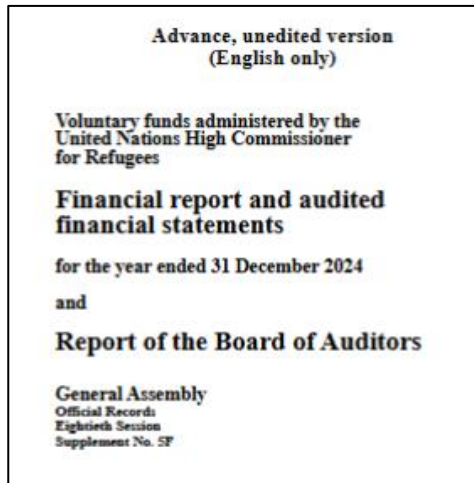


# 2 (a) Finance and Oversight

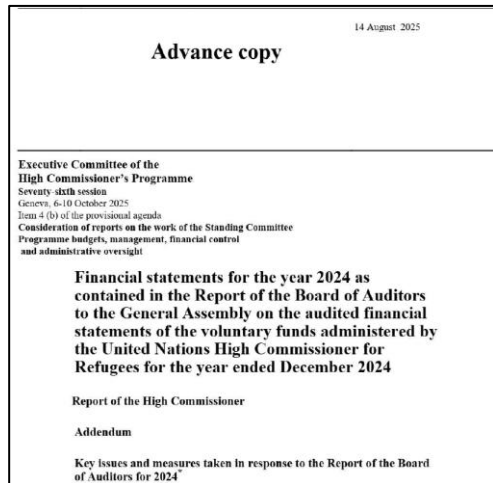
# Key documents presented



**Advance copy of A/80/5/Add.6**

## Financial report and audited financial statements for 2024

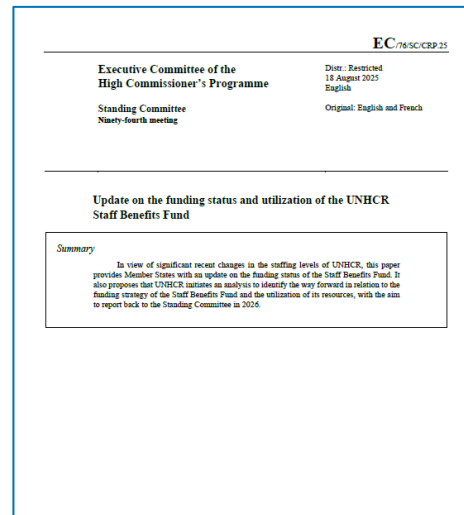
- Completed and submitted to Board of Auditors (BoA) in May 2024
- Audited by BoA during April/ May 2025
- Unqualified audit opinion
- Introduced to the SC under reference **A/AC.96/76/4**



**Advance copy of A/AC.96/76/4/Add.1**

## Key issues and measures taken in response to the Board of Auditors recommendations

- Key issues and measures taken for this year
- Overview on status of prior years recommendations



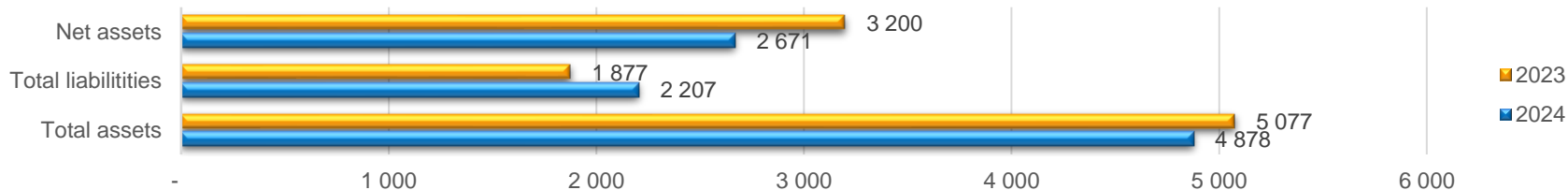
**EC/76/SC/CRP.25**

## Conference Room Paper Update on Staff Benefits Fund

- No decisions
- Update Only

# UNHCR finances remain sound in 2024

Assets, liabilities and net assets 2024/2023 (in millions of USD)



Key financial ratios, 31 December

	2024	2023
Current assets to current liabilities <sup>(1)</sup>	5.63	5.11
Total assets to total liabilities <sup>(2)</sup>	2.21	2.71
Cash and short-term investments to current liabilities <sup>(3)</sup>	2.54	2.42

(1) A high ratio indicates an entity's ability to pay off its short-term liabilities; (2) A high ratio is a good indicator of solvency; (3) This ratio indicates an entity's liquidity. It serves to measure the amount of cash, cash equivalents and invested funds available in current assets to cover current liabilities.

