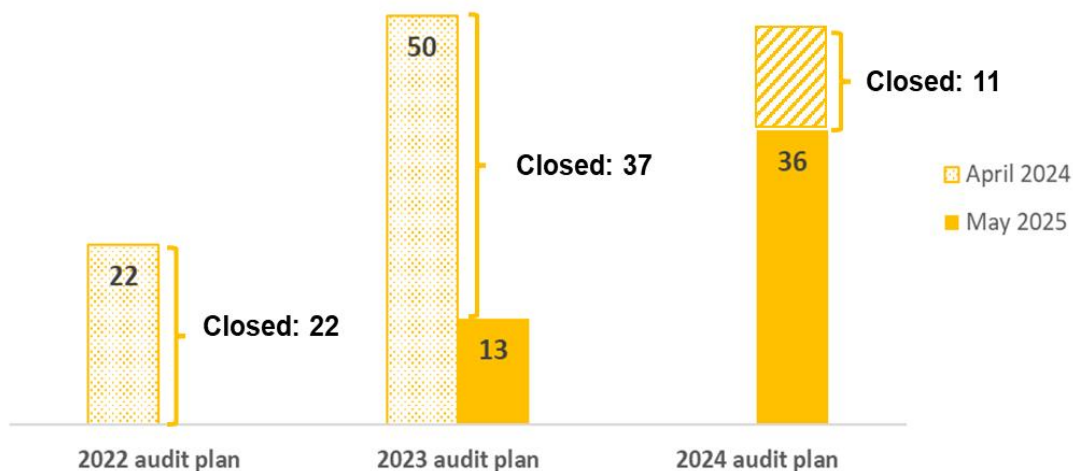
The number of open recommendations has continued to decrease, lowest since 2020.

The number of open recommendations decreased by 32% compared to last year, and by 87% compared to 2020.

Continued improvement of internal audit recommendations closures

All remaining open recommendations from the 2022 audit work plans were closed since April 2024.

Significant progress made in addressing/closing recommendations from 2023 audit workplan



Improved effectiveness of internal controls

- Improved effectiveness of controls tested, **73% in 2024**, compared to 71% in 2023 and to 55% in 2022
- Enhanced rating for individual audits (compared to 2023, 2022 and 2021)

2024 all audits				
Audit conclusions / # audits	2024	2023	2022	2021
Satisfactory	1	-	-	1
Partially satisfactory (some improvement required)	3	3	1	3
Partially satisfactory (major improvement required)	-	-	3	1
Unsatisfactory	-	-	-	-

2024 field office audits				
Process	Total number of ineffective controls with high level of residual risk			
	2024 audits 3	2023 audits 2	2022 audits 3	2021 audits 4
Control Environment	1	1	1	0
Risk Management	0	0	0	2
Human Resources	0	0	1	1
Vendor Management	1	0	0	0
Procurement of Services	0	0	1	0
Procurement of Goods	2	0	0	0
DFCs and PFAs (non-commercial)	1	5	5	7
eImprest and Petty Cash	1	0	0	1
Travel	1	0	1	0
Asset Management	0	0	1	1
Awards	0	0	2	3
SSA/Project Personnel/Interns	0	0	1	0
Security	0	0	0	2
Information and Communication	0	0	1	0
Monitoring and Performance Assessment	0	0	1	0
Total	7	6	15	17

Outcome of WHO IOS investigations



In 2024, IOS received 10 new reports of concern (compared to 29 in 2023 and 17 in 2022)

Out of the 10 new reports: 6 cases remain under review by WHO IOS, while 4 of the new reports were closed at various stages in the investigations process



Report of the Ethics Office

Report of the Ethics Office

- Management expresses its gratitude for the significant and continued contributions to strengthening policy coherence and safe workspace, and its critical role in improving the organization's accountability.
- The work of the Ethics Office is instrumental in providing staff and non-staff with a safe space to request confidential advice, seek support and protection.

Item	Ongoing actions
Ethics training and culture change	<ul style="list-style-type: none">• Management notes the slight reduction in the completion rate of staff training• Through joint efforts with managers, UNAIDS strives to ensure that all staff complete the required training, which is indicative of the organization's culture change
Ethical principles and values	<ul style="list-style-type: none">• Management appreciates the Ethics Office participation in the New Staff Orientation programs and other office specific trainings, covering UNAIDS' ethical principles and values, expected behaviours.
Restructuring	<ul style="list-style-type: none">• As a follow up to restructuring UNAIDS will review its systems for safeguarding and clarify roles and responsibilities.

Independent External Oversight Advisory Committee (IEOAC)

IEOAC: UNAIDS actions related to the key observations

Area	Management response
Financial reporting	<ul style="list-style-type: none">• Management welcomes the Committee's review, taking into account the reduced operating budget
Operating reserve fund	<ul style="list-style-type: none">• Management appreciates the Committee's review and assessment of the proposal to a proportion of the operating reserve fund in 2026.• As noted in the Committee's report, the associated risks are limited as the Secretariat will be reducing its operating budget.
Resource mobilisation	<p>Given the enhanced emphasis on non-core resource mobilization, Management will</p> <ul style="list-style-type: none">• Ensure clear and transparent communication with donors and adapting to the evolving funding landscape,• Refine the cost recovery process and tools to ensure comprehensive recovery of expenses associated with the implementation of non-core funds.
Human resources management (restructuring)	<p>Management welcomes the Committee's advice on the restructuring of the Secretariat. The process is guided by the following five principles:</p> <ul style="list-style-type: none">• Prepare UNAIDS to deliver on the Global AIDS Strategy, and transforming the Joint Programme• Align the Secretariat with the High-Level Panel recommendations on a new operating model• Maintain commitment to diversity, equity and inclusion• Ensure sustainability and adaptability in an evolving landscape• Leverage and optimize UN Reform (UN80)
Enterprise risk management	<ul style="list-style-type: none">• Management will continue to enhance UNAIDS overall risk management maturity level, develop risk appetite statements and enhance the monitoring and escalation process.

Thank you