



**United Nations**

**Review of governance and oversight of the  
Executive Boards of the United Nations  
Development Programme/United Nations  
Population Fund/United Nations Office for  
Project Services, the United Nations  
Children's Fund and the United Nations  
Entity for Gender Equality and the  
Empowerment of Women**

**Report of the Joint Inspection Unit**

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*Executive summary*

## **Review of governance and oversight of the Executive Boards of the United Nations Development Programme/ United Nations Population Fund/United Nations Office for Project Services, the United Nations Children’s Fund and the United Nations Entity for Gender Equality and the Empowerment of Women**

### **Overview and context**

In February 2023, the Presidents of the Executive Boards of the United Nations Development Programme (UNDP)/United Nations Population Fund (UNFPA)/United Nations Office for Project Services (UNOPS), the United Nations Children’s Fund (UNICEF) and the United Nations Entity for Gender Equality and the Empowerment of Women (UN-Women) (referred to as “Boards” or “Executive Boards” hereafter) requested the Joint Inspection Unit (JIU) to carry out an assessment of how the Executive Boards execute their governance and oversight functions, with a view to ensuring that these functions are aligned with international standards and best practices. That request was prompted by the recent management failures and allegations of wrongdoing at UNOPS. Following consideration by the Joint Inspection Unit, the review was added to its programme of work for 2023.

The objectives of the review are to: (a) assess how the Executive Boards execute their governance and oversight functions; (b) identify risks, gaps and opportunities among their current practices and the relevant best practices in relation to governance and oversight; and (c) recommend specific actions intended to streamline and enhance their governance processes. The scope of the review is limited to the three Executive Boards for five JIU participating organizations: UNDP, UNFPA, UNICEF, UNOPS and UN-Women. A JIU benchmark was developed, including six main components, subcomponents and criteria for each, and the current governance and oversight arrangements of each Executive Board were analysed to identified gaps.

### **Findings and conclusions**

#### **Component I: Executive Board roles and responsibilities**

The governance structures for all three Executive Boards are complex due to their relationships with other United Nations bodies. Documentation regarding the roles and responsibilities among the Executive Boards, the General Assembly and the Economic and Social Council is limited, as are those Boards’ relationships with the Advisory Committee on Administrative and Budgetary Questions. General Assembly resolution 48/162, in which the Assembly created the Executive Boards, does not provide sufficient clarity on a number of important elements of responsibility. The resolution is also not in line with current best practices in board governance, which require that, among others, responsibility be taken for the oversight and risk management functions.

Executive Boards require a clear understanding of what constitutes a new initiative and which mechanisms should be used to seek approval from the Economic and Social Council and the General Assembly, as necessary (**recommendation 1**).

All three Executive Boards require, at a minimum, comprehensive terms of reference that describe their roles and the full range of their responsibilities, including reporting relationships and linkages with other United Nations entities (**recommendation 2**).

Executive Board members need clearly defined roles, responsibilities and expectations as do their Presidents and Vice-Presidents, who have to fulfil unique and specialized roles (**recommendation 3**).

## **Component II: Executive Board composition and structure**

In the effective governance of organizations both within and outside the United Nations system, board committees are integrated into governance structures to promote the efficiency and effectiveness of the work of the main board. Boards delegate time-consuming technical or complex matters to those committees, which can conduct in-depth assessments and provide analysis, advice and recommendations to the Boards.

None of the three Executive Boards makes use of committees, including in relation to budgeting, finance and oversight, unlike other organizations in the United Nations system, which have adopted such an approach as a good practice. Executive Board committees would improve the efficiency and effectiveness of the Board by appointing a smaller group of members to provide advice and recommendations to the main Board for adoption (**recommendation 4**).

One Executive Board committee that is essential for good governance is an independent oversight committee comprised of external experts to advise the Board on matters relating to internal and external oversight functions and risk management. The Executive Boards should strengthen the independence of oversight committees by having a direct reporting line to the Boards (**recommendation 5**).

## **Component III: Executive Board secretariat**

The secretariats of the Executive Boards play a key role in enabling the Boards to fulfil their responsibilities. They should provide impartial and professional support and advice to their Bureaux and Executive Board members before, during and after Board meetings, member training, as well as support for assessment and improvement processes. The activities of the Executive Board secretariats primarily facilitate the effective conduct of the meeting agenda and ensure that the work of the respective Boards is performed in accordance with the established rules of procedure. In the examination of the rules of procedure of the Executive Boards, the Inspector found that the role of their secretariats is expressed in terms that are too general and are limited to the secretariats being the focal points in the respective organizations for Board matters. The full range of activities carried out by the secretariats is not documented, so there is no visibility of the extent of their roles and responsibilities and the work that they are expected to perform. In addition, Executive Board members may benefit from a common training that covers shared aspects of all three Boards, such as the roles and responsibilities of Board members, rules of procedure and practices and other general governance and oversight principles relevant in the United Nations system, which could be supplemented with separate organization-specific training.

Recognizing that many Executive Board members serve on multiple boards, the terms of reference for the Board secretariats should be harmonized across all three Boards and should clarify the secretariat's roles and responsibilities, its functional reporting line to the Board, the impartiality of the function, requirements for the secretariat and the post of secretary of the Board and the process to ensure that adequate resources are available in the budget (**recommendation 6**).

## Component IV: Executive Board meetings

Effective functioning of the Executive Boards requires comprehensive rules of procedure, the information and resources needed to carry out Board member duties, productive meetings and effective follow-up processes. Meetings are the Executive Boards' primary means for receiving information, having discussions about issues and making decisions. Yet none of the Executive Boards has a self-assessment mechanism in place to improve the effectiveness of its meetings. Time allocated to pertinent issues varies across the three Executive Boards; the review revealed that members of the Executive Board of UNDP/UNFPA/UNOPS were not satisfied with the time allocated to meetings, especially in relation to oversight issues.

Given the volume of materials required for Executive Board members to review prior to and in between meetings, a common Board portal to facilitate communication should be considered. Moreover, informal meetings of the Executive Boards were also a source of dissatisfaction. While Executive Board members found them helpful for discussion purposes, it was noted that there was no link between informal discussions and formal meetings, resulting in the need to duplicate discussions and any conclusions reached. For more effective and efficient meetings and decision-making, the Executive Boards should assess their current rules of procedure and working methods to support a more engaged participation by all members of the Board (**recommendation 7**).

## Component V: Executive Boards and oversight functions

Several gaps and risks have been pointed out in previous reviews with regard to all three Executive Boards in meeting their responsibilities in relation to oversight and accountability. Oversight includes functions such as internal audit, investigations, evaluations, including those carried out by the Board of Auditors or the Joint Inspection Unit, and internal advisory functions, such as ethics and ombuds services. All of those are critical elements for effective governance, ensuring that delegated duties and powers are appropriately performed and that information for decision-making and reporting is accurate. There are certain Executive Board responsibilities for oversight functions that are essential to ensure the independence of those functions and reflect best practices.

Based on results from the JIU survey, more than 60 per cent of respondents were not satisfied with the areas of Executive Board responsibility that pertain to the independence of oversight functions. Similarly, oversight professionals from the five organizations, as well as from external functions, expressed their frustration and concern with the current approach and arrangements, which did not provide for sufficient engagement by the Executive Boards. Several areas with regard to oversight need to be examined, from the length of time dedicated to oversight issues during Executive Board meetings to the substantive engagement between Board members and independent functions. For instance, in comparison with the governing bodies of certain other United Nations system organizations, the engagement of the three Executive Boards with independent oversight functions and advisory committees is substantially less.

With regard to engagement with independent functions, the Executive Boards currently do not approve most of the charters for oversight functions. Also, there is no explicit role for the Executive Boards in the approval, selection, performance assessment, and renewal and termination of contracts of the heads of oversight functions, although they are consulted in certain cases. Reports on the follow-up to oversight recommendations are provided to the Executive Boards but these are generally fragmented and neither comprehensive nor integrated. Inadequate attention to the reports of and interaction with independent functions can affect their respective independence and expose the organizations to additional risks.

An oversight committee of the Executive Board could be an effective mechanism to take a Board-level view of oversight reports and engage substantively on Board issues with oversight and advisory functions. An independent oversight advisory committee could be tasked by the Executive Board oversight committee to provide an analysis of and recommendations on internal oversight functions, as is done in other United Nations system organizations.

To address the gaps identified in that component, the Executive Boards should ensure that their responsibilities in relation to the independent oversight and advisory functions and committees are clearly described in the Boards' terms of reference and include a direct reporting line to the Board. There should also be appropriate mechanisms in place to meet the oversight responsibilities of the Executive Boards, including sufficient and dedicated time for substantive interactions during Board meetings, and to ensure that the charters, frameworks and/or terms of reference of independent and advisory functions and committees reflect the roles and responsibilities of the Boards (**recommendation 8**).

## **Component VI: Executive Boards and risk management**

Risk management is closely related to the overall responsibility of the Executive Boards to oversee strategy and performance. On that issue, Executive Boards must satisfy themselves that there are effective risk management policies and procedures in place so that the organization takes risks into account in developing strategies, planning and decision-making.

All five organizations have policies governing their risk management processes and procedures and, with the exception of UNDP, these policies describe roles for their respective Executive Boards in risk management. That said, some 40 per cent of respondents were dissatisfied with the level of information received on risk management, as well as with the mechanisms in place for the Executive Boards to provide advice to management on risks. Risk management is also an area in which the Board of Auditors, in its annual reports, has explicitly requested further improvements.

While it is best practice, and a clear indication of an Executive Board's coverage of and commitment to risk management, that there is an annual agenda item on the responsibilities of the Board in relation to risk management, the Inspector was not been able to identify formal Board sessions with substantive coverage of risk management.

Executive Boards should be aware of the arrangements of the respective risk management structures and frameworks for each organization. There are significant differences among the five organizations regarding the number and location of staff dedicated to risk management. There are also variations in relation to the types of tools used. It is important for Executive Boards to be satisfied with the adequacy of the overall arrangements for risk management and that their roles and responsibilities concerning risk management are appropriately reflected in their own terms of reference, as well as in organizational policies on risk management (**recommendation 9**).

## **Conclusions and recommendations**

The benchmark outlined in the present review is comprised of six components: Executive Board roles and responsibilities; Executive Board composition and structure; Executive Board secretariat; Executive Board meetings; Executive Boards and oversight functions; and Executive Boards and risk management. The components reflect best practices and the conclusion reached by the Inspector is that none of the three Executive Boards is fully aligned on the best practices in relation to the six components of the benchmark.

With few exceptions, all components need improvement and all key documents related to the governance and oversight roles of the Executive Boards need to be reviewed as do the practices related to the functioning of all three Boards. That will require member States to recognize their roles and responsibilities as Executive Board members and to



reassess current practices in relation to governance and oversight of the five organizations. That must be done with full transparency and led by the Executive Board members themselves. A similar exercise has already been carried out by the World Food Programme and any potential synergies with their approach should be identified.

The present review includes 10 formal and 21 informal recommendations that are focused on strengthening the governance of the three Executive Boards, in particular, their oversight functions. To begin the change management process, an ad hoc committee of each Executive Board should be created to assess and prepare an action plan to address and implement those recommendations (**recommendation 10**).