# I. Statement of financial position (31 Dec 2024)

- **Balance Sheet** – Shows a snapshot of UNHCR assets, liabilities and the resulting net assets at year-end
- **Assets**
  - Net contributions receivable \$1.5b
  - Cash & equivalents \$1.9b
  - Investments \$415m
  - Other current assets \$573m
- **Liabilities**
  - Current accounts payable \$486m
  - Employee benefits \$1.6b
- **Net Assets**
  - Difference between Assets and Liabilities \$2.7b

(Thousands of United States dollars)

	Reference	31 December 2024	31 December 2023
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	Note 3.1	1 865 948	2 018 333
Investments	Note 3.1	158 143	-
Contributions receivable	Note 3.2	1 215 319	1 247 714
Inventories	Note 3.3	315 911	425 005
Prepayments and other current assets	Note 3.4	573 467	571 574
<b>Total current assets</b>		<b>4 128 789</b>	<b>4 262 626</b>
<b>Non-current assets</b>			
Investments	Note 3.1	256 919	-
Contributions receivable	Note 3.2	315 546	622 696
Property, plant and equipment	Note 3.5	176 553	190 196
Intangible assets	Note 3.6	619	1 209
<b>Total non-current assets</b>		<b>749 637</b>	<b>814 101</b>
<b>Total assets</b>		<b>4 878 426</b>	<b>5 076 727</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Accounts payable and accruals	Note 3.7	485 856	601 791
Deferred revenue	Note 3.8	1 880	901
Employee benefits	Note 3.9	184 112	175 615
Other current liabilities	Note 3.10	50 399	55 226
Provisions	Note 3.11	1 500	810
Other investment liabilities	Note 3.1	9 744	-
<b>Total current liabilities</b>		<b>733 492</b>	<b>834 343</b>
<b>Non-current liabilities</b>			
Employee benefits	Note 3.9	1 473 477	1 042 081
Provisions	Note 3.11	94	94
<b>Total non-current liabilities</b>		<b>1 473 570</b>	<b>1 042 175</b>
<b>Total liabilities</b>		<b>2 207 062</b>	<b>1 876 518</b>
<b>Net assets</b>		<b>2 671 364</b>	<b>3 200 209</b>
<b>Fund balances and reserves</b>			
Accumulated fund balances and reserves	Note 4.1	2 827 515	3 116 073
Working Capital Fund for Voluntary Contributions	Note 4.2	100 000	100 000
Medical Insurance Plan	Note 4.3	85 982	73 593
Staff Benefits Fund	Note 4.4	(599 861)	(312 267)
Self-Financing Activities Fund	Note 4.5	257 728	222 810
<b>Total fund balances and reserves</b>		<b>2 671 364</b>	<b>3 200 209</b>

# II. Statement of financial performance for 2024

Year ended with a IPSAS deficit of \$159m – which is lower than the deficit of last year by \$431m – while expenses decreased by more than \$400m, they were still higher than the revenue

- **Revenues:** 96% voluntary contributions
- **Expenses:**
  - Implementing partners (24%)
  - Salaries and employee benefits (31%)
  - CBI (11%)

(Thousands of United States dollars)

	Reference	2024	2023
<b>Revenue</b>			
Voluntary contributions	Note 5.1	4 523 588	4 534 572
United Nations regular budget	Note 5.2	50 497	49 597
Interest revenue	Note 5.3	113 061	93 983
Other revenue	Note 5.4	48 684	29 164
<b>Total revenue</b>		<b>4 735 830</b>	<b>4 707 316</b>
<b>Expenses</b>			
Implementing partnership expenses	Note 6.1	1 173 270	1 392 469
Salaries and employee benefits	Note 6.2	1 538 034	1 498 942
Cash assistance to beneficiaries	Note 6.3	558 544	742 260
Contractual services	Note 6.4	539 111	609 333
Supplies and consumables for beneficiaries	Note 6.5	319 409	382 188
Operating expense	Note 6.6	310 360	286 626
Equipment and supplies	Note 6.7	116 474	134 111
Travel expense	Note 6.8	81 054	92 203
Other expenses	Note 6.9	34 323	37 575
Depreciation, amortization and impairment	Note 6.10	66 546	84 327
Other non-operational expenses	Note 6.11	9 024	59 697
Net changes in fair value of financial instruments	Note 6.12	20 039	-
Foreign exchange (gains)/losses	Note 6.13	128 458	(22 309)
<b>Total expenses</b>		<b>4 894 644</b>	<b>5 297 422</b>
<b>Surplus/(deficit) for the year</b>		<b>(158 814)</b>	<b>(590 106)</b>

# III. Statement of changes in net assets (31 Dec 2024)

Reveals movements in the fund balances and reserves broken down by main Funds of UNHCR, including:

- Accumulated fund balances and reserves,
- Working Capital Fund,
- Staff Benefits Fund and
- Medical Insurance Plan
- Self-Financing Activities

(Thousands of United States dollars)

Reference	Accumulated fund balances and reserves	Working Capital Fund for Voluntary Contributions	Medical Insurance Plan	Staff Benefits Fund	Self-Financing Activities Fund	Total
Net assets at 1 January 2023	3 807 330	100 000	65 417	(351 238)	201 246	3 822 755
<b>Movements in fund balances and reserves in 2023</b>						
Surplus/(deficit) for the period	(774 428)	123 536	8 176	31 046	21 564	(590 106)
Gain/loss on actuarial valuations of post-employment benefits	-	-	-	(32 440)	-	(32 440)
Transfers	83 171	(123 536)	-	40 365	-	-
<b>Total movements during 2023</b>	<b>(691 257)</b>	<b>-</b>	<b>8 176</b>	<b>38 971</b>	<b>21 564</b>	<b>(622 546)</b>
<b>Total net assets at 31 December 2023</b>	<b>3 116 073</b>	<b>100 000</b>	<b>73 593</b>	<b>(312 267)</b>	<b>222 810</b>	<b>3 200 209</b>
<b>Movements in fund balances and reserves in 2024</b>						
Surplus/(deficit) for the period	Notes 4.1, 4.2, 4.3, 4.4, 4.5 (257 758)	-	12 389	51 636	34 918	(158 814)
Gain/(loss) on after-service health insurance actuarial valuation	Notes 3.9, 4.4 -	-	-	(370 030)	-	(370 030)
Transfers	Notes 3.9, 4.1, 4.4 (30 800)	-	-	30 800	-	-
<b>Total movements during 2024</b>	<b>(288 558)</b>	<b>-</b>	<b>12 389</b>	<b>(287 593)</b>	<b>34 918</b>	<b>(528 844)</b>
<b>Total net assets at 31 December 2024</b>	<b>2 827 515</b>	<b>100 000</b>	<b>85 982</b>	<b>(599 861)</b>	<b>257 728</b>	<b>2 671 364</b>

