



**Executive Board of the
United Nations Development
Programme, the United Nations
Population Fund and the
United Nations Office for
Project Services**

Distr.: General
14 November 2025

Original: English

First regular session 2026

2 to 5 February 2026, New York

Item 2 of the provisional agenda

Recommendations of the Board of Auditors

**UNOPS: Report on the implementation of the
recommendations of the United Nations Board of
Auditors, 2024**

Summary

The Board of Auditors has issued an unqualified audit opinion on the UNOPS financial statements for the year ended 31 December 2024, marking the thirteenth consecutive year of unqualified audit opinion since the adoption of International Public Sector Accounting Standards in 2012. UNOPS is pleased to respond to the recommendations made in the report (A/80/5/Add.11) and to provide an update on the status of implementation.

Elements of a decision

The Executive Board may wish to: (a) welcome the unqualified audit opinion issued by the United Nations Board of Auditors for 2024; (b) acknowledge the progress UNOPS has made in closing open audit recommendations; and (c) support the ongoing efforts of UNOPS management to implement the recommendations of the Board of Auditors for the year ended 31 December 2024.



Contents

<i>Section</i>	<i>Page</i>
I. Overview	3
II. Introduction	3
III. Status of recommendations for the year ended 31 December 2024 (A/80/5/Add.11)	4
IV. Status of recommendations from prior financial periods	12
V. Impact of implemented recommendations	16
VI. Conclusion	17

I. Overview

1. The United Nations Board of Auditors has once again issued an unqualified audit opinion on the UNOPS financial statements for the year ended 31 December 2024. The unqualified opinion confirms that the financial statements present fairly, in all material respects, the financial position of UNOPS as of 31 December 2024, and its financial performance and cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (IPSAS).
2. This significant achievement marks the thirteenth consecutive year that UNOPS has received an unqualified audit opinion since the organization adopted IPSAS in 2012, which underscores UNOPS unwavering commitment to transparency, accountability and sound financial management.
3. As reflected in the annex of the Board of Auditors report for the year ended 31 December 2024 (A/80/5/Add.11), UNOPS implemented 20 out of the 31 open recommendations, achieving an implementation rate of 65 per cent – up from 58 per cent in the previous year.
4. In its report for the year ended 31 December 2024 (A/80/5/Add.11), the United Nations Board of Auditors issued 23 new recommendations – nine of which were classified as high priority and 14 as medium priority. UNOPS has a total of 34 outstanding recommendations, including those from previous reporting periods. The implementation of all recommendations is on track for completion within established timelines. As the recommendations were issued in July 2025, and several of them require longer implementation timelines, UNOPS will need to work beyond financial year 2025 to implement all of them successfully. Sections III and IV of this report provide individual responses to each recommendation.
5. UNOPS management continues to emphasize the importance of addressing audit concerns. The Board of Auditors acknowledged UNOPS significant progress towards implementing pending recommendations in 2024. In the implementation schedule included in this report, UNOPS aims to close 21 recommendations in the 2025 financial year (62 per cent), 10 in the 2026 financial year (29 per cent) and three in the 2027 financial year (9 per cent). The three recommendations requiring longer implementation periods pertain to the recovery of funds linked to the sustainable investments in infrastructure and innovation (S3i) initiative. In its decision 2025/6, the Executive Board approved the allocation of additional funds to continue efforts on recovery and criminal accountability through the end of 2027.

II. Introduction

6. In paragraph 2 of Executive Board decision 2022/1, the Board, recalling its decision 2021/1, calls upon UNDP, the United Nations Capital Development Fund (UNCDF), UNFPA and UNOPS to harmonize further their reporting formats on the implementation of the Board of Auditors recommendations, as appropriate, including, where possible, the time frames for their detailed reporting and the thematic categorization of recommendations into those that are priority, and any other priorities, and requests to work with the United Nations Children’s Fund (UNICEF), the United Nations Entity for Gender Equality and Women’s Empowerment (UN-Women), and the World Food Programme (WFP) in that regard, as appropriate.
7. UNOPS affirms its adherence to the decision in both the current and previous reports. UNOPS has actively worked with UNDP, UNCDF, UNFPA and UNICEF to harmonize the reporting formats, including the categorization of recommendations and the time frames for detailed reporting.
8. Furthermore, the Executive Board, in paragraph 3 of its decision 2023/1, called on UNDP, UNCDF, UNFPA and UNOPS to report on the effects of implementing the recommendations, specifically noting the impact on organizational culture. UNOPS has dedicated section V of this report to detailing the impact of its implemented recommendations.

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

9. The Board of Auditors made 23 new recommendations for 2024, nine of which were high priority and 14 medium priority. Table 1 summarizes the implementation status of recommendations of high priority while table 2 presents the implementation status of all recommendations for the financial period ended 31 December 2024.

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

<i>Thematic area</i>	<i>Total</i>	<i>Closure requested</i>	<i>Under implementation</i>
Procurement management	2	-	2
Project management	6	3	3
Strategy management	1	-	1
Total	9	3	6
Percentage	100%	33%	67%

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

<i>Thematic area</i>	<i>Total</i>	<i>Closure requested</i>	<i>Under implementation</i>
Financial management	5	4	1
Procurement management	5	1	4
Project management	8	4	4
Strategy management	5	3	2
Total	23	12	11
Percentage	100%	52%	48%

10. The following paragraphs report on the status and management action plans for every recommendation issued by the Board of Auditors for 2024.