## **Formal recommendations**

### **Recommendation 1**

**The Executive Boards should request that the Economic and Social Council clarify the definition of new initiatives, as outlined in General Assembly resolution 48/162, and define a process by which such initiatives will be recommended for approval, through the Council, to the General Assembly, as necessary.**

### **Recommendation 2**

**The Executive Boards should develop terms of reference that fully describe their governance responsibilities and adhere to the best practices in relation to the JIU benchmark and submit them for approval by the Economic and Social Council and the General Assembly.**

### **Recommendation 3**

**Based on their own approved terms of reference, the Executive Boards should develop terms of reference for Board members that are aligned with the JIU benchmark, including for specialized positions, such as Bureau members.**

### **Recommendation 4**

**The Executive Boards should, as part of their overall structures, consider creating appropriate committees and corresponding terms of reference.**

### **Recommendation 5**

**The Executive Boards should implement the recommendations made by JIU in its 2019 report on audit and oversight committees, including on strengthening the independence of an oversight committee by having a direct reporting line to the Executive Board.**

### **Recommendation 6**

**The Executive Boards should request that their secretariats collaborate on the preparation of harmonized terms of reference for all Board secretariats, aligned with the JIU benchmark and submitted to their respective Boards for approval.**

### **Recommendation 7**

**The Executive Boards should assess their current rules of procedure and working methods to support more engaged participation by all Board members and more efficient and effective means for discussion and decision-making.**

**Recommendation 8**

**The Executive Boards should direct their respective organizations to ensure that the charters, frameworks and terms of reference of independent and advisory functions and committees reflect the roles and responsibilities of the Boards, including in relation to reporting lines, access to the Board and consultations on human and financial resources, to ensure independence.**

**Recommendation 9**

**The Executive Boards should direct their respective organizations to ensure that the roles and responsibilities of the Boards for risk management are appropriately reflected in the organizational policies on risk management.**

**Recommendation 10**

**By the end of 2024, each Executive Board should create an ad hoc committee to assess the recommendations (formal and informal) in the present review and prepare an action plan to address and implement them, including setting target dates and regular reporting on progress.**

**Informal recommendations****Chapter III**

- There should be a clearly defined responsibility of the Executive Boards and a mechanism to review the performance of the executive head (para. 23)
- The role of the Advisory Committee on Administrative and Budgetary Questions should be formally considered in the governance framework of the Executive Boards as it provides a source of financial advice (para. 26)
- The purpose and requirements of annual reporting to the Economic and Social Council should be clearly described and used to fully report on areas in which the Executive Boards are responsible to the Economic and Social Council and the General Assembly (para. 28)
- The Executive Boards should consider implementing a process by which to assess periodically their overall performance against their mandates (para. 32)

**Chapter IV**

- The Executive Boards should have an independent oversight committee that reports directly to the Board (para. 49)

**Chapter V**

- The Executive Board members may benefit from a common basic training programme that covers aspects that are common to all three Boards, such as the role and responsibility of Board members, rules of procedure and practices and other general governance and oversight principles relevant in the United Nations, which could be supplemented with separate organization-specific training (para. 58)
- The Executive Boards will need to take action to clarify the role, reporting requirements and accountability of their secretaries, as well as the requirements regarding qualifications and experience, and to reinforce the need for impartiality, secretaries should have a job description that is available to the Bureau and Board members (para. 59)

- It would be appropriate for the Executive Boards to consider the level of resources to be provided to their secretariats and ensure that such resources are commensurate with the respective roles, responsibilities and performance indicators (para. 60)

## Chapter VI

- The Inspector encourages the Executive Board of UNDP/UNFPA/UNOPS to reconsider its decision to group, at its annual session, all the agenda items related to oversight in the same morning, instead of discussing them under the segments for each organization (para. 67)
- The utility of informal meetings should be assessed, and actions should be considered to focus them clearly on informing the decision-making in formal meetings by providing information and advice resulting from the discussions (para. 68)
- The Inspector encourages all Executive Board secretariats to consider introducing a common portal to facilitate communication among Board members, the Boards and the secretariats thereof before, during and after Board meetings (para. 71)
- The Inspector encourages Executive Board members to assess whether the current process of formulating Board decisions would benefit from a review (para. 73)
- The Executive Board of UNDP/UNFPA/UNOPS should reassess the duration of the UNOPS segment of its sessions and consider options for engaging directly with the organization (para. 74)

## Chapter VII

- To ensure the independence of oversight functions, a consistent approach is necessary so that the Executive Boards are responsible for the approval of all oversight charters (para. 82)
- In accordance with best practices, the selection, performance assessment, and renewal and termination of the contracts of the heads of the independent oversight functions should require consultation with the Executive Boards and should be reflected in their terms of reference (para. 83)
- Dedicated board oversight committees focused on the oversight and accountability responsibilities of the Executive Boards are logical mechanisms for fulfilling the requirements in relation to independent oversight and advisory functions and committees, as outlined in the benchmark (para. 84)
- The terms of reference of the Executive Boards should incorporate comprehensive tracking and follow-up of oversight recommendations to hold management accountable for implementation as this is an essential responsibility of governance (para. 86)
- The terms of reference of the Executive Boards should ensure that the Boards recognize the need for appropriate provisions for engagement with independent oversight functions and their independent oversight committees in accordance with previous JIU recommendations (para. 88)

## Chapter VIII

- The Inspector urges the Executive Boards to ensure that they are provided with at least annual updates from the organizations on risk, as well as information on the outcome of the organization's comprehensive review of risk management, as recommended by JIU in its 2020 report on enterprise risk management (para. 96)
- The Inspector reiterates the responsibility, as outlined in the benchmark, of the Executive Board for risk management and requests that attention should be paid to making this explicit in the development of the Board's terms of reference, as requested in recommendation 1 of the present review (para. 100)

**Chapter IX**

- The Inspector encourages the Presidents of the three Executive Boards to liaise with the President of the Executive Board of the World Food Programme to identify any potential synergies between the two review processes (para. 104)

## Contents

	<i>Page</i>
Executive summary .....	iii
Abbreviations .....	xii
I. Introduction .....	1
II. Context .....	4
III. Executive Board roles and responsibilities (component I) .....	6
IV. Executive Board composition and structure (component II) .....	10
V. Executive Board secretariat (component III).....	13
VI. Executive Board meetings (component IV) .....	16
VII. Executive Boards and oversight functions (component V) .....	18
VIII. Executive Boards and risk management (component VI) .....	22
IX. Conclusions and recommendations .....	24
<b>Annexes</b>	
I. Benchmark of the Joint Inspection Unit in relation to Executive Boards .....	26
II. Overview of actions to be taken by participating organizations on the recommendations of the Joint Inspection Unit .....	31

## Abbreviations

JIU	Joint Inspection Unit
UNDP	United Nations Development Programme
UNFPA	United Nations Population Fund
UNICEF	United Nations Children’s Fund
UNOPS	United Nations Office for Project Services
UN-Women	United Nations Entity for Gender Equality and the Empowerment of Women

## I. Introduction

### A. Background

1. A formal request was made on 24 February 2023 to the Joint Inspection Unit (JIU) by the Executive Boards of the United Nations Development Programme (UNDP)/United Nations Population Fund (UNFPA)/United Nations Office for Project Services (UNOPS), the United Nations Children's Fund (UNICEF) and the United Nations Entity for Gender Equality and the Empowerment of Women (UN-Women) (referred to as "Boards" or "Executive Boards" hereafter) to carry out an assessment of how they execute their governance and oversight functions, with a view to ensuring that such functions are aligned with international standards and best practices. The request was considered by the JIU Inspectors who collectively took the decision to add the review to the 2023 programme of work of the Unit.

2. The agreement of JIU to conduct the review was communicated in a letter to the Executive Boards dated 11 April 2023. As a part of the agreement, funding for the review, to the value of \$168,460, was approved by the Executive Boards and provided by the five organizations as extrabudgetary funds to JIU, to cover additional support staff, consulting services and travel for the review.

### B. Objectives and scope

3. The objectives of the review are:

(a) To assess how the Executive Boards execute their governance and oversight functions, including the role and capacity of relevant stakeholders;

(b) To identify risks, gaps and opportunities among the current practices of the three Executive Boards and the relevant governance and oversight best practices from within and outside the United Nations system, including relevant international standards;

(c) To recommend specific actions intended to streamline and enhance the governance processes of the Executive Boards.

4. The scope of the review is limited to the three Executive Boards of five JIU participating organizations: UNDP, UNFPA, UNICEF, UNOPS and UN-Women.

### C. Approach and methodology

5. A comprehensive desk review and study of relevant technical guidance (see annex I for details), and the current governance arrangements and practices of the three Executive Boards and of other selected United Nations and non-United Nations organizations was carried out.<sup>1</sup> The comparators were chosen based on their ability to provide relevant comparative elements for the review. Relevant recommendations from previous JIU reports were also considered.

6. A survey was sent to all Executive Board members as part of the data collection process. The survey included 94 questions that required respondents to rate their views on a range of subjects, together with open-ended questions. JIU sent the survey to the focal points designated by the Executive Board members. JIU received 63 responses in total, representing between 28 and 50 per cent of the total number of board members of each Executive Board.

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<sup>1</sup> The United Nations comparators are the Office of the United Nations High Commissioner for Refugees and the World Food Programme. The non-United Nations comparators are the Gavi Alliance and the World Bank. Documents of several other organizations were also reviewed for specific areas of the report.

7. The review team conducted approximately 100 interviews. Those included Executive Board members (individually and in groups), as well as members of the Board of Auditors and the Advisory Committee on Administrative and Budgetary Questions. Interviews were also carried out with selected members of staff in each of the five organizations, including the five executive heads,<sup>2</sup> members of the Board secretariats, the heads of oversight, risk management and ethics, and the chairs of the oversight committees. In addition, interviews were also held with representatives of other United Nations entities, including the United Nations Secretariat, and external comparators, to understand their governance structures and processes, as well as potential best practices that could be adopted. The Inspector also attended selected sessions of the annual meetings of the three Executive Boards in June 2023.

8. As a framework for its assessment, JIU developed a benchmark against which the current arrangements of the three Executive Boards were assessed (see annex I). The benchmark is drawn from institutions and organizations that reflect the unique nature of the United Nations system and governance arrangements of the funds and programmes, as well as the relevant mandates of the five organizations.

9. The report is structured around the six components listed in table 1 below.<sup>3</sup>

Table 1  
**Components of the benchmark**

Number	Name of component
Component I	Executive Board roles and responsibilities
Component II	Executive Board composition and structure
Component III	Executive Board secretariat
Component IV	Executive Board meetings
Component V	Executive Boards and oversight functions
Component VI	Executive Boards and risk management

*Source:* Compiled by JIU on the basis of best practices (see annex I for sources).

10. The key elements of the benchmark and the preliminary findings of the review were presented to the members of the three Executive Boards and their secretariats during a videoconference on 17 October 2023. The presentation, and supplementary information, was also shared with the participants. JIU requested and received comments from the Executive Board members on the content of the presentation and the supplementary information. The comments and inputs were considered by the Inspector in finalizing the present report.

11. In line with article 11 (2) of the JIU Statute, the report was finalized after consultation among the Inspectors to test the conclusions and recommendations contained therein against the collective wisdom of the Unit. The final responsibility for the present report, nonetheless, rests solely with the Inspector who is the author of the report.

12. **Limitations.** The review was not included in the initial 2023 programme of work of JIU, which had already been submitted for information to the General Assembly. Since the necessary resources and staff were not immediately available to comply with the request of the three Executive Boards, it was agreed that externally contracted personnel would be asked to support the review. An agreement was signed on 11 April 2023 and the two consultants joined JIU in May and June 2023.

13. **Acknowledgments.** The Inspector wishes to express his appreciation to the Presidents and members of the three Executive Boards and to all the officials of the five organizations who supported the review team during all the stages of the review process, particularly the

<sup>2</sup> The term “executive head” refers to the most senior member of staff of each of the five organizations, namely the Administrator of UNDP and the Executive Directors of UNFPA, UNICEF, UNOPS and UN-Women.

<sup>3</sup> In addition to the present report, the Inspector has also produced a series of detailed supplementary slides shared with the members of the three Executive Boards and their secretariats after the 18th October presentation.



Board secretariats. The Inspector also wishes to express his appreciation to the secretaries of the Executive Boards of the selected comparator organizations (the Office of the United Nations High Commissioner for Refugees, the World Food Programme, the Gavi Alliance, Tuberculosis and Malaria and the World Bank) for sharing their practices and experiences.