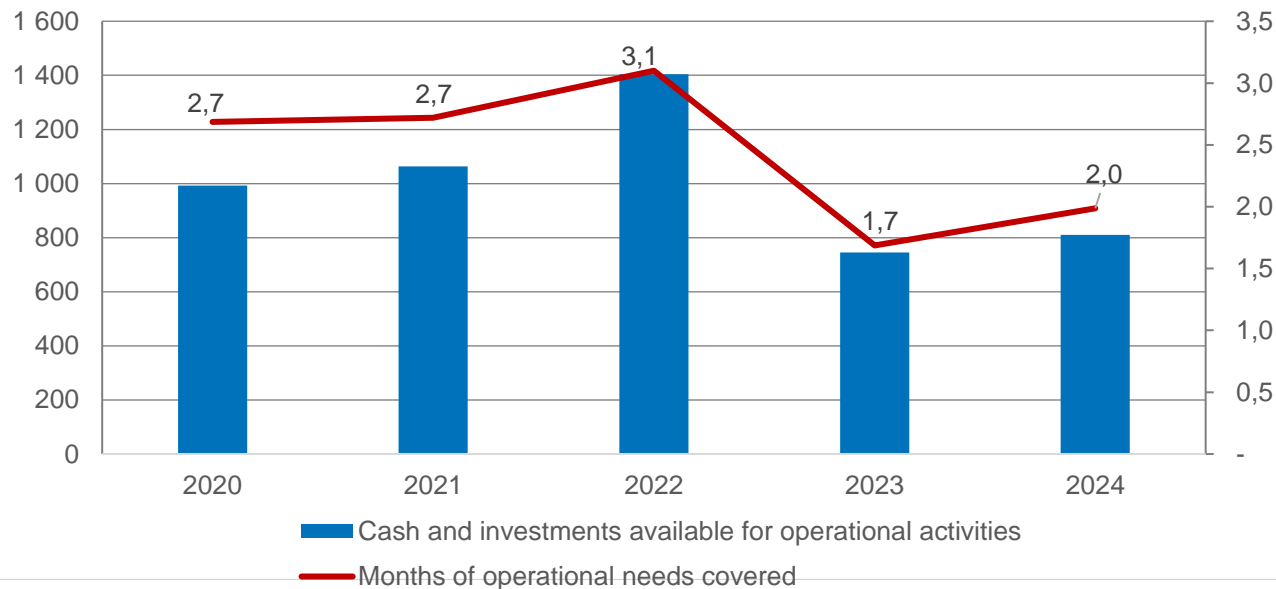
# V. Statement of Comparison of Budget to Actual Expenses

(31 Dec 2024)

<b>Annual Program Fund Net Assets (IPSAS):</b>	<b>\$2,827m</b>
Less Income for Future Years	\$1,799m
Less Commitments not recognized expense	\$577m
Less Assets Not Depreciated	\$335m
Other IPSAS adjustments	\$116m
<b>Net Balance of Funds Available (Budget)</b>	<b>\$245m</b>

# Year-End Balances of Cash and Short-Term Investments for Operational Activities

Months of operational needs covered 2020 to 2024 (in months)





# Update on the funding status and utilization of the UNHCR Staff Benefits Fund

*EC/76/SC/CRP.25*

# What are Accrued Liabilities?

## Accrued Liabilities

- **Estimated future financial obligations** that UNHCR must recognize today for **post-employment benefits**, such as **After-Service Health Insurance (ASHI)**
- Even though the **cash outflows** (i.e. payments for health insurance) will occur **after retirement**, the **obligation is incurred and needs to be recorded during active service of staff**.

## Termination Costs related to downsizing:

- Not accrued because, under IPSAS, such costs require a **present obligation**, a **formal plan**, and **communication to affected staff**. These conditions were **not met by 2024 reporting date**.