A. Financial management

11. **In paragraph 24, the Board recommended that UNOPS expedite an independent third-party assessment on the unapproved expenditures and strengthen its risk identification and disclosure mechanism.**

<i>Business unit responsible:</i>	Risk and Compliance Group
<i>Status:</i>	Under implementation
<i>Priority:</i>	Medium
<i>Target date:</i>	Fourth quarter 2026

12. In the third quarter of 2025, UNOPS, engaged external counsel to conduct a review and assessment to determine the organization's legal liability and financial exposure related to the project. Concurrently, and in coordination with the Legal Group, the Internal Audit and Investigations Group

(IAIG) initiated a forensic review in the fourth quarter of 2025. The purpose of the review is to establish a verified financial and governance record, assess potential risks of misconduct, and attribute responsibility for any decision-making failures. The review is expected to be finalized in the first quarter of 2026. Following its completion, the Risk and Compliance Group will, beginning in the first quarter of 2026, lead a broader lesson learned analysis. This initiative aims to strengthen risk management practices and enhance internal controls pertinent to the ongoing project.

13. In paragraph 32, the Board recommended that UNOPS conduct a comprehensive assessment and revise and resubmit the methodology of calculating liquid excess reserves to the Executive Board for further review.

<i>Business unit responsible:</i>	Finance Group
<i>Status:</i>	Closure requested
<i>Priority:</i>	Medium
<i>Target date:</i>	Not applicable

14. UNOPS reviewed the methodology used to calculate the liquid excess reserve and submitted the revised version to the Executive Board for review, as recommended. At its second regular session 2025, through decision 2025/31, the Executive Board approved the revised methodology for annual application. The Board also approved the annual disclosure of liquid excess reserves, to be included as an annex to the UNOPS financial statements and endorsed the proposed distribution methodology and timeline for the biennium 2024-2025, pursuant to decision 2023/18. UNOPS has requested closure of this recommendation.

15. In paragraph 40, the Board recommended that UNOPS evaluate the working process of supplies and consumables management with the objective of identifying systemic control weaknesses, establish and implement an integrated risk-based inventory assurance framework that combines periodic sample-based reviews of original documentation with a rotating schedule of on-site physical counts.

<i>Business unit responsible:</i>	Finance Group
<i>Status:</i>	Closure requested
<i>Priority:</i>	Medium
<i>Target date:</i>	Not applicable

16. Following the recommendation, UNOPS conducted a review of its supplies and consumables management processes to identify weaknesses and establish an integrated, risk-based inventory assurance system. As part of this review, offices submitted handover documents of inventories consumed during the reporting period, photographs of the warehouses or storage rooms where materials were stored, and signed documentation verifying physical inventory counts. The aim was to strengthen assurance mechanisms and confirm the accuracy of physical counts as well as the presence of effective controls over the management of supplies and consumables. In addition, UNOPS requested a sample of offices to describe their inventory management systems in order to identify potential improvements and common best practices. These were reviewed and were considered satisfactory. UNOPS has requested closure of this recommendation.

17. In paragraph 57, the Board recommended that UNOPS review the justification and appropriateness of the 33 per cent carry-forward threshold currently applied to shared services balances.

<i>Business unit responsible:</i>	Finance Group
<i>Status:</i>	Closure requested
<i>Priority:</i>	Medium
<i>Target date:</i>	Not applicable

18. UNOPS reviewed the justification and appropriateness of the 33 per cent carry-forward balance and subsequently updated its guidance to provide additional justification for this threshold. The carry-forward level will be evaluated biennially, taking into account the latest data, with revisions applied as necessary. On this basis, UNOPS requests the closure of this recommendation.

19. In paragraph 58, the Board further recommended that UNOPS revise its shared services refund policy to ensure equitable treatment of all contributing partners, including those whose projects were financially closed within the refund year or at least the preceding four years.

<i>Business unit responsible:</i>	Finance Group
<i>Status:</i>	Closure requested
<i>Priority:</i>	Medium
<i>Target date:</i>	Not applicable

20. UNOPS updated its shared services refund guidance to incorporate client projects that have closed within the designated refund period, in accordance with the Board's recommendation. UNOPS therefore requests the closure of this recommendation.

B. Strategy management

21. In paragraph 63, the Board recommended that UNOPS, in collaboration with the Office of Legal Affairs, continue to prudently consider the resource requirements in relation to the progress of the funds recovery and criminal accountability efforts related to the sustainable investments in infrastructure and innovation initiative.

<i>Business unit responsible:</i>	Legal Group
<i>Status:</i>	Under implementation
<i>Priority:</i>	High
<i>Target date:</i>	Fourth quarter 2027

22. UNOPS is liaising with the United Nations Office of Legal Affairs in its efforts to recover the funds associated with the S3i initiative. These recovery efforts are ongoing and expected to continue beyond 2025. At its first regular session 2025, the Executive Board, through decision 2025/6, approved the allocation of additional funds to continue the efforts in recovery and criminal accountability until end-2027. In line with this decision, UNOPS, in collaboration with the Office of Legal Affairs, provides the Executive Board with regular updates on resource requirements.