## II. Context

14. Most of the literature covering the key governance trends of 2023 makes explicit reference to the increasing challenges faced by boards and by board members across all economic sectors. Specific examples include having to deal with “skepticism about board quality”<sup>4</sup> and having to “enhance[e] transparency in light of increasing responsibilities and pressures”, including by “providing visibility into how directors meet their responsibilities – while holding themselves publicly accountable”.<sup>5</sup> While those documents do not explicitly address governance in the United Nations, the Inspector is of the view that those are important general trends that affect not only the private sector, but also the public sector and, ultimately, all the organizations that are funded, directly or indirectly, through public funds.

15. The fact that the Executive Boards of UNDP/UNFPA/UNOPS, UNICEF and UN-Women requested the review is an acknowledgement of the importance of their role in governance and oversight and of the need to ensure that they are aligned with best practices. Due recognition must be given for the improvements that have been implemented in the past few years as part of the working methods review<sup>6</sup> and the actions driven by the failures that occurred in connection with the UNOPS Sustainable Investments in Infrastructure and Innovation Initiative.<sup>7</sup>

16. In response to the UNOPS management failures and allegations of misconduct, action taken was mainly at the managerial level, with many senior managers being replaced, including the Executive Director. Other action taken by UNOPS and member States resulted in the suspension of funding for the project in question, pending investigation. That has highlighted the roles and responsibilities of Executive Boards and their members themselves to ensure that similar occurrences are prevented.

17. The organizations taking part in the present review are classified as separately administered funds and programmes and, as such, retain significant linkages to various elements of the United Nations system (e.g. links to the Economic and Social Council, the Secretary-General, the Board of Auditors etc.). Those linkages add a layer of complexity to their governance arrangements. Since 2012, the five organizations have seen their combined revenue increase by almost 65 per cent, from \$11 billion in 2012 to almost \$18 billion (see figure below) in 2021, bringing with it significant challenges regarding risk management and internal control systems. Notwithstanding the recent growth, most organizations are dealing with a difficult funding landscape, which further increases the challenges for management to deliver on the approved strategies and mandates, as well as the need for increased guidance, support and oversight from the Executive Boards.

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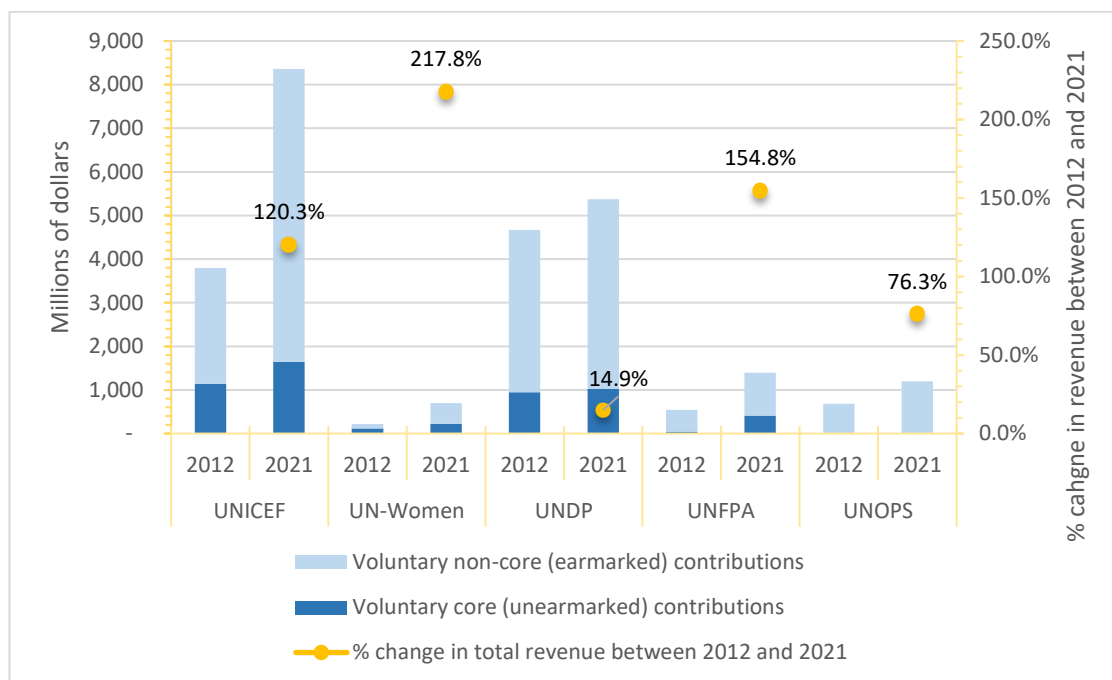
<sup>4</sup> Russel Reynolds Associates “Global corporate governance trends for 2023”, 7 February 2023.

<sup>5</sup> Maria Castañón Moats, “Trends shaping corporate governance in 2023 – four areas to watch”, Price Waterhouse Coopers, 4 January 2023.

<sup>6</sup> Executive Board of UNDP/UNFPA/UNOPS decision 2020/2; UNICEF Executive Board decision 2020/1; and UN-Women Executive Board decision 2020/1.

<sup>7</sup> UNOPS, “Statement in response to media coverage on UNOPS S3i and related matters”, last updated on 14 July 2022.

Figure  
**Comparison of the revenues of UNICEF, UN-Women, UNDP, UNFPA and UNOPS**  
 (2012–2021)



Source: JIU on the basis of data from the audited financial statements of each organization.

Note: Voluntary core (unearmarked) contributions include regular resources. Voluntary non-core (earmarked) contributions include cost sharing, trust funds, other resources, revenue from project activities, miscellaneous revenue and non-exchange revenue.

18. The report consists of a chapter on each of the six components of the benchmark, each of which includes two sections: one on the relevant part of the benchmark and one on the pertinent findings and the recommendations. Annex I contains the full benchmark and its sources. The Inspector has restricted the findings and recommendations within each benchmark component to those areas that should be a priority consideration for the Executive Boards.

### III. Executive Board roles and responsibilities (component I)

#### A. Benchmark

19. Board governance includes responsibilities to set strategies and plans, to oversee management in the operation of the organization, to manage risk, to provide and support the “tone at the top” on ethical conduct, to ensure the effectiveness of board governance processes and to exercise responsibilities over independent oversight functions. The detailed benchmark (see annex I) includes those elements and takes into account the specific contexts of the three Executive Boards, in which responsibilities in some areas are shared with the General Assembly, the Economic and Social Council and other United Nations bodies.

20. Board roles and responsibilities should be documented in comprehensive terms of reference and regularly reviewed and updated. Such a document should include all elements of board functions and describe how board roles and responsibilities are integrated with those of other related governance bodies, as applicable. There should be additional terms of reference to provide information on the roles and responsibilities of individual board members, as well as those with special positions, such as presidents, vice-presidents, committee chairs, vice-chairs and committee members.

#### B. Findings

##### *Board responsibilities*

21. The Executive Boards lack terms of reference that describe their roles and responsibilities. Documentation regarding governance roles and responsibilities assigned to the Executive Boards, the Economic and Social Council and the General Assembly is very limited, being mainly contained in General Assembly resolution 48/162.<sup>8</sup> In that resolution, the General Assembly created the Executive Boards to provide intergovernmental support and to supervise the activities of the funds and programmes under the overall policy guidance of the General Assembly and the Economic and Social Council. It provided for the following breakdown of responsibilities (table 2).

Table 2

##### **Responsibilities of the Executive Boards of the funds and programmes according to General Assembly resolution 48/162**

<b>Responsibilities directly assigned to the Executive Boards</b>	<b>Areas in which the Executive Boards are responsible to the General Assembly and the Economic and Social Council</b>
To be responsive to the needs and priorities of recipient countries (para. 21)	To be subject to the authority of the Economic and Social Council (para. 21)
To provide intergovernmental support to and supervision of each fund or programme (para. 21)	To implement the policies formulated by the General Assembly and the coordination and guidance received from the Economic and Social Council (para. 22 (a))
To receive information from and give guidance to the head of each fund or programme on the work of each organization (para. 22 (b))	To ensure that the activities and operational strategies of each fund or programme are consistent with the overall policy guidance set forth by the General Assembly and the Economic and Social Council, in accordance with their respective responsibilities as set out in the Charter of the United Nations (para. 22 (c))
To monitor the performance of the fund or programme (para. 22 (d))	
To approve programmes, including country programmes, as appropriate (para. 22 (e))	

<sup>8</sup> General Assembly resolution 48/162, paras. 21 and 22.

Responsibilities directly assigned to the Executive Boards	Areas in which the Executive Boards are responsible to the General Assembly and the Economic and Social Council
To decide on administrative and financial plans and budgets (para. 22 (f)) To encourage and examine new programme initiatives (para. 22 (h))	To recommend new initiatives to the Economic and Social Council and, through the Council, to the General Assembly as necessary (para. 22 (g)) To submit annual reports to the Economic and Social Council at its substantive session, which could include recommendations, where appropriate, for improvement of field-level coordination (para. 22 (i))

22. The governance structure of the Executive Boards is unique and includes areas of shared governance and responsibility with other United Nations bodies. That duality does not generally occur in other boards, where full delegation of authority is the norm. Therefore, it requires careful definition and integration. For example, governance responsibilities are divided between the Executive Boards and the Secretary-General in the areas of oversight of the executive head and with the Economic and Social Council and the General Assembly for the approval of new initiatives. The role played by the Advisory Committee on Administrative and Budgetary Questions in the review of budgets, financial statements and financial regulations and rules should also be clearly defined and integrated, where applicable, with Executive Board responsibilities. Those areas of shared responsibility require clearly established reporting and approval mechanisms, which are presently lacking.

23. Boards are generally expected to have a role in the appointment, performance assessment, and renewal and termination of the contracts of their executive heads. That is not the case for the Executive Boards with respect to performance of the executive head. Executive Board members who responded to the JIU survey indicated a high degree of dissatisfaction with their ability to provide inputs to the Secretary-General on executive head performance.<sup>9</sup> **There should be a clearly defined responsibility of the Executive Boards and a mechanism to review the performance of the executive head.**

24. In accordance with General Assembly resolution 48/162, Executive Boards should approve strategic plans and programmes and country programmes, as appropriate. While Executive Boards have a responsibility to encourage and examine new initiatives, they must be recommended to the Economic and Social Council and, if necessary, through the Council to the General Assembly. The lack of a clear process in that area may have been a contributing factor to the issues that surfaced in UNOPS. Just less than 60 per cent of JIU survey respondents ranked their ability to recommend new initiatives to the Economic and Social Council as unsatisfactory.

25. The following recommendation is intended to bring clarity to the responsibilities of the Executive Boards with respect to new initiatives.

**Recommendation 1**

**The Executive Boards should request that the Economic and Social Council clarify the definition of new initiatives, as outlined in General Assembly resolution 48/162, and define a process by which such initiatives will be recommended for approval, through the Council, to the General Assembly, as necessary.**

26. The Executive Boards have a responsibility to decide on financial plans and budgets. For all five organizations, the Advisory Committee on Administrative and Budgetary

<sup>9</sup> Overall, only approximately one third of respondents were satisfied with their ability to evaluate the performance of the executive head and to provide comments to the Secretary-General or the General Assembly, as appropriate. Responses were the lowest for UN-Women and UNOPS, with only some 20 per cent of respondents satisfied.

Questions<sup>10</sup> examines the administrative budgets and proposals for financial arrangements on behalf of the General Assembly before the Executive Boards approve their organization's financial budgets. The Advisory Committee on Administrative and Budgetary Questions also reviews the report of the Board of Auditors on the audited financial statements of the organizations and prepares a compiled report on the audit opinions, before they are submitted to the General Assembly and the Executive Boards. Even though the work of the Advisory Committee on Administrative and Budgetary Questions is directed to the General Assembly, the Executive Boards receive the benefit of this advice through an established process. **The role of the Advisory Committee on Administrative and Budgetary Questions should be formally considered in the governance framework of the Executive Boards as it provides a source of financial advice.**

27. Delegations of authority that describe what has been delegated to the executive heads are complex and vary across the five organizations. In the United Nations system, delegations of authority are generally set through an organization's financial regulations and rules. It would be helpful for the Executive Boards to have a clear means of referencing the authorities delegated to executive heads across the five organizations in order to understand this important accountability relationship.