## **Long Term Staff Obligations (Accrued Expenses)**

1. Pension
2. After Service Health Insurance
3. Repatriation Grant
4. Accrued Annual Leave

## **Termination Indemnities (No Accrual)**

1. Termination Indemnity (Staff Reg 9.3)
2. Pay in Lieu of Notice (Staff Rule 9.7b)

# Standing Committee Decisions

## After-service health insurance liabilities (ASHI)

## Repatriation benefits liabilities

2011

- **3 per cent** monthly payroll charge to the net base salary of professional and relevant general service staff insured by **UNSMIS**
- Effective 1 January 2012

- **\$2 million** allocating annually (all staff eligible)
- Effective 1 January 2012

2017

- **3 per cent** monthly payroll charge to the net base salary of **all staff** regardless of insurance scheme
- Effective March 2017

- **\$3 million** allocating annually (all staff eligible)
- Effective March 2017

# Staff Benefits Fund (SBF) situation as presented in 2024 Financial Statements

## Analysis of the Staff Benefits Fund as at the end of 2023 and 2024

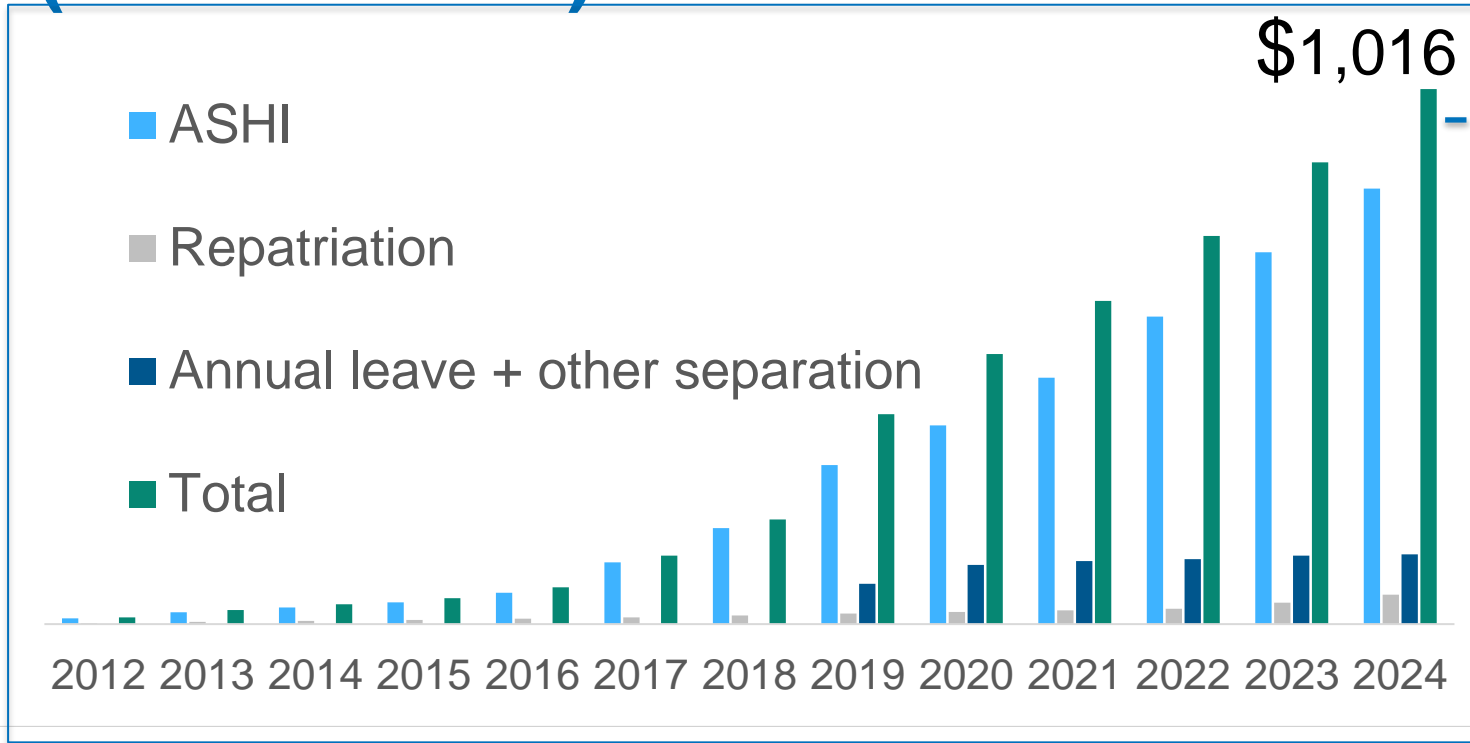
(As at 31 December, in millions of United States dollars)

	31 December 2024			31 December 2023		
	<i>Liabilities</i>	<i>Funding</i>	<i>Net fund balance</i>	<i>Liabilities</i>	<i>Funding</i>	<i>Net fund balance</i>
After-service health insurance	(1 340 109)	828 022	(512 087)	(916 438)	706 557	(209 881)
Repatriation	(143 824)	56 050	(87 774)	(143 120)	40 734	(102 386)
Annual leave	(122 064)	122 064	-	(125 971)	125 971	-
Service-related insurance	(7 323)	7 323	-	-	-	-
Other separation benefits	(3 410)	3 410	-	(4 367)	4 367	-
<b>Total</b>	<b>(1 616 730)</b>	<b>1 016 869</b>	<b>(599 861)</b>	<b>(1 189 896)</b>	<b>877 629</b>	<b>(312 267)</b>

UNHCR: No accrual for future termination costs

# ACCRUED STAFF BENEFITS

## (63% Funded)



\$ 1,617

**Total  
Liability**

# Evolution of Funding Ratio by Components of SBF

	2017	2018	2019	2020	2021	2022	2023	2024
<b>ASHI</b>	18%	31%	38%	37%	39%	70%	77%	62%
<b>Repatriation</b>	13%	16%	16%	17%	18%	22%	28%	39%
<b>Annual Leave and other</b>	0%	0%	98%*	100%	100%	100%	100%	100%

(\*Prior to 2019, Annual Leave funding was presented in the APF; it got transferred to the SBF that year to better reflect staff benefits funding.)