23. In paragraph 70, the Board recommended that UNOPS strictly control project timeline changes throughout the entire process innovation and digitalization programme to implement it in time, in accordance with the new version of the programme's Roadmap, once approved.

<i>Business unit responsible:</i>	Process Innovation and Digitalization Programme
<i>Status:</i>	Closure requested
<i>Priority:</i>	Medium
<i>Target date:</i>	Not applicable

24. To ensure stringent control over project timeline modifications across the entire Process Innovation and Digitalization Programme, UNOPS first established clearer accountability and governance for roadmap and timeline adjustments. The terms of reference for all governance layers have been updated and communicated to relevant stakeholders. Subsequently, a revised roadmap was unanimously approved by the process innovation and digitalization programme Board in August 2025. The Transformation Board, as the highest governance body, endorsed the second version of the Roadmap in September 2025, confirming that initiative milestones represent firm commitments. Exceptions were made for the enterprise resource planning project and uninitiated process innovation and digitalization programme projects due to uncertainties regarding the enterprise resource planning approach and process innovation and digitalization programme funding beyond 2025, in line with Executive Board decision 2025/33 during the second regular session 2025.

25. UNOPS has also implemented robust systems for tracking and controlling project timelines. The UNOPS Transformation Office, independent from the process innovation and digitalization programme, meticulously monitors all the programme's milestones in accordance with the approved roadmap. This includes tracking milestone status and due dates via a dashboard accessible to all UNOPS personnel.

26. In addition, proactive risk management and escalation mechanisms have been established. The Transformation Office coordinates bi-monthly reports on process innovation and digitalization programme progress and any alterations to key milestones. This process ensures the timely and transparent management of risks and issues and facilitates resolution of any external dependencies that could impact process innovation and digitalization programme timelines.

27. UNOPS considers that all necessary steps have been taken to address the recommendation for strict control of timeline changes. The ongoing monitoring and control of timelines will continue until the programme is delivered and officially closed. UNOPS has requested closure of this recommendation.

28. In paragraph 77, the Board recommended that UNOPS develop an actionable four-year implementation plan for the period 2026-2029 as a mechanism for comprehensively assessing funding needs, human capacity, activities required and the risk response to improve the planning and implementation of the climate action programme.

<i>Business unit responsible:</i>	Infrastructure and Project Management Group
<i>Status:</i>	Closure requested
<i>Priority:</i>	Medium
<i>Target date:</i>	Not applicable

29. UNOPS successfully developed a five-year climate action implementation plan, which encompasses the period from 2026 through the attainment of 2030 targets. This comprehensive plan incorporates robust project management components, defined benefits, tolerances, and a robust change management strategy. Based on this, closure is requested.

30. In paragraph 82, the Board recommended that UNOPS improve, together with the country and multi-country offices in regions, the UN-INFO reporting.

<i>Business unit responsible:</i>	Delivery and Partnerships
<i>Status:</i>	Under implementation
<i>Priority:</i>	Medium
<i>Target date:</i>	Second quarter 2026

31. UNOPS conducted an internal assessment to identify the root causes of underperformance in UN-INFO reporting within countries where UNOPS implements projects. Key actions to enhance reporting have been agreed on and will be executed to ensure improved performance in 2026 and subsequent years.

32. In paragraph 89, the Board recommended that UNOPS strengthen internal monitoring mechanisms for client reporting to improve timeliness and accountability, with a particular focus on service lines and regions with lower satisfaction scores.

<i>Business unit responsible:</i>	Infrastructure and Project Management Group
<i>Status:</i>	Closure requested
<i>Priority:</i>	Medium
<i>Target date:</i>	Not applicable

33. UNOPS addressed this recommendation by strengthening its internal monitoring mechanism through targeted outreach to regions with lower satisfaction scores and by implementing system improvements to enhance data quality and completeness. This has resulted in a measurable decrease in delayed submissions. UNOPS has requested closure of this recommendation.

C. Project management

34. **In paragraph 97, the Board recommended that UNOPS identify all ongoing engagements that proceeded following conditional approval by the Engagement Acceptance Committee and required follow-up actions, assess whether the Committee's follow-up occurred and if not, whether that contributed to implementation challenges or financial risks, take the necessary corrective actions and strengthen future engagement risk management frameworks.**

<i>Business unit responsible:</i>	Infrastructure and Project Management Group
<i>Status:</i>	Closure requested
<i>Priority:</i>	High
<i>Target date:</i>	Not applicable

35. UNOPS conducted a comprehensive review of all ongoing engagements that proceeded following conditional Engagement Acceptance Committee approvals since 2012. The detailed analysis confirmed that, across the entire reviewed population, the conditional approvals did not contribute to implementation challenges or financial risks. Accordingly, no corrective actions were required for the engagements reviewed.

36. The Engagement Acceptance Committee, established in 2012, was abolished effective 7 May 2025. To further strengthen the engagement risk management framework, the UNOPS Executive Director established the UNOPS Portfolio Oversight Committee to ensure that high-stake engagements are managed at the appropriate level and in a manner that protects the organization while maximizing UNOPS impact. The Portfolio Oversight Committee became operational in May 2025. This provides a mechanism to ensure oversight throughout the project life cycle. UNOPS requests closure of this recommendation.