28. The current resolution of the General Assembly requires annual reporting by the Executive Boards to the Economic and Social Council. While the purpose of such reporting is not clearly stated, in practice, detailed reports describing the activities of the Executive Boards are prepared and submitted by them. The reports do not describe how the Executive Boards have fulfilled their responsibilities in accordance with the General Assembly resolution. Nor do they appear to be used to make recommendations to the Economic and Social Council on improvements to field-level coordination as stated in General Assembly resolution 48/162. **The purpose and requirements of annual reporting to the Economic and Social Council should be clearly described and used to fully report on areas in which the Executive Boards are responsible to the Economic and Social Council and the General Assembly.**

#### *Terms of reference*

29. Expectations for Executive Board governance have evolved since the 1994 General Assembly resolution that formed the three Boards. The Inspector notes that a number of important elements from current governance practices are not currently included. For example, modern governance standards require boards to have defined roles in oversight, risk management and ethics. Boards should also carry out periodic self-assessments of their performance in fulfilling their roles and responsibilities. While the Executive Boards have taken on aspects of most of those responsibilities in practice, either by receiving reports from management or having some review mechanisms in place, they lack a formally defined mandate in several areas.

30. Boards are expected to oversee the effectiveness of an organization's oversight functions which, in the United Nations system, includes audit, evaluation and investigations. Boards should play a critical role in strengthening the independence of oversight functions through direct reporting lines, reviewing reports, approving charters, and consultation in the appointment, performance appraisal, and renewal and termination of the contracts of heads of oversight offices. Those aspects are elaborated upon further in chapter VII.

31. Effective risk management is integral to the achievement of strategic objectives. Boards are expected to understand the significant risks facing the organization and to be satisfied with the level of risk the organization is taking on and the means by which risks are managed and mitigated. In chapter VIII of the present report, the Inspector addresses risk management in more detail. In addition, boards are expected to lead ethically and to support

<sup>10</sup> The functions and responsibilities of the Advisory Committee on Administrative and Budgetary Questions, as well as its composition, are governed by the provisions of General Assembly resolutions 14 (I) of 13 February 1946 and 32/103 of 14 December 1977, and rules 155 to 157 of Assembly's rules of procedure.

an ethical culture in an organization. That includes a commitment to organizational values that support honest and ethical conduct through communication and decisions.

32. The board governance frameworks that were studied are consistent regarding the need for boards to self-assess in order to improve their performance. Assessments should focus on key governance processes, such as meetings, decision-making and stakeholder engagement. They should also consider the effectiveness of the board structure, including committees and working groups. The performance results of the board self-assessment should be used to better plan training and induction for members. Assessments should be typically led by a committee or designated member of the board with the support of the board secretariat. **The Executive Boards should consider implementing a process by which to assess periodically their overall performance against their mandates.**

33. The three Executive Boards lack comprehensive terms of reference that outline their governance responsibilities as delegated to them by the General Assembly, in its resolution 48/162, and in accordance with best practices. Without comprehensive terms of reference, the Executive Boards have no means to reference and understand the extent and scope of their roles and responsibilities. The following recommendation is intended to provide clarity on the roles and responsibilities of the Executive Boards.

#### **Recommendation 2**

**The Executive Boards should develop terms of reference that fully describe their governance responsibilities and adhere to the best practices in relation to the JIU benchmark and submit them for approval by the Economic and Social Council and the General Assembly.**

#### *Board members*

34. Board members need to fully understand their roles, responsibilities and duties. That is facilitated by providing documented terms of reference for individual board members and for those with specialized positions, such as the presidents and vice-presidents of the bureaux, which assists them in discharging their responsibilities.

35. Currently, there are no terms of reference for Executive Board members. While there is induction training available for new Executive Board members that provides general information at the start of their terms of office, this is no substitute for a Board-approved document that can be referenced when clarification is required. Terms of reference should be provided to prospective members to provide clarity on their responsibilities, duties and constituencies and what is expected of them in their roles. It is particularly important that specialized terms of references for the positions of President and Vice-President are developed to capture the requirements for these roles in overall governance and decision-making.

36. The Inspector believes that the following recommendation will enhance the governance processes of the Executive Boards by fully defining the roles and responsibilities individually as members and collectively as a Board.

#### **Recommendation 3**

**Based on their own approved terms of reference, the Executive Boards should develop terms of reference for Board members that are aligned with the JIU benchmark, including for specialized positions, such as Bureau members.**

## IV. Executive Board composition and structure (component II)

### A. Benchmark

37. Effective boards are comprised of members that collectively possess the knowledge and expertise to discharge their duties to achieve the organization's mandate. The composition and structure of the boards must support the ability to efficiently and effectively fulfil their responsibilities. That requires access to experts to provide ad hoc technical advice and/or to serve on expert committees.

38. In effective governance arrangements, both within and outside the United Nations system, board committees are integrated into governance structures to promote the efficiency of their work. Boards delegate time-consuming technical or complex matters to committees, often comprised of experts, that can perform an in-depth assessment of matters at hand and provide analysis and advice. Committees are a frequent feature in board governance frameworks, typically including committees for budget and finance, oversight and other matters, such as programme and governance issues. In general, committees are not delegated the authority to make decisions, but instead report their conclusions and recommendations to the board for decision-making. Committees need to operate under clear terms of reference that outline their responsibilities and relationship to the board.

### B. Findings

39. It is noted by the Inspector that all three Executive Boards display several gaps in relation to the benchmark, which should be addressed (see annex I). In the present chapter, however, the Inspector will focus on two areas that are most pertinent to meeting the responsibilities of the Executive Boards in relation to oversight and accountability: creating committees to effectively channel and focus the work of the Boards and establishing independent oversight committees to provide technical expertise on oversight matters.

40. The three Executive Boards do not currently make use of formal Board committees to deal with complex and specialized areas of their mandates. Instead, all Executive Board members are responsible for all issues and, while the Boards are large,<sup>11</sup> they are not structured for delegated responsibilities. Survey results indicate that Executive Board members were not completely satisfied with the current structure, with the majority of respondents indicating their support for standing committees. The use of committees for budget and finance and audit is a universal practice both within and outside the United Nations system.

#### *Executive Board structure – committees*

41. An Executive Board committee would provide an in-depth review, typically by a smaller number of Board members, or their representatives, who possess the required expertise to provide advice and recommendations to the main Board. Most United Nations system organizations' legislative organs, such as the General Assembly, the Executive Board of the World Health Organization, the General Assembly of the World Intellectual Property Organization and the Council of the Food and Agriculture Organization of the United Nations, have formal subcommittees of their governing or legislative bodies that are responsible for finance and oversight matters.

42. The Programme, Budget and Administration Committee of the Executive Board of the World Health Organization<sup>12</sup> is a formal subcommittee comprised of members appointed from the Board. Its duties cover a range of issues, including, but not limited to: (a) programme planning, monitoring and evaluation; (b) financial and administrative matters, including oversight, the independent oversight committee and ethics; and (c) other matters directed to

<sup>11</sup> The Executive Board of UNDP/UNFPA/UNOPS has 36 members, the UNICEF Executive Board has 36 members and the UN-Women Executive Board has 41 members.

<sup>12</sup> Executive Board of the World Health Organization, "Revised terms of reference for the Programme, Budget and Administration Committee of the Executive Board", EB131.R2, 28 May 2012.



it by the Executive Board, including financial statements and reporting and any financial and administrative matters on the upcoming agenda of the Board. It meets twice a year, generally over a three-day session and covers a comprehensive range of topics across programmes, finance, oversight, administration and other matters.

43. In comparator organizations, board committees provide an opportunity for members to engage in depth on the items on its agenda with a view to making recommendations and decisions to the main board for adoption, which streamlines the work of the main board.

44. Boards have a responsibility to ensure that their respective organizations are accountable for resources, managing risk, implementing the programme of work and for achieving agreed results. Boards also have a responsibility for finance, including approving budgets and reviewing financial reports and financial statements.<sup>13</sup> Given the amount of revenue that the three Executive Boards oversee (see figure above), that is an important responsibility for which appropriate time should be devoted. As stated above, the Executive Boards may also find it necessary to have committees to address strategic planning, governance and programmatic aspects of the organizations' work.

45. An Executive Board committee dedicated to administrative and budgetary, oversight or other topics will improve the efficiency and effectiveness of the Board by having a smaller, more focused number of Board members consider the matters and make recommendations to the Board. Consideration of oversight matters includes a review and discussion of reports from internal and external oversight functions on issues relating to the scope of the Executive Board committee.

46. The following recommendation is intended to improve the effectiveness of the Executive Boards and provide a more efficient governance structure.

#### **Recommendation 4**

**The Executive Boards should, as part of their overall structures, consider creating appropriate committees and corresponding terms of reference.**

#### *Independent oversight committees*

47. In the United Nations system, independent oversight committees are comprised of experts, who are external to the delegations of member States and the organizations' management and serve in their individual capacities. They typically review oversight reports and practices, as well as ensure the independence and adequacy of resources for the oversight functions. In 2019, in its report on audit and oversight committees,<sup>14</sup> JIU made a series of recommendations to strengthen the governance of such committees. In the report, JIU recommended that independent audit committees should have a direct reporting line to the governing bodies to assist the latter in meeting their oversight responsibilities and to ensure the independence of the former. As an example, both the Office of the United Nations High Commissioner for Refugees and the World Food Programme have a dual reporting line for these committees to the executive heads and Executive Boards. Other United Nations system organizations have only a reporting line to their governing bodies, such as is the case with the United Nations Secretariat, the World Health Organization and the World Intellectual Property Organization.<sup>15</sup>

48. The three Executive Boards and their organizations, except for UNOPS, have not adopted the JIU recommendation to strengthen the independence of their oversight advisory

<sup>13</sup> See, for example, Economic and Social Council, "Observations and recommendations of the Advisory Committee on Administrative and Budgetary Questions on the note requesting authorization from the United Nations Economic and Social Council/General Assembly for UNICEF to utilize financing instruments in support of its operations", E/ICEF/2022/AB/INF/1, para. 17, in which the Advisory Committee on Administrative and Budgetary Questions suggests that UNICEF establish an Advisory Committee under its Executive Board to advise on financial aspects of specific funding agreements considered for approval.

<sup>14</sup> JIU/REP/2019/6.

<sup>15</sup> *Ibid.*, fig. II, p. 12.

committees. While there have been improvements made to the terms of reference of the UNOPS oversight committee, the oversight committees of the other four organizations have a reporting line only to the executive heads and therefore cannot be considered independent.<sup>16</sup> Those committees are in place to serve as advisers to the executive heads on oversight matters, and members are appointed by those executive heads. While communication and reporting are evident to some extent between the oversight committees and the Executive Boards,<sup>17</sup> the reporting line is to the executive head, who also has the responsibility to select its members.

49. The work of independent oversight committees does not replace the responsibilities of the Executive Boards for oversight matters. The Executive Boards still need to review reporting from and communicate directly with the internal oversight functions as is currently the case of the three Boards. That, however, is a task better delegated to an expert and independent oversight committee of the Executive Board (as outlined above). In a number of United Nations system organizations, an independent oversight committee provides expertise and depth of knowledge on oversight matters directly to such a committee of the board.<sup>18</sup> When an independent oversight committee has a dual reporting line to both the executive head and the Executive Board, the situation is much improved, but the onus still remains on the full Board to address oversight matters. **The Executive Boards should have an independent oversight committee that reports directly to the Board.**

50. Executive Boards should optimize their structure, including the use of committees and advisory groups, to ensure that their full range of governance responsibilities is discharged effectively and efficiently, simultaneously benefiting from the necessary level of technical expertise. In particular, Executive Boards should have a structured approach through formal committees of the Boards to appropriately deliver on their governance, finance and oversight responsibilities. The following recommendation will improve the effectiveness of the Executive Boards' consideration of oversight matters.