# Proposals on Accruals

- **Methodology:** Move away from mix of % accrual (ASHI) and fixed \$ cap (Repat) to a uniform approach with a target date for full funding liability (e.g. 2032)
- **Flexibility:** Allow High Commissioner flexibility to make adjustments within Staff Benefits Fund between line items (e.g., move amounts from ASHI to Repat)











# Termination Benefits Proposal

- **Study:** Prepare a report for Standing Committee in 2026.
- **Reserve for Termination:** Review options to ring-fence some accumulated reserves over a period of time to cover future downsizing.
- **Establish Parameters and Funding Sources:** Look to present some target coverage percentages for the reserve (e.g., 10-20% staff downsize) on a risk-based analysis. Look for options to fund (e.g., use income earnings or other sources of income).

# Statement of Internal Control

# Key statistics in country operations for 2024

 110 operations (incl. GSC Budapest, Copenhagen, LONY)	 53% overall 'strong compliance' decreased (from 55% in 2023)
 54 control questions	 3.51 overall scoring rating decreased (from 3.56 in 2023)
 12 newly added or substantively revised questions	 'Strong compliance' in 3 processes Planning & Resource Allocation (Budgeting); Information & Communications Technology (User Account Mgt); Organizational Governance & Mgt (Ethical Principles – Code of Conduct)
 Most recurrent questions with low/moderate compliance over past 2 years HR Action Plans, Vehicles Master Data, Business Continuity Plans, Operational Advances recording, OIOS audit recommendation follow up, DOARP update, CBI SOP	 Processes with some improved rating: CBI Information & Communications Technology

# 2024 Statement of Internal Control

Generally effective system, no material weaknesses detected

Aspects to improve:

**Maintaining and optimizing the new systems while transitioning to business as usual**

**Strengthening procurement planning and contract management instruments and monitoring tools**

**Continuous monitoring of strategic workforce planning and staffing indicators**

**Continuous monitoring and analysis of security risks, emergency risks and preparedness, as well as business continuity planning**

**Strengthening management of funded partners**

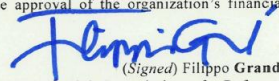
**Adherence to Data Protection and Privacy Policy**

**Strengthening Asset Management Controls**

## Statement

Internal controls, while operating effectively, have inherent limitations, including the possibility of circumvention, no matter how well designed, and therefore can provide only reasonable assurance regarding the achievement of objectives relating to operations, reporting and compliance. Furthermore, because of changes of conditions, the effectiveness of internal controls may vary over time. I am committed to ensuring continuous improvement of the system of internal controls and to addressing weaknesses in internal controls noted during the year or brought to my attention by the oversight mechanisms.

Based on the above, I conclude that, to the best of my knowledge and information, UNHCR operated under an effective system of internal controls and there were no material weaknesses to report for the year 2024 and up to the date of the approval of the organization's financial statements.