37. **In paragraph 109, the Board recommended that UNOPS continue its efforts to review Project A, address any outstanding issues with the partner, continue to negotiate with the aim of resolving the dispute and minimizing the financial impact and, where necessary, hold individuals accountable in accordance with applicable regulations.**

<i>Business unit responsible:</i>	Legal Group
<i>Status:</i>	Under implementation
<i>Priority:</i>	High
<i>Target date:</i>	Fourth quarter 2026

38. UNOPS continues to maintain direct communication with the partner to address outstanding concerns for Project A. Concurrently, UNOPS has engaged external legal counsel to conduct a comprehensive evaluation of UNOPS financial exposure relative to the partner, which will further inform UNOPS negotiation approach. In parallel, the Internal Audit and Investigations Group initiated a forensic review in the fourth quarter of 2025. The purpose of this review is to establish a verified financial and governance record, assess risks of misconduct, and attribute responsibility for any decision-making failures. The finalization of this forensic review is expected in the first quarter of 2026.

39. **In paragraph 110, the Board recommended that UNOPS conduct comprehensive reviews of other major projects involving material disputes, identify corrective actions, and enhance future engagement risk frameworks.**

<i>Business unit responsible:</i>	Risk and Compliance Group
<i>Status:</i>	Under implementation
<i>Priority:</i>	High
<i>Target date:</i>	Second quarter 2026

40. UNOPS began mapping major projects with material disputes in the fourth quarter of 2025. This initiative aims to facilitate a comprehensive review intended to identify necessary corrective actions and inform enhancements to existing frameworks. The findings of this review are expected in the second quarter of 2026.

41. In paragraph 111, the Board recommended that UNOPS strengthen risk escalation mechanisms through operationalization of the Portfolio Oversight Committee and continued transformation initiatives.

<i>Business unit responsible:</i>	Risk and Compliance Group
<i>Status:</i>	Closure requested
<i>Priority:</i>	High
<i>Target date:</i>	Not applicable

42. UNOPS confirms the operationalization of the Portfolio Oversight Committee from May 2025, along with updates to the associated escalation protocols. These critical changes, part of the broader organizational transformation agenda, have strengthened the risk management and escalation mechanisms for high-stake engagements, ensuring appropriate oversight and timely executive intervention. Furthermore, UNOPS has established a tracking system for all project cases escalated to the Portfolio Oversight Committee and has implemented a formal mechanism to evaluate the committee's performance annually. The recommendation is therefore considered fully addressed and implemented. UNOPS has requested closure of this recommendation.

43. In paragraph 119, the Board recommended that UNOPS conduct a cross-functional thematic review of its performance management of mine action projects to identify systemic lessons learned and improve project quality, coordination and performance.

<i>Business unit responsible:</i>	New York Portfolio Office
<i>Status:</i>	Under implementation
<i>Priority:</i>	High
<i>Target date:</i>	First quarter 2026

44. In the fourth quarter of 2025, UNOPS initiated a review of performance management for its mine action projects. This ongoing review focuses on assessing progress against project outputs, including through an examination of substantive reports. The review is expected to be completed by the first quarter of 2026.

45. In paragraph 127, the Board recommended that UNOPS institutionalize a portfolio analysis to conduct annual reviews of all provisions and write-offs, to trigger response actions, and develop more detailed criteria and procedures for enforcing accountability, taking into account organizational, operational and individual levels of accountability.

<i>Business unit responsible:</i>	Infrastructure and Project Management Group
<i>Status:</i>	Closure requested
<i>Priority:</i>	High
<i>Target date:</i>	Not applicable

46. UNOPS has institutionalized an annual portfolio review process that incorporates an analysis of all provisions and write-offs. This process ensures the regular assessment of the portfolio's financial health and the timely initiation of management actions to address identified trends and risks. Furthermore, UNOPS has established a headquarters-based review group responsible for developing improvements and solutions to enhance the efficiency and effectiveness of write-off risk management and associated processes, including procedures for enforcing accountability. This approach has been presented to the Management Team and endorsed. Closure is requested for this recommendation.

47. In paragraph 140, the Board recommended that UNOPS conduct an in-depth analysis of factors that hinder the timely closure of projects and establish more effective coordination and supervision mechanisms to keep track of the end of projects.

<i>Business unit responsible:</i>	Infrastructure and Project Management Group
<i>Status:</i>	Closure requested
<i>Priority:</i>	Medium
<i>Target date:</i>	Not applicable

48. Based on the findings of a comprehensive organizational-wide survey of project closure, UNOPS confirms this recommendation is fully implemented. Effective mechanisms have been established, including automated system notifications three months prior to project closure dates, targeted webinars for enhanced communication, and the creation of an early warning indicator to strengthen oversight of project closure activities. Closure is requested for this recommendation.

49. In paragraph 150, the Board recommended that UNOPS conduct a comprehensive review and optimization of the Small Grants Programme process and strengthen the programme's internal controls.