**Recommendation 5**

**The Executive Boards should implement the recommendations made by JIU in its 2019 report on audit and oversight committees, including on strengthening the independence of an oversight committee by having a direct reporting line to the Executive Board.**

<sup>16</sup> Namely, the Audit Advisory Committee of UNICEF; the Advisory Committee on Oversight of UN-Women; the Audit and Evaluation Advisory Committee of UNDP; and the Oversight Advisory Committee of UNFPA.

<sup>17</sup> For example, both UNFPA and UNOPS provide unrestricted access of their oversight committees to the Executive Board.

<sup>18</sup> For example, the Programme, Budget and Administration Committee of the Executive Board of the World Health Organization; and the Program and Budget Committee of the World Intellectual Property Organization.

## V. Executive Board secretariat (component III)

### A. Benchmark

51. The secretariats of boards play a key role in enabling those boards to fulfil their responsibilities, by providing impartial and professional support and advice to the bureau and board members, before, during and after board meetings. A secretariat's activities primarily facilitate the effective conduct of the meeting agenda and ensure that the work of the board is performed in accordance with the established rules of procedure. That includes responsibility for organizing, coordinating and making the logistical arrangements for board meetings, ensuring that such meetings include the information and documents required for the board members to take informed decisions and perform administrative functions to ensure that meetings are effectively run and that decisions are taken appropriately, recorded and monitored for implementation.

52. JIU has identified three relevant subcomponents covering the key elements of board secretariats, which are the roles and responsibilities of the board secretariats; the profiles of board secretaries and their relationships with the boards; and the resources of the board secretariats. The review carried out by the JIU team of the Executive Board secretariats included an analysis of the respective secretariats' activities and performance and information received from Board members and the organizations' management, as well as of comparators in the United Nations system and other international organizations.

### B. Findings

#### *Roles and responsibilities of the secretariat*

53. In the examination of the rules of procedure of the respective Executive Boards, the review team found that the role of Board secretariats is expressed in terms that are too general and is limited to the secretariats being the focal points of the organizations for Board matters. Executive Board secretariats, according to their rules of procedure, are responsible for the arrangements of meetings of the Executive Board and the Bureau and for the preparation of reports of the sessions of the Board.

54. The full range of activities carried out by the respective Executive Board secretariats are not documented, so there is no visibility of the extent of their roles and responsibilities and the work that they are expected to perform. There is therefore no document that JIU could use to compare the current roles and responsibilities of the Executive Board secretariats against the benchmark. In the absence of comprehensive roles and responsibilities and corresponding indicators of performance, the Executive Boards do not have an established basis for assessing the performance of their secretariats.

55. Most Executive Board members who responded to the JIU survey expressed satisfaction with their secretariats, with more than 80 per cent of respondents agreeing that their secretariats provided effective support to their Bureaux and Board members. More than 70 per cent of respondents among Executive Board members agreed with the statement that their secretariat's services were impartial and independent.

56. In contrast to the survey results, somewhat different views were expressed in the interviews conducted with Executive Board members. Interviewees generally called for more clarity for the role of the secretariat and the need for services to be impartial. Many interviewees also recognized that the Executive Boards themselves had become "overreliant" on the secretariats. In the face of frequent changes in the delegates representing the Board member State, some acknowledged the value of the institutional memory that resided in the respective secretariats.

57. Other comments received from Executive Board members reinforced the view that the secretariats should, to the extent possible, be independent to ensure that they perform their functions impartially and without any influence from the organization's management. "Professionalizing" the secretariats to offer better assistance in terms of compliance with the rules of procedure, legal aspects, record-keeping and instituting standards to promote optimal

operations of the Executive Boards were also common comments received. One such area in which secretariats can provide support to the Executive Boards is to facilitate their self-assessment exercises as part of an effort for continual improvement and implementation of best practices.

58. A secretariat's responsibility for induction and training of Executive Board members arose as an important area for Board members. Currently, the secretariats of the three Executive Boards provide induction training for new Board members and, in the case of UNICEF and UN-Women, the material is also available to the public. The basic training content, however, varies significantly among the three Executive Boards, although none is fully aligned with the benchmark as regards what it should include in its curriculum. It should be recognized that it is not uncommon for Executive Board members to be members of than one of the three Boards.<sup>19</sup> **The Executive Board members may benefit from a common basic training programme that covers aspects that are common to all three Boards, such as the role and responsibility of Board members, rules of procedure and practices and other general governance and oversight principles relevant in the United Nations, which could be supplemented with separate organization-specific training.**

#### *Profiles of the Executive Board secretaries and their relationships with the Boards*

59. The Inspector observed that, while reference is made to the Executive Board secretariats, the role of the Board secretary as the person accountable for the activities of the secretariat is not clearly defined. Executive Board secretary positions are at the D-1 level for the Executive Boards of UNDP/UNFPA/UNOPS and UNICEF and at the P-5 level for the UN-Women Executive Board. Executive Board secretaries are selected and assessed based on different job profiles, which are not in line with the benchmark: they do not require previous experience in similar roles, or at least in the field of governance, and only include one direct reporting line to management, in most cases to the office of the executive head. The same is also true for the two comparator United Nations organizations, which delegate the responsibility for the board secretariat function and the board secretary to the executive head. That may explain why both in the interviews and in the surveys, several Executive Board members expressed concern regarding the impartiality of the function: the lack of direct accountability to the Board may at times weaken the ability of the Board secretariats to act in an impartial manner. In other external comparator organizations, such as the World Bank and the Gavi Alliance, the role of the secretary of the board is defined in clear terms of reference. The benchmark offers criteria that will close the gap between best practice and the current situation in all three Executive Boards. **The Executive Boards will need to take action to clarify the role, reporting requirements and accountability of their secretaries, as well as the requirements regarding qualifications and experience, and to reinforce the need for impartiality, secretaries should have a job description that is available to the Bureau and Board members.**

#### *Secretariat resources*

60. The resources provided to the Executive Boards vary in terms of their staffing capacity and budget allocations (see table 3 below). There is no clear explanation for the variation and JIU could not attribute the differences to the activities of the secretariats nor to any characteristics of their respective organizations. **It would be appropriate for the Executive Boards to consider the level of resources to be provided to their secretariats and ensure that such resources are commensurate with the respective roles, responsibilities and performance indicators.** Such action will satisfy the subcomponent of the benchmark on the secretariat.

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<sup>19</sup> JIU established that, of the 76 member States on the three Executive Boards, 29 are members of more than one Board (38 per cent).

Table 3  
Staffing and resourcing of Executive Board secretariats

2023 (latest estimates for the full year)	UNICEF	UN-Women	UNDP/UNFPA/UNOPS		
			UNDP <sup>a</sup>	UNFPA	UNOPS
<b>Executive Board secretariats</b>					
Total number of staff	9	3	4	5	2
Staffing table	D-1; P-5; 2 P-4s; P-2; P-1; 2 G-6s; G-5	P-5; P-3; P-2	D-1; P-5; P-3; G-7	D-1; P-5; P-4; G-7; G-5	D-1; P-3
Other personnel		Interns, junior professional officers and secondees from permanent missions			
<b>Costs related to the functioning of the Executive Boards (rounded to the nearest thousand dollars)</b>					
Cost of the Executive Board secretariat staff	1 952 000	706 000	1 025 000	Not provided	Not provided
All other Executive Board secretariat costs (non-staff personnel, travel, consultants etc.)	201 000	85 000	30 000		
Costs of Executive Board meetings	-	215 000	30 000		
Other Executive Board costs (editing, translation, field trips, Bureau meetings and consultants)	75 000	504 000	1 004 000		
<b>Total Executive Board-related costs</b>	<b>2 228 000</b>	<b>1 510 000</b>	<b>2 089 000</b>		

Source: Executive Board secretariats.

<sup>a</sup> Data under the UNDP category also includes costs related to the UNFPA and UNOPS segments of the Executive Board of UNDP/UNFPA/UNOPS.

61. To be effective and efficient, the terms of reference of the Executive Board secretariats should be harmonized and should clarify their roles and responsibilities, the functional reporting line to the Board, the impartiality of the function, requirements for the post of secretary of the Board and the process to ensure that adequate resources are available in the budget.

#### **Recommendation 6**

**The Executive Boards should request that their secretariats collaborate on the preparation of harmonized terms of reference for all Board secretariats, aligned with the JIU benchmark and submitted to their respective Boards for approval.**

## VI. Executive Board meetings (component IV)

### A. Benchmark

62. Effective board functioning requires comprehensive rules of procedure, the information and resources needed to carry out board member duties, productive meetings and effective follow-up processes.

63. The benchmark component for board meetings draws on a range of best practices and guidance documents for effective board meetings and decision-making from the public and private sectors. It provides a framework for the Executive Boards in working with their secretariat functions on conducting meetings and decision-making to achieve the requirements of their mandates.

### B. Findings

#### *Effectiveness of meetings*

64. Meetings are the primary means through which Executive Boards receive information, have discussions about issues and make decisions. The 2018–2020 review of working methods provided numerous recommendations to improve Executive Board meetings and to increase harmonization across the organizations, which have mostly been implemented.

65. Although working methods have been improved, all three Executive Boards lack mechanisms by which to assess the effectiveness of their meetings. Views were expressed in the JIU survey that, for example, the number of meetings could be reduced and that informal meetings were not used effectively. In addition, it would be important to regularly assess satisfaction with key aspects of meetings, such as setting the agenda and allocation of time for discussion and decision-making processes. That would be a component of the self-assessment process of the Executive Boards.

66. Each organization has a standard agenda of items for consideration and decision at its respective Executive Board meetings. The time allocated to those discussions varies across the five organizations. UNOPS, for example, receives only half a day of dedicated time at each formal session of the Executive Board of UNDP/UNFPA/UNOPS, which is not sufficient to cover the full range of issues required for proper governance of a single organization. In the JIU survey, members of the UN-Women Executive Board had the highest level of satisfaction with meetings, while UNOPS was rated as least satisfactory.

67. The joint segment within the sessions of the Executive Board of UNDP/UNFPA/UNOPS is relatively limited and not sufficiently leveraged to discuss cross-cutting topics, especially oversight. That is particularly true for oversight, which is discussed in relation to all three organizations at only one session. It would be preferable to discuss oversight alongside other items for a given organization to get a more cross-cutting view. **The Inspector encourages the Executive Board of UNDP/UNFPA/UNOPS to reconsider its decision to group, at its annual session, all the agenda items related to oversight in the same morning, instead of discussing them under the segments for each organization.**

68. Informal meetings lack a clear purpose with no direct inputs to the decision-making processes of the formal sessions. Informal meetings are held in advance of formal meetings for almost every recurring agenda item of the Executive Board. There are no prescribed rules for informal meetings in the rules of procedure. While Executive Board members found them helpful for discussion purposes, it was noted that there was no link between informal discussions and formal meetings, resulting in the need to duplicate discussions and any conclusions reached. **The utility of informal meetings should be assessed, and actions should be considered to focus them clearly on informing the decision-making in formal meetings by providing information and advice resulting from the discussions.**

*Meeting support*

69. Support for meetings includes setting the agenda, ensuring that topics cover all relevant areas of the mandate and that the quality of the documentation and information supports the work of the Executive Board and facilitates decision-making. Responsibility for effective meetings is within the purview of the Bureau, with the support of the Executive Board secretariat.

70. Given that more than a third of Executive Board members serve on more than one of the Boards, it is challenging for members to prepare for Board meetings for multiple organizations. Members of the Executive Board of UNDP/UNFPA/UNOPS are required to be familiar with the mandates, structures, programmes and operations of the three different organizations. The volume of documentation is not easily reduced and, as a result, it is incumbent on Executive Board members to be able to devote the necessary time to review meeting documentation in advance of meetings.