  
(Signed) Filippo Grandi

United Nations High Commissioner for Refugees

30 April 2025



UNITED NATIONS  
BOARD OF AUDITORS

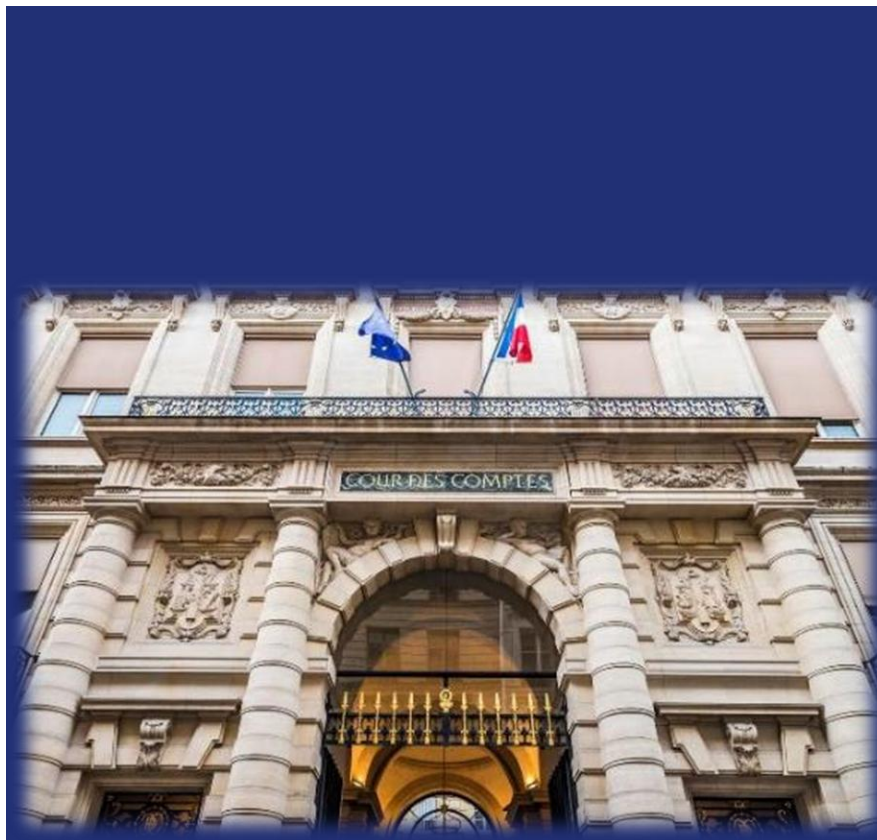
Cour des comptes  
FRANCE



# AUDIT REPORT ON THE VOLUNTARY FUNDS ADMINISTERED BY THE UNHCR Financial year 2024

UNHCR Standing Committee

September 8/9 2025





## CONTENT

Audit opinion

Key findings

1. Follow-up on previous recommendations

2. Finance

3. Transition to a new information technology environment

4. Cooperation with other entities of the United Nations system

5. Management of crises





## AUDIT OPINION

- ❖ The Board issued an **unqualified audit opinion** on the UNHCR financial statements
- ❖ The financial statements of the UNHCR present fairly, in all material respects, the financial position as at Financial Year End 2024 and its financial performance and cash flows for the year then ended in accordance with IPSAS



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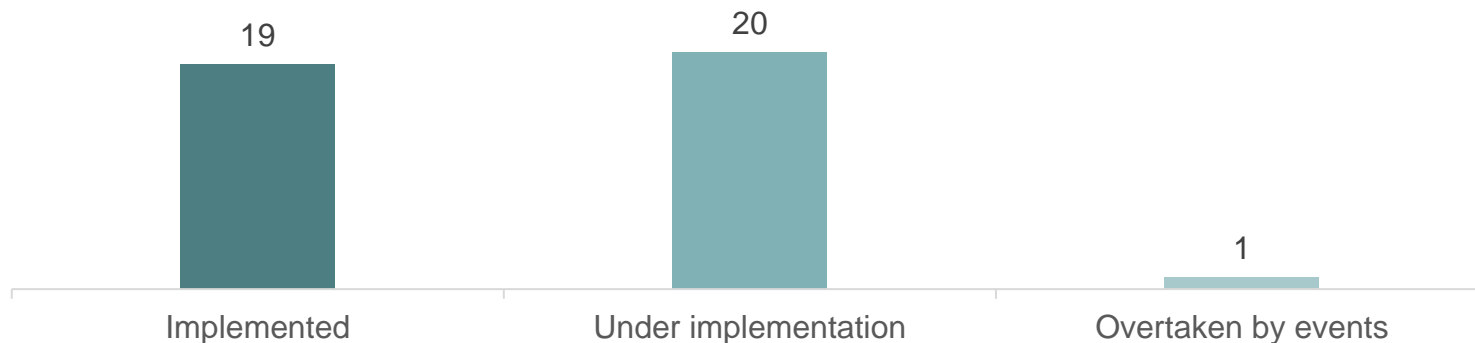






## 1. FOLLOW UP OF PREVIOUS RECOMMENDATIONS

Out of **40 outstanding recommendations** in 2024



The Board has made **33 new recommendations** this year.



## CONTENT

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## 2. FINANCE

### Financial overview

- ❖ **Total revenue** amounted to **\$4,735.8 million**, a **modest increase of \$28.5 million**. **Voluntary contributions represented 96 per cent** of total revenue, amounting to \$4,435.7 million
- ❖ **Total expenses decreased by \$402.8 million, from \$5,297.4 million to \$4,894.6 million**, primarily as a result of efforts to reduce operational costs in the context of ongoing liquidity constraints
- ❖ As a consequence and for the second consecutive year, **the net result shows a deficit amounted to \$158.8 million compared to \$590.1 million in 2023**.



## 2. FINANCE

### Main observations

#### Bank and investments processes enhancements

❖ As of 31 December 2024, the total number of bank and cash accounts reached nearly 900.

- Automation of global payment workflows via the “Digital Hub of Treasury Solutions” began in 2023, but full implementation was not finalized by year-end
- Bank and cash-in-hand reconciliations showed significant year-end discrepancies, which remained unresolved as of the final audit in April 2025

### Key recommendations

- Further strengthen the process of bank and cash account reconciliations.



## 2. FINANCE

### Main observations

#### Employee benefits liabilities valuation methods

- ❖ Until 2024, UNHCR outsourced workers' compensation to the UN Secretariat. **In 2024, it shifted to self-insurance via a provision, later reclassified as employee benefits liabilities.**
  - The approach to **liability valuation**, and how benefits are **split between current and non-current, should be reviewed to more clearly align with UNHCR's real obligations.**
- ❖ A very significant number of employees had **annual leave balances exceeding 30 days**, often **accumulated until separation**
  - This pattern shows that **unused annual leave is not consumed within the following year**, so its **current short-term classification should be reviewed.**

### Key recommendations

- **Conduct a statistical analysis on the consumption of annual leave** by evidencing the actual timing of settlement and discount the long-term portion if applicable.



## 2. FINANCE

### Main observations

#### Inventories impairment method

❖ The inventories impairment review showed an overstatement of \$5.3 million in 2024, due to double-counting of certain items.

- **UNHCR should enhance its impairment assessment methodology.**

### Key recommendations

- **Enhance impairment assessment methodology** and implement a formal annual review of inventory shelf lives.