<i>Business unit responsible:</i>	New York Portfolio Office
<i>Status:</i>	Under implementation
<i>Priority:</i>	Medium
<i>Target date:</i>	First quarter 2026

50. UNOPS has initiated a process improvement plan for the Small Grants Programme to strengthen internal controls and enhance efficiency. Key actions include reinforced compliance reviews prior to national steering committee approval, standardized documentation to improve oversight, strengthened conflict-of-interest safeguards through targeted ethics training, and implementation of a control and audit recommendation matrix to monitor risk mitigation measures. The ongoing review of the Small Grants Programme workflow aims to streamline processes and enhance accountability and internal control.

D. Procurement management

51. In paragraph 172, the Board recommended that UNOPS develop a guidance document to further support procurement practitioners and procurement authorities in the practical implementation of exception grounds – namely: (ii) no competitive marketplace; (viii) genuine urgent need; and (x) the Executive Chief Procurement Officer believes formal bidding would not yield satisfactory results – to ensure a consistent and well-informed approach across UNOPS operations.

<i>Business unit responsible:</i>	Procurement Group
<i>Status:</i>	Under implementation
<i>Priority:</i>	High
<i>Target date:</i>	Fourth quarter 2026

52. As part of the ongoing project – the review of UNOPS procurement policies and processes – UNOPS will issue a series of guidance documents to enhance its procurement framework and improve overall efficiency and transparency. The project is currently in its initial phases, with a dedicated team conducting a multi-stage assessment of existing policies and processes, including project scoping and revision of the current state (phases 1 and 2). Subsequently, with support from an external consultant, UNOPS will conduct a comprehensive gap analysis and propose policy revisions (phases 3 and 4). These findings will inform the subsequent phases of the project, including the development of new guidance, which will ensure full integration and alignment with the revised policy framework. Completion is anticipated by the first quarter of 2026.

53. In paragraph 173, the Board also recommended that UNOPS improve the overview and tracking of questions raised by the Contracts and Property Committees and answers provided by the submitting unit to ensure that they are duly considered through the ongoing process innovation and digitalization programme within UNOPS.

<i>Business unit responsible:</i>	Risk and Compliance Group
<i>Status:</i>	Under implementation
<i>Priority:</i>	High
<i>Target date:</i>	Third quarter 2026

54. As part of the Process Innovation and Digitalization Programme, the Procurement Team led the development of the Procurement Digitalization Journey, an initiative designed to provide digital solutions encompassing integral supplier management and procurement processes. It was decided to integrate the Contracts and Property Committee digital solution into the tendering system currently under development. In this context, the relevant teams collaborated throughout 2025 to review the required system features. The solution is now under development, with an expected launch in 2026.

55. In paragraph 184, the Board recommended that UNOPS leverage data analytics to enhance procurement efficiency and to strengthen collaboration among relevant UNOPS headquarters units and the regional offices, to ensure a cohesive and integrated approach to procurement management.

<i>Business unit responsible:</i>	Procurement Group
<i>Status:</i>	Under implementation
<i>Priority:</i>	Medium
<i>Target date:</i>	Fourth quarter 2026

56. UNOPS is committed to leveraging data analytics to improve procurement efficiency and strengthen collaboration among relevant units, ensuring a cohesive and integrated approach to procurement management. Key initiatives include close collaboration between the Procurement Group and other teams to strengthen procurement data tools, facilitating better identification and resolution of bottlenecks. Data will also be used to assess the impact of policy enhancements and support oversight through post-award sample reviews. Furthermore, a more data-driven, streamlined approach for regional procurement reviews will be implemented. Additional technological advancements are currently underway to maximize UNOPS capacity to perform data analytics and promote a more cohesive approach to procurement. These efforts are part of the process innovation and digitalization programme and includes developing a more flexible new e-sourcing platform by the end of 2026.

57. In paragraph 194, the Board recommended that UNOPS, through its ongoing Process Innovation and Digitalization Programme, enhance the e-sourcing system to allow for a more complete capture of the justification, competition safeguards and availability of evaluation teams, when used for waiving the minimum tender period.

<i>Business unit responsible:</i>	Procurement Group
<i>Status:</i>	Closure requested
<i>Priority:</i>	Medium
<i>Target date:</i>	Not applicable

58. In June 2025, UNOPS enhanced its e-sourcing system to reinforce documentation requirements for issuing tenders with reduced solicitation periods. The enhancement specifically addressed: (a) the requirement for documented approval of any reduced solicitation period by the relevant procurement authority; (b) the need for documented justification supporting a reduced solicitation period, including evidence of how competition requirements will be met despite the shortened time frame; and (c) confirmation of the availability of evaluation team members immediately following the posting period. Following the system enhancement, UNOPS conducted extensive communication campaigns targeting the procurement reviewers' community and procurement officials through multiple communication channels. Compliance monitoring related to these enhancements will be measured over time. Based on the e-sourcing improvements and the additional internal controls implemented, this recommendation is considered fully implemented. UNOPS has requested closure of this recommendation.

59. In paragraph 199, the Board recommended that UNOPS assess the applicability and feasibility of enhancing its e-sourcing system to improve the system's ability to detect bid collusion practices and of developing further guidance for procurement officials on identifying potential flags for collusion or conflicts of interest.