71. Some comparator organizations have specific portals to share documents among board members or members of a more restricted group. That allows member States to comment on documents received, upload their statements or questions in advance of meetings and access historical board information. **The Inspector encourages all Executive Board secretariats to consider introducing a common portal to facilitate communication among Board members, the Boards and the secretariats thereof before, during and after Board meetings.**

*Attendance, quorum and decision-making process*

72. It was observed by the Inspector that Executive Board members and executive heads are often not in attendance throughout all Board sessions and participation is uneven. That could be perceived as a lack of commitment to these important meetings. The process to track attendance at meetings for quorum and decision-making purposes is not based on actual attendance during discussions on individual agenda items but on requests for accreditation in relation to the overall session.

73. In the survey, only between 40 and 50 per cent of the Executive Board members who responded were satisfied that the voting process was effectively used for decision-making. The Executive Board decision-making process is based primarily on consensus rather than voting. It was also noted that Executive Board members spend a lot of time drafting detailed decisions during and between sessions. In other organizations, full draft decisions are proposed by management together with the relevant documents. Comments are shared by board members during informal sessions and prior to the formal board meetings; a rapporteur is appointed during the board session to take note of additional comments and to propose a revised decision for approval at the end of each agenda item. **The Inspector encourages Executive Board members to assess whether the current process of formulating Board decisions would benefit from a review.**

74. Overall, Executive Board members who responded to the survey were generally satisfied with meetings and decision-making processes. The Executive Board members of UNOPS were the least satisfied of all the organizations and, in particular, with the setting of agendas that did not cover all critical areas and the inadequate length of meetings to address all agenda items. **The Executive Board of UNDP/UNFPA/UNOPS should reassess the duration of the UNOPS segment of its sessions and consider options for engaging directly with the organization.**

75. In the light of the findings described above, the Inspector believes that the following recommendation would enhance the effectiveness of the overall functioning of the Executive Boards and provide a means to improve their governance.

**Recommendation 7**

**The Executive Boards should assess their current rules of procedure and working methods to support more engaged participation by all Board members and more efficient and effective means for discussion and decision-making.**

## VII. Executive Boards and oversight functions (component V)

### A. Benchmark

76. Oversight and other independent functions are critical elements for effective governance, ensuring that delegated duties and powers are appropriately performed and that information for decision-making and reporting is accurate. In the United Nations system, oversight functions include internal and external audit, inspection, evaluation and investigation. While each has a different mandate and purpose, they are required to follow a prescribed statute or framework of professional practices to ensure the quality of their services. They also require independence for the conduct of their work, which is, among others, ensured by a direct reporting relationship to the governing body.

77. International governance frameworks and regulations require responsibilities for finance and oversight to be delegated to specialized board committees because of the complexity and quantity of oversight reporting that boards are required to review. Responsibilities for financial oversight are shared between the Executive Boards and the Board of Auditors, with support from the Advisory Committee on Administrative and Budgetary Questions, and have been covered under component I. In the present chapter, the Inspector focuses primarily on the oversight responsibilities of governing bodies, their interactions with independent oversight functions, such as internal audit, external audit, investigation, evaluation, JIU, as well as other independent advisory functions, such as ethics, ombuds services and independent oversight committees.<sup>20</sup>

78. The benchmark draws from JIU reviews on the independent oversight functions<sup>21</sup> and the professional governance frameworks used throughout those reviews, with special attention paid to the practices of independent oversight committees, which are universal requirements of good governance in the public and private sectors.

### B. Findings

#### *Responsibilities of the Executive Boards with respect to oversight*

79. Although no explicit responsibilities for oversight functions are given to the Executive Boards in General Assembly resolution 48/162, all three Executive Boards receive reports from internal and external oversight functions and devote time during their sessions and informal meetings to oversight reports on subjects that relate to aspects of their governance and oversight responsibilities.

80. Overall, the length of time dedicated to independent oversight issues during the sessions of the Executive Boards is a concern and both Board members and the respective oversight functions themselves have commented on this. Regarding the internal audit, in 2023, all five organizations had only one session for their annual internal audit and investigations report, with the exception of UNICEF, which held a second session on internal audit. The least amount of time was devoted by the Executive Board of UNDP/UNFPA/UNOPS: only some two hours was devoted in total to the annual internal audit reports of the three organizations. More time was devoted to evaluation, with an average of two sessions a year in 2023 for each organization. Recently, the heads of audit and investigation at UNOPS have been meeting regularly and directly with the Executive Board. The review of the working methods of the Executive Boards also indicated that there was insufficient Board time devoted to oversight matters.<sup>22</sup> Certain independent oversight officials conveyed their frustrations to JIU about the Executive Boards and the lack of

<sup>20</sup> Currently, only UNOPS has in place an independent oversight advisory committee with a direct reporting line to the Executive Board, which was recently installed. The other four organizations have oversight committees with a single reporting line to their respective executive heads.

<sup>21</sup> For example: JIU/REP/2021/5, JIU/REP/2020/1, JIU/REP/2019/6, JIU/REP/2016/8 and JIU/REP/2014/6.

<sup>22</sup> Executive Board of UNDP/UNFPA/UNOPS decision 2020/2; UNICEF Executive Board decision 2020/1; and UN-Women Executive Board decision 2020/1.



substantive engagement by Board members. In comparison with the governing bodies of certain other United Nations system organizations, engagement with independent oversight functions and advisory committees is substantively more than is the case for all three Executive Boards.<sup>23</sup>

*Role of the Executive Boards with respect to the independence of internal oversight functions*

81. There are certain responsibilities of the Executive Boards for oversight functions that are essential to ensure their independence and reflect best practices.<sup>24</sup> While the responsibilities for the oversight functions are not currently formally included in the roles and responsibilities of the Executive Boards, some elements may be reflected in practice. According to the JIU survey, more than 60 per cent of respondents were not satisfied with the areas of board responsibility that pertained to the independence of oversight functions, including their involvement with the appointment, and termination/non-renewal of the contract, of the heads of oversight, the design of workplans and budget allocations.

82. None of the Executive Boards currently approve the charters for their oversight functions, although it is noted that three of the five organizations do share them for information. The situation is different in the case of evaluation, where the organizations that have evaluation functions<sup>25</sup> seek approval for the charters from their Executive Boards. **To ensure the independence of oversight functions, a consistent approach is necessary so that the Executive Boards are responsible for the approval of all oversight charters.**

83. The Executive Boards play no explicit role in the approval, selection, performance assessment, and renewal and termination of contract of the heads of the oversight and evaluation functions, although they are consulted in certain cases. Less than 40 per cent of Executive Board members who responded to the survey were satisfied with their level of involvement in the selection, assessment and renewal/termination of contract of the heads of the oversight functions. A consultative role by the Executive Boards in that regard would provide additional independence for the oversight function and its head. **In accordance with best practices, the selection, performance assessment, and renewal and termination of the contracts of the heads of the independent oversight functions should require consultation with the Executive Boards and should be reflected in their terms of reference.**

84. In other United Nations system organizations, the review of independent oversight and advisory reports are carried out by a committee of the board, such as the case of the Fifth Committee of the General Assembly, the Programme, Budget and Administration Committee of the World Health Organization, the Program and Budget Committee of the World Intellectual Property Organization and the Standing Committee of the Office of the United Nations High Commissioner for Refugees. As pointed out in chapter IV, in the case of all three Executive Boards, there are currently no subcommittees, working groups or other mechanisms dedicated to oversight. **Dedicated board oversight committees focused on the oversight and accountability responsibilities of the Executive Boards are logical mechanisms for fulfilling the requirements in relation to independent oversight and advisory functions and potential sub-committees, as outlined in the benchmark.** As stated in chapter IV, with appropriate delegations and terms of reference, those committees

<sup>23</sup> See agendas for, and days devoted to, oversight issues by board oversight committees: the Special Committee of the Executive Board of the United Nations Educational, Scientific and Cultural Organization (for 2023, one day); the Programme, Budget and Administration Committee of the Executive Board of the World Health Organization (for 2023, three days); the Program and Budget Committee of the World Intellectual Property Organization (for 2023, five days); the Executive Board of the World Food Programme (for 2023, five days); the Standing Committee of the Office of the United Nations High Commissioner for Refugees (for 2023, two days); and the Finance Committee of the Food and Agriculture Organization of the United Nations (for 2023, five days).

<sup>24</sup> This was noted as an issue in the recent report commissioned to analyse the issues at UNOPS, in which KPMG called for strengthening the independence of the oversight functions. See KPMG, *Third-Party Review of the Internal Control Systems, Risk Management and Overall Governance Structures of the United Nations Office for Project Services* (2022), p. 7.

<sup>25</sup> UNOPS does not have an evaluation function.

could act in concert with the Executive Boards and dedicate much needed time and attention to details that are required to ensure the independence of oversight functions.

*Review of reports and follow-up to oversight recommendations*

85. In response to the JIU survey and in interviews, Executive Board members expressed some dissatisfaction with the fact that the information presented to them on oversight was not effective in assisting them to discharge their oversight duties. That includes internal and external oversight reports and quality assessment reviews of the functions themselves. The practice of sharing the results of quality assessment reviews of the oversight functions varies across the organizations; such a review can be a key indicator for the Executive Boards to understand the level of professionalism, independence and effectiveness of the oversight functions. Only UNICEF has explicitly committed to sharing the results of internal audit quality assessments with its Executive Board.

86. Reports on the follow-up to oversight recommendations are provided to the Executive Boards but they are generally fragmented and neither comprehensive nor integrated. For instance, reporting on the results of audit recommendations is generally provided in summary form in the internal audit annual report; recommendations from the Board of Auditors are received from the Secretary-General by the organization through its executive head; and reporting on the results of implementing JIU recommendations is provided by management. **The terms of reference of the Executive Boards should incorporate comprehensive tracking and follow-up of oversight recommendations to hold management accountable for implementation as this is an essential responsibility of governance.**

87. Operationalizing that component becomes more challenging if there are no board mechanisms, such as a board committee, in place to ensure that board issues and questions on oversight are addressed and to ensure the independence of the oversight functions. That is further hindered without independent oversight advisory committees tasked to provide expert overall analysis and comprehensive advice on oversight issues. Again, an oversight committee of the board would serve the board's oversight needs and ensure independence of the oversight functions, while an independent oversight advisory committee could be tasked to provide analysis and recommendations to the board committee as is done in several United Nations organizations. As mentioned in chapter IV, with the exception of UNOPS, all other oversight advisory committees<sup>26</sup> report to the executive heads of the organizations and do not have a reporting line to the Executive Boards and cannot be considered independent.

88. Inadequate Executive Board attention to the reports of and interaction with independent functions can affect their respective independence and expose the organizations to additional risks. If the Executive Boards choose not to create Board oversight committees, the terms of reference of the Boards should ensure that their roles and responsibilities with regard to oversight and the independent functions are sufficiently and appropriately covered. Many issues raised in the present report have been highlighted in previous JIU reports, but do not appear to have been fully implemented.<sup>27</sup> **The terms of reference of the Executive Boards should ensure that the Boards recognize the need for appropriate provisions for engagement with independent oversight functions and their independent oversight committees in accordance with previous JIU recommendations.**

<sup>26</sup> Independent oversight advisory committees have different names in each organization as follows: Audit Advisory Committee for UNICEF, Advisory Committee on Oversight for UN-Women, Audit and Evaluation Advisory Committee for UNDP, Oversight Advisory Committee for UNFPA and Audit Advisory Committee for UNOPS.

<sup>27</sup> JIU reports have included recommendations to improve the governance of oversight functions, including its reviews of accountability frameworks (JIU/REP/2023/3), enterprise risk management (JIU/REP/2020/5), the investigation function (JIU/REP/2020/1), audit and oversight committees (JIU/REP/2019/6) and the internal audit function (JIU/REP/2016/8).

89. The following recommendation is intended to enhance and strengthen the independent oversight functions that report to the Executive Boards.