## 2. FINANCE

### Main observations

#### Deficiencies in the posting process

- ❖ **Inaccurate coding of PO details** led to \$68 million (28% of reviewed balance) misclassified under “other expense” accounts. A late adjustment corrected this, highlighting the **need to enhance the posting process**.
  - **Goods in transit delivered in late 2024 were recorded in January 2025, understating 2024 accrued payables by \$2.3 million.** This shows **room for improvement in year-end monitoring and application of ownership transfer dates.**

### Key recommendations

- **Implement more robust control processes** to ensure classification of expenses onto correct G/L account based on their true nature





## CONTENT

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### 3. TRANSITION TO A NEW INFORMATION TECHNOLOGY ENVIRONMENT

- ❖ The objective of the UNHCR Business Transformation Programme (BTP) was to **enhance operational agility, efficiency, and collaboration within the Organization**. Initiated in 2020, the programme replaced outdated Information Technology systems with an integrated multi-cloud strategy. Implementation took place between 2021 and 2023.



### 3. TRANSITION TO A NEW INFORMATION TECHNOLOGY ENVIRONMENT

#### Main observations

##### Challenges, costs and transition

- ❖ The transition has faced challenges, particularly with regard to user experience, cybersecurity, data management and system integration.
- ❖ A financial perspective, the **BTP investment grew from \$75.6M to \$118.9M, with higher operational costs**
- ❖ While the BTP has successfully modernized UNHCR's IT systems, the transition to a **fully stable operational state was not yet complete**.

#### Key recommendations

- **Measure the evolution of the direct running costs** of the IT systems to monitor and ensure that the cost of services associated with its "multi-cloud" strategy remains controlled.
- **Establish a robust governance structure** through a Standard Operating Procedure
- **Ensure that operational errors relating to BTP data integration are addressed** and active collaboration between technical and business units is in place with an aim to reduce disruptions and ensure continuity.



## CONTENT

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5. Management of crises





## 4. COOPERATION WITH OTHER ENTITIES OF THE UNITED NATIONS SYSTEM

### Main observations

#### Strategic partnerships

- ❖ Although **effective participation** of UNHCR in United Nations Country Team (UNCT) action requires strategic alignment, **UNHCR had not fully aligned its strategic planning** at the country level with UNCT planning cycles.
- ❖ **UN common pledge 2.0**, developed as part of the Global Refugee Forum, **strengthened inter-agency cooperation and refugee inclusion, but the monitoring of the implementation of commitments was limited**, due to the interim progress reporting to be expected in June 2025.

### Key recommendations

- **Pursue the alignment of its country strategic planning** with United Nations Sustainable Development Cooperation framework (UNSDCF) planning.



## 4. COOPERATION WITH OTHER ENTITIES OF THE UNITED NATIONS SYSTEM

### Main observations

#### United Nations bilateral partnerships

- ❖ Cooperation with International Organization for Migration (IOM) remained **critical**
- ❖ Challenges in the 2022 Framework and consistent terminology on migrants and refugees **need further clarity.**

### Key recommendations

- **Make partnership frameworks accessible**, including their updates, and explore defining a Standard Operating Procedure on standard provisions of inter-agency partnership frameworks that best reflect mutual interests and concerns.





## 4. COOPERATION WITH OTHER ENTITIES OF THE UNITED NATIONS SYSTEM

### Main observations

#### Inter-agency coordination in refugee and non-refugee responses

- ❖ In the Refugee Coordination Model (RCM), **inter-agency scale-up needs alignment** with emergency procedures
- ❖ **Inter-agency evaluations of refugee response** remained rare (only one in five years).

#### Administrative and technical UN cooperation

- ❖ The **WFP-UNHCR UN Fleet project** showed **strong inter-agency cooperation**, but **slow implementation** has delayed the expected cost-effectiveness gains

### Key recommendations

- **Leverage its role on protection** and within the Inter-Agency Standing Committee (IASC) governance
- **Start leasing vehicles** from UN Fleet





## CONTENT

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5. Management of crises





## 5. MANAGEMENT OF CRISIS

### Main observations

#### Crisis anticipation and Emergency preparedness

- ❖ The Policy on Emergency Preparedness and Response was updated in February 2023, but while **high-risk countries are required** to have a **contingency plan**, **some had not prepared one**, and consistency of preparedness documents remains an issue.

#### Response tools and solutions

- ❖ The Policy improved monitoring of emergency declarations, supply procedures, and relations with host authorities
- ❖ Some high-risk countries **lack contingency plans**
- ❖ **Cash assistance preparedness needs strengthening** through early engagement with financial service providers

### Key recommendations

- i) **ensure that all countries ranked at high risk prepare a contingency plan** and regularly update when needed; ii) explicitly justify the absence of such a document by strong reasons linked with specific difficulties; and iii) contemplate the preparation of such a document in medium risk countries, as recommended in the 2023 policy.
- **Include in its standard operating procedures a specific time frame for the internal decision-making process** regarding emergency declarations.





## 5. MANAGEMENT OF CRISIS

### Main observations

#### Financial and Human resource mobilization

- ❖ The **mobilization of financial resources** was conducted through **well-monitored processes**, with a dedicated **budget line** for rapid release of **emergency funds** (mainly from a \$56.6 million operational reserve in 2024).
- ❖ While **workforce mobilization was effective**, the **transition period** management **raised issues: slow downsizing** of the country office **and gaps in skills** needed for development-focused activities.

#### Emergency exit and post-emergency phase

- ❖ **Real-Time Reviews** in Level 3 emergencies **and evaluations were good practices**, but **few L2/L1 emergencies had them**, and **no guidance exists** to address challenges in the **transition from emergency to regular operations**.