<i>Business unit responsible:</i>	Procurement Group
<i>Status:</i>	Under implementation
<i>Priority:</i>	Medium
<i>Target date:</i>	Fourth quarter 2026

60. As part of the Procurement Digital Journey, UNOPS is developing a new tender system that will replace the current e-sourcing platform. This new system will incorporate enhanced features to strengthen user access management and identification, including single sign-on and multifactor authentication with the United Nations Global Marketplace and e-signature capabilities. Developed using an agile methodology, the project will enable UNOPS to assess the applicability and feasibility of strengthening its e-sourcing system to improve its ability to detect bid collusion practices. The system is expected to be ready for initial user acceptance testing by the end of the second quarter of 2026, with full rollout in the second semester of 2026.

61. Concurrently, under the ongoing project Review of the United Nations Office for Project Services Procurement Policies and Processes, UNOPS is developing a series of guidance documents aimed at enhancing the procurement framework and improving overall efficiency and transparency. This project is currently in its initial phases, with a dedicated team conducting a multi-stage assessment of existing policies and processes. The project has completed its initial phases – project scoping and current-state review (phases 1 and 2) – and is now progressing through a comprehensive gap analysis and policy revision phase (phases 3 and 4). The outcomes of this work will inform subsequent phases, including the development of new guidance to ensure full integration and alignment with the revised policy framework. Completion of the project is expected by the second quarter of 2026.

IV. Status of recommendations from prior financial periods

62. In the annex to its report for the year ended 31 December 2024, the Board of Auditors provided a summary of the status of implementation of recommendations for previous financial periods. Current status and implementation action plans for the 11 recommendations that were under implementation are provided below.

Table 3. Status of outstanding recommendations from prior years

<i>Thematic area</i>	<i>Total</i>	<i>Closure requested</i>	<i>Under implementation</i>
Budget management	2	1	1
Financial management	3	1	2
Human resource management	1	-	1
Information and communication technology	1	1	-
Investment management	1	-	1
Project management	3	3	-
Total	11	6	5
Percentage	100%	55%	45%

A. Report of the United Nations Board of Auditors for the year ended 31 December 2022 (A/78/5/Add.11)

63. **In paragraph 35, the Board recommended that UNOPS conduct a thorough review of its revenue and make reasonable revenue forecasts to ensure the integrity of revenue estimates in the budget preparation process in accordance with its financial regulations and rules.**

<i>Business unit responsible:</i>	Finance Group
<i>Status:</i>	Closure requested
<i>Priority:</i>	Medium
<i>Original target date:</i>	Third quarter 2025
<i>Revised target date</i>	Not applicable

64. The Executive Board formally approved the net-zero revenue target for the fiscal years 2026-2027, as outlined in Executive Board decision 2025/31. Concurrently, the Board endorsed the approach for indirect cost recovery rates based on projected revenue needs. UNOPS considers this recommendation to be implemented, given that the methodology employed in the preparation of UNOPS budget estimates for the biennium 2026-2027 (DP/OPS/2025/10) will continue to be applied. UNOPS has requested closure of this recommendation.

65. **In paragraph 68, the Board recommended that UNOPS take all measures necessary within its remit to recover the funds associated with sustainable investments in infrastructure and innovation investment losses.**

<i>Business unit responsible:</i>	Legal Group
<i>Status:</i>	Under implementation
<i>Priority:</i>	High
<i>Original target date:</i>	Fourth quarter 2025
<i>Revised target date</i>	Fourth quarter 2027

66. UNOPS is liaising with the United Nations Office of Legal Affairs in its efforts to recover the funds associated with the S3i initiative. The funds recovery efforts are ongoing and expected to continue beyond 2025. At its first regular session 2025, the Executive Board, through decision 2025/6, approved the allocation of additional funds to continue the efforts in recovery and criminal accountability until the end of 2027.

67. **In paragraph 81, the Board also recommended UNOPS establish a global budgeting and recovery approach of locally managed direct costs for client projects to keep the recovery at a reasonable level.**

<i>Business unit responsible:</i>	Finance Group
<i>Status:</i>	Under implementation
<i>Priority:</i>	Medium
<i>Original target date:</i>	Fourth quarter 2024
<i>Revised target date</i>	First quarter 2026

68. UNOPS is actively engaged in establishing a global budgeting and recovery methodology for locally managed shared service costs related to client projects. A dedicated working group, comprising representatives from all regions and headquarters, has been established to lead the effort. A preliminary guidance document has been drafted and is currently under consultation within the working group. Significant progress has been made toward finalizing this approach by the end of the first quarter of 2026, after which UNOPS will request closure of the recommendation during the final audit by the United Nations Board of Auditors.

69. **In paragraph 136, the Board recommended that UNOPS establish a centralized management mechanism for grant projects, including a digital system, to conduct effective monitoring at the organization level.**

<i>Business unit responsible:</i>	Infrastructure and Project Management Group
<i>Status:</i>	Closure requested
<i>Priority:</i>	Medium
<i>Original target date:</i>	Fourth quarter 2025
<i>Revised target date</i>	No change

70. Following comprehensive assessments and a strategic transition to in-house development for improved system integration, UNOPS has successfully implemented Grant+, its centralized digital grant management system, in 2025. Internal development began in January 2025, leading to the release of a first version in May 2025. Core modules, including call for proposals and capacity assessments, were piloted beginning in September 2025. The final release, incorporating essential reporting functionality, was completed in the fourth quarter of 2025. The recommendation is therefore considered fully implemented as scheduled. UNOPS has requested closure of this recommendation.