**Recommendation 8**

**The Executive Boards should direct their respective organizations to ensure that the charters, frameworks and terms of reference of independent and advisory functions and committees reflect the roles and responsibilities of the Boards, including in relation to reporting lines, access to the Board and consultations on human and financial resources, to ensure independence.**

## VIII. Executive Boards and risk management (component VI)

### A. Benchmark

90. Risk management is closely related to a board's overall responsibility to oversee strategy and performance. In that, boards must satisfy themselves that there are effective risk management policies and procedures in place so that the organization takes risks into account in setting strategies, planning and decision-making. Effective risk management requires boards to have access to relevant and reliable information on risk. It is closely related to the level of delegated authority that has been granted to the executive head, which effectively limits the amount of risk an organization can take on. It also requires due diligence on the part of the board to understand the organization's risks and to ensure that practices are well adapted to the operational culture and the nature of risks faced.

91. The benchmark for this component is based on the same technical guidance and analysis of comparators as in the previous chapters and on the recommendations of JIU in its report on enterprise risk management published in 2020.<sup>28</sup> The Inspector also reviewed the Reference Maturity Model for Risk Management of the United Nations Chief Executives Board for Coordination,<sup>29</sup> but notes that the role of the governing body is only referenced once in a very generic manner.

### B. Findings

#### *Executive Board role in risk management*

92. The lack of any mention in General Assembly resolution 48/162 of a formal role for the Executive Boards with regard to risk management has been discussed in chapter III, as part of the review of board roles and responsibilities. The objective of the Inspector in the present chapter is to provide additional guidance to the Executive Boards on how to execute their mandates. That is particularly important given the responses from Executive Board members indicating that almost half were less satisfied with and did not understand their role with regard to risk management. It is also an area in which the Board of Auditors in its annual reports has explicitly requested further improvements.

93. Even though a role in relation to risk management was not formally assigned, it appears that Executive Boards have taken on some review responsibilities. All five organizations have policies governing their risk management processes and procedures and, with the exception of UNDP, these policies describe roles for the Executive Boards in risk management. Those responsibilities vary across the organizations and are assigned at a high level and in general terms. None of the organizations had their risk management policies approved by the Executive Boards.

94. It is the responsibility of the executive head to implement the strategy approved by the Executive Board and therefore to manage the risks involved in implementing it. In recommendation 1 of its 2020 report on enterprise risk management, JIU emphasized the need for legislative/governing bodies to, at minimum, be aware of key strategic and other significant risks and how they were being addressed, as well as policies and framework documents. To achieve that, JIU recommended that substantive coverage of risk, appropriate for the mandate, field network and risk exposure of the organization, be included in board meetings, at least annually.

#### *Information flows on risks and mitigating measures*

95. Executive Boards currently receive information on risks through multiple channels: from management and the oversight functions and during Board and informal meetings. Information on risks is also contained in the annual report of the independent oversight

<sup>28</sup> JIU/REP/2020/5.

<sup>29</sup> United Nations System Chief Executives Board for Coordination, "Reference Maturity Model for Risk Management (Final)", CEB/2019/HLCM/25, annex II, summary matrix.

committees, the terms of reference of which cover advice to the executive head (and also to the Board in the case of UNOPS) on risks. Approximately 55 per cent of respondents to the JIU survey stated that they were satisfied or very satisfied with the adequacy of the information received to understand critical and emerging risks of the organizations. Some respondents made reference to issues regarding the completeness and authenticity of the information received on risks and the difficulties encountered in identifying the critical risks in the large amount of information received.

96. In the same 2020 report, JIU recommended that governing bodies should, by the end of 2022, request executive heads to report on the outcomes of a comprehensive review of the organization's implementation of risk management against the benchmark included in that report. **The Inspector urges the Executive Boards to ensure that they are provided with at least annual updates from the organizations on risk, as well as information on the outcome of the organization's comprehensive review of risk management, as recommended by JIU in its 2020 report on enterprise risk management.**

97. The second aspect in the benchmark is about providing updates on emerging risks or increasing risk levels. That can take the form of briefing notes and risk dashboards. There should also be a clear protocol in place on how to share and escalate risks related to urgent events that occur in between the formal annual risk reporting.

98. The third aspect relates to the importance of the Executive Boards' receiving a proper risk analysis to accompany any management requests for Board review or approval of major new activities or projects. That is to enable the Executive Boards to take informed risk-based decisions. Such an analysis is often incorporated into Executive Board reporting formats, for example, a section describing the risks and mitigations for the decision at hand could be a required element for all decision-making documents.

#### *Design and effectiveness of the risk management framework*

99. Executive Boards should be aware of the arrangements of the respective risk management structures and frameworks for each organization. There are significant differences among the five organizations regarding the number and location of staff dedicated to risk management. There are also variations in the types of tools used, with some organizations relying on spreadsheets and some having dedicated risk platforms. It is important for the Executive Boards to be satisfied with the adequacy of the overall arrangements for risk management.

100. The Inspector notes that, in the past few years, the Executive Boards have been more active in requesting additional information on risks, both from the heads of the internal audit and the investigations functions and, to a certain extent, from management and encourages the Boards to continue on that path. **The Inspector reiterates the responsibility, as outlined in the benchmark, of the Executive Board for risk management and requests that attention should be paid to making this explicit in the development of the Board's terms of reference, as requested in recommendation 1 of the present review.**

101. Implementation of the following recommendation by the Executive Boards is expected to enhance the effectiveness of their respective roles and responsibilities with respect to risk management.

#### **Recommendation 9**

**The Executive Boards should direct their respective organizations to ensure that the roles and responsibilities of the Boards for risk management are appropriately reflected in the organizational policies on risk management.**

## IX. Conclusions and recommendations

102. The present review uses the governance and oversight benchmark that was developed by JIU based on the best practices in organizations both inside and outside the United Nations system to identify the gaps in the current roles, responsibilities, structures and practices of the three Executive Boards and their respective Board secretariats. The benchmark is comprised of six components: Executive Board roles and responsibilities; Executive Board structure; Executive Board secretariats; Executive Board meetings; Executive Boards and oversight; and Executive Boards and risk management. Based on the review conducted, the Inspector concludes that none of the Executive Boards is fully aligned with the six components of the benchmark: all components need improvement and all key documents related to the governance and oversight roles of the Boards need to be developed and approved, in the case of their terms of reference, or reviewed, in the case of existing documents (e.g. rules and procedures, financial regulations and rules, and charters of the offices of internal audit and evaluation), as do the practices related to the functioning of all three Boards.

103. That will require member States to understand fully their roles and responsibilities as Executive Board members and to make a commitment to reassess current practices in their governance and oversight of the five organizations. It is a task that must be carried out with full transparency and open communication with management but must be led by Executive Board members, with accountability and progress reports as central components; it cannot be simply delegated to secretariat staff to carry out.

104. Throughout the review, the Inspector was met with strong (and often conflicting) opinions from member States and staff on various aspects of the review, there was, however, consensus, among all the parties, that inaction was not an option. While there have been efforts to improve oversight and working methods<sup>30</sup> across the five organizations in response to the issues identified, these have largely focused on improving policies and processes within the organizations themselves. The present review is focused on what the three Executive Boards must carry out to further strengthen their governance and, in particular, their oversight responsibilities. A similar governance review process has been carried out by the Executive Board of the World Food Programme and action planning is currently under way, with discussion and approval anticipated at its annual session in June 2024. **The Inspector encourages the Presidents of the three Executive Boards to liaise with the President of the Executive Board of the World Food Programme to identify any potential synergies between the two review processes.**

105. The report includes a total of 10 formal recommendations, which are complemented by 21 informal ones, covering all six components of the benchmark. All recommendations in the review are directed to the three Executive Boards for action. Unlike other JIU reports, all the recommendations, with the exception of recommendation 10, do not include a time frame. That decision was taken in order to give the Executive Boards the necessary flexibility to discuss a detailed action plan and to agree on the most effective sequencing of the actions. The following recommendation is intended to provide a structure by which the Executive Boards can coordinate their responses, and organize change management processes, to the recommendations contained herein.

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<sup>30</sup> KPMG, “Third-party review of the internal control systems, risk management and overall governance structures of the United Nations Office for Project Services”; and the secretariats of the Executive Boards of UNDP/UNFPA/UNOPS, UNICEF, UN-Women and the World Food Programme, “Working methods of the Executive Boards of UNDP/UNFPA/UNOPS, UNICEF, UN-Women and WFP: joint response of the Executive Board Secretariats”.

**Recommendation 10**

**By the end of 2024, each Executive Board should create an ad hoc committee to assess the recommendations (formal and informal) in the present review and prepare an action plan to address and implement them, including setting target dates and regular reporting on progress.**

## Annex I

### Benchmark of the Joint Inspection Unit in relation to Executive Boards

Subcomponent	Criteria
<b>Component I – Executive Board roles and responsibilities</b>	
A. Responsibilities	<p>A1. Executive Board responsibilities include:</p> <ul style="list-style-type: none"> <li>(a) Ensuring that activities and operational strategies are consistent with United Nations policy guidance and organizational mandates;</li> <li>(b) Approving organizational strategies and plans;</li> <li>(c) Approving financial budgets and allocations of resources;</li> <li>(d) Reviewing and overseeing organizational performance, including financial performance;</li> <li>(e) Overseeing risk management;</li> <li>(f) Setting expectations for ethical conduct and overseeing organizational results;</li> <li>(g) Overseeing the internal audit, evaluation and investigation functions;</li> <li>(h) Setting and reviewing delegations of authority to the executive head;</li> <li>(i) Assessing the performance of the executive head;</li> <li>(j) Consulting with stakeholders, including staff, in governance processes;</li> <li>(k) Reporting to United Nations bodies (including the General Assembly, the Economic and Social Council and the Secretary-General) as part of accountability;</li> <li>(l) Regularly assessing the performance of the Executive Board and its ability to fulfil its mandate, roles and responsibilities.</li> </ul>
B. Terms of reference	<p>B1. There are clearly documented terms of reference that:</p> <ul style="list-style-type: none"> <li>(a) Are regularly reviewed, endorsed and approved by the Executive Board, the General Assembly or the Economic and Social Council, as appropriate;</li> <li>(b) Describe the mandate, roles and responsibilities of the Executive Board and its linkages to advisory committees (such as the Advisory Committee on Administrative and Budgetary Questions);</li> <li>(c) Are consistent with the roles and responsibilities of United Nations system entities;</li> <li>(d) Are aligned with the roles and functions of the General Assembly, the Economic and Social Council and the Secretary-General.</li> </ul>
C. Executive Board members	<p>C.1. The terms of reference of Executive Board members are aligned with those of the Board, properly approved and clearly describe requirements:</p> <ul style="list-style-type: none"> <li>(a) To understand their specific roles and responsibilities as Executive Board members and those of the Board itself;</li> <li>(b) To be knowledgeable about the mandate of the organization and its main strategies and programmes, critical issues and risks;</li> <li>(c) To meet the time commitment required and carry out duties professionally and diligently, including preparation for and participation at the necessary meetings.</li> </ul> <p>C.2. The specific roles and responsibilities of specialized Executive Board positions (members of the Bureau and other committee or working group Presidents/Chairs and Vice-Presidents/Chairs) are fully described in separate terms of reference that are approved by the Board</p>
<b>Component II – Executive Board composition and structure</b>	
A. Representation of constituents and stakeholders	<p>A.1. The number and allocation of Executive Board seats ensures that it is effective and responsive to the needs and priorities of the full range of its constituents</p> <p>A.2. The Executive Board has a defined process in place to hear the views of groups not represented on the Board, including other United Nations system organizations, employees, affected stakeholder groups, non-governmental organizations etc.</p>
B. Access to technical	<p>B.1. The Executive Board on its own or through its committees and advisory functions has the expertise needed to carry out the full range of its duties</p>