### Key recommendations

- **Conduct a mandatory and comprehensive staffing review** for country operations whose emergency declaration has expired prior to the start of the following implementation year.
- **Draft guidance** on the transition from an emergency to a regular operational response.

## **2 (a) (ii) Key issues and measures taken by UNHCR in response to the Report of the Board of Auditors**

# Key findings 2024

- Unqualified audit opinion
- Key financial indicators remained robust and the level of demand for UNHCR interventions further increased with the on-going emergencies
- Closed 50% of prior years' recommendations, with 20 recommendations (50%) remaining open from prior years
- 33 new recommendations issued in 2024

# Finance - *Bank and investments processes enhancements*

## UNHCR Actions

### *Updating of bank signatories*

- ✓ Improving internal control systems to better detect and act on bank signatory changes triggered by staff separations or movement between duty stations.

### *Strengthening of bank reconciliation process*

- ✓ Enhance the integration between banking platforms and the Cloud ERP system, and
- ✓ Pilot solutions that are able to recognize and automatically reconcile some types of transactions (such as bank fees), with human intervention required only on those items that could not be handled automatically.

# Finance - *Employee benefits liabilities valuation methods*

## UNHCR Actions

### *Workers' compensation and accrued leave days*

- ✓ Explore in 2025 transitional options for assessing the leave-taking pattern of staff, although the ongoing restructuring of the workforce may limit the reliability of long-term estimates for such a liability.
- ✓ Given the uncertainty due to restructuring of the workforce, classifying annual leave liabilities as fully short-term in the 2025 financial statements may be the most prudent, cost-effective and materially-appropriate approach.

# Finance - *Inventories and Accounts payable*

## UNHCR Actions

### *Refinement of the inventories impairment method*

- ✓ Strengthen the process by formally documenting it and ensuring that it is consistently applied for year-end closure in 2025 and onwards.

### *Refinement of the accounts payable posting processes*

- ✓ UNHCR implemented an automated preventive control in the second quarter of 2025 to detect and reject inconsistent posting for the procurement of services, and a similar control is expected to be rolled out later in 2025 for the procurement of goods.

# The transition to a new information technologies environment

## UNHCR Actions

*User experience, cybersecurity, data governance and integration of new systems*

- ✓ Continue tracking thoroughly the costs of information technology services. Such costs are regularly reviewed during meetings between the Division of Information Systems and Telecommunications and other stakeholder divisions. Additional reviews are done during the annual budgeting cycle.
- ✓ UNHCR has established a governance structure to support ongoing collaboration between business units and the Division of Information Systems and Telecommunications.
- ✓ Integrate the role of business relationship officer formally in the information technology structure as of 1 October 2025 to ensure continuity, coordination and service quality.

# Cooperation with other entities of the UN system – *Strategic partnerships and UN Bilateral partnerships*

## UNHCR Actions

### *Strategic partnerships*

- ✓ Continue to strengthen its engagement in the United Nations Sustainable Development Cooperation Framework process, align planning with shared priorities and timelines where host governments support its involvement.
- ✓ Issued interim internal guidance on the UNSDCF to be revised, building on the findings of a recent system-wide evaluation.

### *United Nations bilateral partnerships*

- ✓ Maintain an up-to-date, accessible repository of partnership frameworks to ensure awareness and use across all levels.
- ✓ Explore standardizing key provisions in partnership agreements through stakeholder consultations.
- ✓ Continue regular information exchange with IOM, with ongoing guidance provided to field operations.



# Cooperation with other entities of the UN system

## — *Inter-agency coordination and administrative and technical cooperation*

### UNHCR Actions

#### *Inter-agency coordination in refugee and non-refugee responses*

- ✓ Suggested concrete measures to the Emergency Relief Coordinator to simplify the protection cluster.
- ✓ The measures were examined and endorsed by the Inter-Agency Standing Committee Principals in June 2025, with the recommendation that there would be only one Protection Cluster without any Areas of Responsibility.

#### *Administrative and technical cooperation*

- ✓ UNHCR plans to start leasing vehicles in 2026, in line with the UN FLEET strategy.

# The management Crises - *Crisis anticipation and emergency preparedness; response tools and solutions.*

## UNHCR Actions

### *Crisis anticipation and emergency preparedness*

- ✓ Update and strengthen the SOPs for contingency planning to place greater emphasis on preparedness, clarify roles and responsibilities across countries, regions and headquarters, and define clearer timelines.
- ✓ Revise the SOPs for countries at high risk of new or escalating emergencies, to include an escalation process for non-compliance.

### *Response tools and solutions*

- ✓ Revise SOP on emergency declarations to outline clear steps and timelines for this process.

# The management Crises – *Financial and human resources mobilization; and Emergency exit*

## UNHCR Actions

### *Financial and human resources mobilization*

- ✓ Country operations currently lead post-emergency staffing reviews with support from the Division of Human Resources when needed.
- ✓ Develop clear guidelines outlining timing, roles and responsibilities, which will be integrated in broader transition planning, from emergency to regular operations.

### *Emergency exit and post-emergency phase*

- ✓ Develop guidance on the transition from an emergency to a regular operational response.

# Conclusion

- ✓ Addressing the BoA's recommendations is a management priority and notable progress was made.
- ✓ BoA's findings and recommendations allowed UNHCR to focus its resources on the most relevant risk areas.
- ✓ UNHCR will continue to take action to address recommendations and reiterates its commitment to improving procedures, systems and controls in order to mitigate the identified risks.

# Thank you