B. Report of the United Nations Board of Auditors for the year ended 31 December 2023 (A/79/5/Add.11)

71. In paragraph 37, the Board recommended that UNOPS report the nature of shared services to the Executive Board in compliance with the United Nations harmonized cost recovery guidance during the budget estimate process for 2026-2027.

<i>Business unit responsible:</i>	Finance Group
<i>Status:</i>	Closure requested
<i>Priority:</i>	High
<i>Original target date:</i>	Third quarter 2025
<i>Revised target date</i>	Not applicable

72. UNOPS has submitted information on the nature of its shared services and documented its compliance with the harmonized cost recovery guidance to the Executive Board. This information is included as an annex to the UNOPS budget estimates for the biennium 2026-2027. This recommendation is considered implemented as per Board approval in its decision 2025/31. UNOPS has requested closure of this recommendation.

73. In paragraph 94, the Board recommended that UNOPS report to the Executive Board and the Advisory Committee on Administrative and Budgetary Questions, as part of its review of the financial regulations and rules, on the need for further clarification of the circumstances requiring the submission of supplementary proposals to the management budget.

<i>Business unit responsible:</i>	Finance Group
<i>Status:</i>	Under implementation
<i>Priority:</i>	Medium
<i>Original target date:</i>	First quarter 2026
<i>Revised target date</i>	First quarter 2027

74. The review of UNOPS financial regulations and rules is currently on hold, awaiting the outcome of the UN80 initiative. Once the results are available, the organization will proceed with the appropriate next steps in consultation with its governing and oversight bodies. The estimated completion date has been postponed by one year.

75. In paragraph 140, the Board recommended that UNOPS maintain its involvement and continue targeted efforts in the recovery of funds from the sustainable investments in infrastructure and innovation investments in collaboration with the Office of Legal Affairs.

<i>Business unit responsible:</i>	Legal Group
<i>Status:</i>	Under implementation
<i>Priority:</i>	High
<i>Original target date:</i>	Fourth quarter 2025
<i>Revised target date</i>	Fourth quarter 2027

76. UNOPS is liaising with the United Nations Office of Legal Affairs in its efforts to recover the funds associated with the S3i initiative. The funds recovery efforts are ongoing and expected to continue beyond 2025. At its first regular session 2025, the Executive Board, through its decision 2025/6, approved the allocation of additional funds to continue the efforts in recovery and criminal accountability until the end of 2027.

77. In paragraph 174, the Board recommended that UNOPS consider the project/programme focus as it develops and resources capacity for outcome-based reporting during the next indicator review and finalize the country-level reporting indicators for its contribution goals.

<i>Business unit responsible:</i>	Infrastructure and Project Management Group
<i>Status:</i>	Closure requested
<i>Priority:</i>	Medium
<i>Original target date:</i>	Fourth quarter 2025
<i>Revised target date</i>	Not applicable

78. In 2025, UNOPS continued to strengthen its capacity to manage for impact, including through the preparation and presentation of reports highlighting the contributions of UNOPS projects and programmes to broader outcomes and impact. These reports were shared with the Executive Board as part of the annual report of the Executive Director for 2024 (DP/OPS/2025/6). The UNOPS strategic plan and results framework for 2026-2029 (DP/OPS/2025/9) reaffirms UNOPS commitment to further develop and resource these capabilities and delineate the organization's responsibilities for related reporting at different levels, including the country and project/programme levels. UNOPS has requested closure of this recommendation.

79. In paragraph 186, the Board recommended that UNOPS, collaborating with partners, actively play its role in the design of peace and security projects and improve the quality of the indicators and targets set forth in legal agreements to comprehensively reflect actual progress and achievement of projects.

<i>Business unit responsible:</i>	New York Portfolio Office
<i>Status:</i>	Closure requested
<i>Priority:</i>	Medium
<i>Original target date:</i>	Second quarter 2025
<i>Revised target date</i>	Not applicable

80. UNOPS has conducted training for relevant personnel to enhance the quality of indicators and targets in legal agreements. UNOPS has also revised substantive report templates to more accurately reflect the actual progress and achievements of projects. UNOPS considers this recommendation duly implemented and has requested closure.

81. In paragraph 204, the Board recommended that UNOPS take a proactive approach and supervision measures in overseeing performance management, to ensure the appropriateness of individual performance evaluation.

<i>Business unit responsible:</i>	People and Culture Group
<i>Status:</i>	Under implementation
<i>Priority:</i>	Medium
<i>Original target date:</i>	Fourth quarter 2026
<i>Revised target date</i>	First quarter 2027

82. The implementation of this recommendation requires a phased, multi-year approach supported by technological enhancements. UNOPS has introduced its first performance management philosophy and initiated several immediate changes. These include a mandatory mid-year review; an increase in the weighting of behavioural competencies in assessments from 40 to 50 per cent; mandatory 360-degree feedback for eligible leaders, including the UNOPS management team, in alignment with the organization's culture statements; and capacity-building sessions for supervisors. A comprehensive review of the performance management policy is currently underway and will include addressing project write-offs as part of underperformance assessments. Further

activities are planned to strengthen UNOPS performance management processes and practices; accordingly, implementation of this recommendation remains in progress.