Subcomponent	Criteria
knowledge and advice	B.2. The Executive Board has the ability to obtain the independent professional advice that it considers necessary
C. Executive Board structure allows responsibilities to be clearly and effectively delegated	<p>C.1. The Executive Board ensures that:</p> <ul style="list-style-type: none"> <li>(a) An appropriate structure, including permanent committees, is in place to ensure all elements of the Executive Board's mandate, including governance, finance, oversight and risk, can be considered with the required level of time and resources;</li> <li>(b) Advisory committees and ad hoc working groups are added as required to support the Executive Board in the discharge of its responsibilities and mandate;</li> <li>(c) The roles of other United Nations bodies, including the General Assembly, the Economic and Social Council and the Advisory Committee on Administrative and Budgetary Questions, are appropriately considered and integrated into the Executive Board structure.</li> </ul> <p>C.2. Committees and working groups have terms of reference that are approved and regularly reviewed that describe the roles, delegated duties and reporting requirements of each Executive Board committee</p>
<b>Component III – Executive Board secretariat</b>	
A. Role and responsibilities of the secretariat	<p>A.1. The roles and responsibilities of the Executive Board secretariats are described in a comprehensive manner in the rules of procedure of the Board, which are consistent with the job description of the secretariat, namely:</p> <ul style="list-style-type: none"> <li>(a) Providing support and guidance to the Executive Board, its President and Vice-Presidents before, during and after Board meetings (e.g. preparation of the Board agenda, logistics of Board meetings, minutes of meetings, drafting of decisions, sharing of relevant documents etc.);</li> <li>(b) Liaising with management to ensure that documents prepared for the Executive Board are clear, concise, relevant and made available to the Board in a timely manner;</li> <li>(c) Supporting decision-making processes through the facilitation of effective processes for consensus-building and voting;</li> <li>(d) Following up with management on the implementation of Executive Board decisions and providing it with accurate and reliable information on their implementation;</li> <li>(e) Reaching out to internal and/or external technical experts (e.g. lawyers or governance experts) when required;</li> <li>(f) Ensuring that the Executive Board acts within its rules of procedure and all applicable rules and regulations;</li> <li>(g) Facilitating the review of Executive Board rules of procedure and other relevant guidelines;</li> <li>(h) Supporting the periodic self-assessment processes of the Executive Board;</li> <li>(i) Championing good governance across the organization and keeping the Executive Board informed of governance best practices within and outside the United Nations;</li> </ul> <p>A.2. Secretariats provide induction training for all new members of the delegations of member States who will be involved in preparing for or attending Executive Board meetings</p> <p>A.3. The induction package, including the terms of reference of the Executive Board and its members, should also be available to all member States</p> <p>A.4. Induction includes, as a minimum, information about:</p> <ul style="list-style-type: none"> <li>(a) The roles and responsibilities of Executive Board members;</li> <li>(b) The accountability framework of the organization;</li> <li>(c) Key risks of the organization and processes to escalate risks.</li> </ul> <p>A.5. The President and Vice-Presidents of the Executive Board receive additional ad hoc induction regarding their specific roles and responsibilities</p> <p>A.6 The secretariat organizes additional training for Executive Board members as and when needed</p>

Subcomponent	Criteria
B. Profile of Executive Board secretaries and their relationship with the Board	<p>B.1. The Executive Board secretary has the necessary authority, professional stature, relevant professional qualifications and expertise to provide expert and reliable guidance and impartial support to the Board</p> <p>B.2. The Executive Board reviews the job description of the Board secretary, who reports functionally to the President of the Board and administratively to the executive head of the organization</p> <p>B.3. The Executive Board is involved in the selection and performance appraisal of the Board secretary</p>
C. Resources of the Executive Board secretariat	<p>C.1. The budget of the Executive Board secretariat is reviewed by the Board, which should ensure that the secretariat has the resources:</p> <p>(a) To engage sufficient professional and administrative staff;</p> <p>(b) To engage external technical experts when needed;</p> <p>(c) To purchase and maintain the necessary information technology and other tools needed to support efficient and effective communications.</p>

#### Component IV – Executive Board meetings

A. Effectiveness of meetings	<p>A.1 The Executive Board is responsible, through its Bureau, for ensuring that its meetings:</p> <p>(a) Achieve their intended purposes in meeting the requirements of the mandate of the Executive Board, and its fiduciary and compliance responsibilities;</p> <p>(b) Are chaired with a high degree of professionalism, while ensuring that the rules of procedure are respected;</p> <p>(c) Are of a sufficient quantity and length to cover all areas of Executive Board responsibility;</p> <p>(d) Include provisions for calling special or emergency meetings.</p> <p>A.2 The Executive Board, through its Bureau, is responsible for ensuring that informal or pre-meetings serve a stipulated purpose and provide inputs for formal meetings</p>
B. Meeting support	<p>B.1 The Executive Board is responsible, through its Bureau, and with the support of the Board secretary, for having mechanisms in place so that:</p> <p>(a) Executive Board members have adequate notice of meetings and timely and efficient access to documentation so that sufficient preparation and review can be conducted in advance of the meetings;</p> <p>(b) Meeting documentation meets the statutory requirements of information that the governing body needs to discharge its duties;</p> <p>(c) Meeting documentation is fit for purpose as regards quality and quantity;</p> <p>(d) Agendas provide an effective allocation of time for presentation and discussion;</p> <p>(e) The time allocated to key members of management to make presentations is appropriate in length and allows for questions to be posed by Executive Board members;</p> <p>(f) Meeting documentation provides clarity on the inputs that are needed from Executive Board members (including decisions, comments and recommendations).</p>
C. Attendance, quorum and decision-making	<p>C.1 Rules of procedure provide:</p> <p>(a) Effective procedures to record the attendance of Executive Board members during sessions for the purpose of satisfying quorum requirements;</p> <p>(b) Clear procedures for decision-making and rules for voting procedures, including quorum requirements;</p> <p>(c) Standards for recording Executive Board decisions that enable effective action and follow-up;</p> <p>(d) Procedures for taking any required decisions in between regular Executive Board sessions.</p>

#### Component V – Executive Boards and oversight functions

A. Responsibilities of the Executive Board with	<p>A1. The Executive Board, on its own or through an oversight committee of the Board, is responsible for:</p>
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Subcomponent	Criteria
respect to oversight	<ul style="list-style-type: none"> <li>(a) Devoting the necessary time and expertise to understand the major risks and control issues facing the organization by reviewing the reports of and interacting with independent oversight functions, such as internal and external auditors, evaluation and investigation functions, as well as JIU and the Board of Auditors;</li> <li>(b) Allocating time to review reports by and providing unfettered access to independent advisory functions, such as ethics and ombuds services.</li> </ul>
B. Role of the Executive Board with respect to the independence of oversight functions	<p>B1. The Executive Board, on its own or through an oversight committee of the Board, is responsible for:</p> <ul style="list-style-type: none"> <li>(a) Approving the charters and terms of reference of independent offices (evaluation and oversight), as well as those of advisory functions and committees (ethics and independent oversight committees);</li> <li>(b) Playing a role in selecting, assessing the performance of and renewing/terminating the contracts of the heads of internal audit, investigation and evaluation units;</li> <li>(c) Having unrestricted access to the heads of the audit and evaluation units and the independent oversight committee, as well as ethics and ombuds services, to discuss regular progress reports;</li> <li>(d) Holding regular meetings with independent external oversight entities, including the Board of Auditors and JIU.</li> </ul>
C. Review of reports, plans and quality assessment reports	<p>C1. The Executive Board, on its own or through an oversight committee of the Board, is responsible for:</p> <ul style="list-style-type: none"> <li>(a) Reviewing all major internal oversight and advisory reports, as well as those of the Board of Auditors and JIU;</li> <li>(b) Ensuring appropriate and adequate resourcing of independent oversight and advisory functions;</li> <li>(c) Receiving and discussing the results of quality assessments of the internal oversight and advisory functions.</li> </ul>
D. Follow-up on recommendations	<p>D1. The Executive Board, on its own or through an oversight committee of the Board, is responsible for:</p> <ul style="list-style-type: none"> <li>(a) Reviewing and commenting, as necessary, on the responses of management to internal oversight recommendations;</li> <li>(b) Reviewing reports on actions taken in response to external oversight recommendations from JIU and the Board of Auditors;</li> <li>(c) Considering and responding to recommendations directed to legislative and governing bodies from JIU and other independent entities.</li> </ul>
<b>Component VI – Executive Boards and risk management</b>	
A. Role of the Executive Board in risk management	<ul style="list-style-type: none"> <li>A.1. Specific roles and responsibilities are defined and documented in the terms of reference of the Executive Board with respect to oversight of risk management</li> <li>A.2. The organization’s risk management policy describes a consistent role for the Executive Board as described in its terms of reference</li> <li>A.3. Executive Board members review and understand the main strategic and organizational risks facing the organization and, as necessary, comment on the adequacy of risk mitigation strategies</li> </ul>
B. Information flows on risks and mitigating measures	<ul style="list-style-type: none"> <li>B.1. The Executive Board receives an annual report on risks by the executive head, discussed during a dedicated agenda item of the Executive Board session</li> <li>B.2. There is a clear mechanism in place to share information with the Executive Board on key and emerging risks during the year</li> <li>B.3. There is a process in place whereby all major initiatives presented to the Executive Board for approval or for information are accompanied by a detailed risk analysis</li> </ul>
C. Effectiveness of the risk management framework	<p>C1. The Executive Board is aware of and satisfied with the:</p> <ul style="list-style-type: none"> <li>(a) Design of the risk management framework;</li> <li>(b) Level of resourcing of the risk management unit;</li> <li>(c) Roles and responsibilities of the chief risk officer.</li> </ul>

## Technical reference material included in the development of the benchmark

- Australian Institute of Company Directors, “Organisation board charters” (2019)
- Australian National Audit Office, “Audit Insights: board governance” (2019)
- Business Roundtable, “Principles of corporate governance”, Harvard Law School Forum on Corporate Governance, 8 September 2016
- Chartered Professional Accountants of Canada, *A Framework of Board Oversight of Enterprise Risk* (2022)
- Committee of Sponsoring Organizations of the Treadway Commission, *Internal Control – Integrated Framework* (2013)
- Deloitte, “Legal entity management: elevating board support” (2021)
- Deloitte, “The changing role of the company secretary”
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## Annex II

### Overview of actions to be taken by participating organizations on the recommendations of the Joint Inspection Unit

		Intended impact	Participating Organizations of the Joint Inspection Unit																											
			United Nations <sup>a</sup>	UNAIDS	UNCTAD	ITC	UNDP	UNEP	UNFPA	UN-Habitat	UNHCR	UNICEF	UNODC	UNOPS	UNRWA	UN-Women	WFP	FAO	IAEA	ICAO	ILO	IMO	ITU	UNESCO	UNIDO	UNWTO	UPU	WHO	WIPO	WMO
Report	For action		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	For information		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Recommendation 1	a					L		L			L		L		L															
Recommendation 2	a					L		L			L		L		L															
Recommendation 3	a					L		L			L		L		L															
Recommendation 4	e					L		L			L		L		L															
Recommendation 5	e					L		L			L		L		L															
Recommendation 6	b, d					L		L			L		L		L															
Recommendation 7	f, h					L		L			L		L		L															
Recommendation 8	a					L		L			L		L		L															
Recommendation 9	a					L		L			L		L		L															
Recommendation 10	f					L		L			L		L		L															

#### Legend:

**L:** Recommendation for decision by legislative organ and/or governing bodies **E:** Recommendation for action by executive head

Recommendation does not require action by this organization

#### Intended impact:

**a:** enhanced transparency and accountability **b:** dissemination of good/best practices **c:** enhanced coordination and cooperation **d:** strengthened coherence and harmonization

**e:** enhanced control and compliance **f:** enhanced effectiveness **g:** significant financial savings **h:** enhanced efficiency **i:** other.

<sup>a</sup> As described in ST/SGB/2015/3.