83. In paragraph 214, the Board recommended that UNOPS establish regulations or procedural guidelines on the management of computing devices and enhance the oversight of registration, disposal and data security at headquarters and in the regional and country offices, respectively.

<i>Business unit responsible:</i>	Information Technology Group
<i>Status:</i>	Closure requested
<i>Priority:</i>	Medium
<i>Original target date:</i>	Fourth quarter 2025
<i>Revised target date</i>	Not applicable

84. In June 2025, UNOPS issued updated guidance for the management of computing devices. UNOPS has also transitioned from manual, paper-based procedures to a centralized, automated device management system that enables real-time tracking across all global locations. This system allows for the monitoring of both UNOPS-owned and personally owned devices used for official duties, thereby directly addressing previous concerns regarding limited visibility, fragmented management, and lack of clear custodianship. UNOPS has requested closure of this recommendation.

V. Impact of implemented recommendations

85. In line with Executive Board decision 2023/1, UNOPS presents below the organizational impact of implemented recommendations.

86. The implementation of these recommendations has led to significant organizational improvements within UNOPS. The establishment of the Portfolio Oversight Committee has notably enhanced the organization's risk management capabilities. This new framework for high stakes engagements enables early identification of potential issues and supports risk-informed decision-making throughout the project life cycle.

87. UNOPS has an improved investment portfolio oversight. Under the guidance of the Investment Advisory Committee, UNOPS has institutionalized a formal standing agenda for the committee's meetings, requiring in-depth analysis of portfolio risks and returns. This measure ensures that investment portfolios are managed in line with the organization's risk appetite and that external fund managers perform in accordance with market benchmarks and to UNOPS satisfaction.

88. In implementing the Board's recommendation to conduct a comprehensive review of derivatives, UNOPS has undertaken robust treasury structural reforms. The reforms have added significant value to UNOPS treasury operations by embedding more rigorous compliance and risk management practices into policies and procedures. Clear policies have been established regarding the use of derivatives for hedging purposes and the eligibility of instruments for risk-mitigation.

89. UNOPS has shifted its approach from a project-level to output-level classification, significantly improving the precision and accuracy of revenue recognition. This change, driven by the forthcoming implementation of IPSAS 47, has had a notable impact on financial, procurement and grant management processes across all organizational units. UNOPS continues to implement necessary adjustments to ensure a smooth transition to IPSAS 47.

90. Programme budget formulation for the process innovation and digitalization programme has been significantly improved, now demonstrating closer alignment with the project roadmap and actual implementation. This improvement has strengthened operational efficiency and financial management. Multi-year budgeting is now based on realistic timelines agreed with governance bodies and stakeholders, minimizing the risk of suboptimal fund utilization and enhancing financial predictability. This alignment also enables more responsive course corrections, allowing timely readjustments to budgets and allocations in line with evolving project needs and strategies.

91. Regarding reserves and liquidity management, UNOPS has adopted an Executive Board-approved methodology for calculating liquid excess reserves. The results are disclosed annually in an annex to the UNOPS financial statements, ensuring transparency and supporting timely decision-making by the Board.

92. In procurement, UNOPS completed a comprehensive assessment of its emergency procurement procedures to improve responsiveness and operational efficiency during emergencies. As a result, the utilization of the UNOPS e-tendering system for emergency procurement procedures-related procurement increased significantly in the first half of 2025, streamlining processes and enhancing oversight and accountability. Furthermore, the number of emergency procurement procedures approved in 2025 decreased compared to previous year, reflecting improved planning, stronger procurement controls, and greater reliance on standard procurement procedures.

93. The pre-selection process in procurement has also been further refined. The approval process for pre-selection requests funded by United Nations sources now includes mandatory confirmation of delegated authorities in all project agreements, supported by improved internal review mechanisms.

94. UNOPS has clarified the rules governing personnel administered on behalf of United Nations partners through a review of the human resources service line. Internally, in line with the recommendations of the Board of Auditors, UNOPS has converted contracts meeting the definition of “inherently United Nations activities” from contractor to staff contracts. This demonstrates UNOPS commitment to strengthening its core workforce by ensuring that such activities are performed by staff members. However, the significant variance between compensation packages between contract modalities have led to increased variability and unpredictability in budget requirements for the converted positions.

95. Overall, the comprehensive implementation of recommendations has led to substantial enhancements, reinforcing UNOPS mission to help people build a more peaceful, just and sustainable world.

VI. Conclusion

96. UNOPS management welcomes the report of the Board of Auditors on the financial statements for the year ended 31 December 2024. The report acknowledges UNOPS continued strong financial health in 2024, reflecting sound financial management supported by robust processes and controls. UNOPS remains fully committed to maintaining its record of unqualified audit opinions and to addressing the concerns and recommendations of the Board of Auditors, while continuing to strengthen performance across all areas identified in the report.
