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**Financial reports and audited financial statements, and  
reports of the Board of Auditors**

### **Implementation of the recommendations of the Board of Auditors contained in its reports for the year ended 31 December 2018 on the United Nations funds and programmes**

#### **Report of the Secretary-General\*\***

#### *Summary*

The present report is submitted in accordance with General Assembly resolution [48/216 B](#), in which the Assembly requested the executive heads of the United Nations funds and programmes to report to the Assembly, at the same time as the recommendations of the Board of Auditors were submitted to the Assembly, on measures taken or to be taken to implement those recommendations.

The Secretary-General has the honour to transmit to the General Assembly the responses of the executive heads of the funds and programmes, namely the International Trade Centre, the United Nations University, the United Nations Development Programme, the United Nations Capital Development Fund, the United Nations Children's Fund, the United Nations Relief and Works Agency for Palestine Refugees in the Near East, the United Nations Institute for Training and Research, the voluntary funds administered by the United Nations High Commissioner for Refugees, the Fund of the United Nations Environment Programme, the United Nations Population Fund, the United Nations Human Settlements Programme, the United Nations Office on Drugs and Crime, the United Nations Office for Project Services, the United Nations Entity for Gender Equality and the Empowerment of Women (UN-Women) and the International Residual Mechanism for Criminal Tribunals.

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\* [A/74/150](#).

\*\* The present report was submitted late owing to the extensive process of obtaining inputs from the United Nations funds and programmes.



The present report provides information further to the comments already submitted to the Board of Auditors, which, in some cases, were included in the final reports of the Board to the executive heads of the respective funds and programmes. The executive heads have concurred with most of the Board's recommendations, and many of the comments of the executive heads have been duly reflected in the reports of the Board. Therefore, in an effort to reduce redundancy, the present report provides additional comments from the executive heads only where required, as well as information on the status of implementation, the office responsible, the estimated completion date and the priority for each recommendation contained in the reports of the Board. In addition, the present report contains updated information on the status of implementation of the recommendations of the Board relating to prior periods that were considered by the Board not to have been fully implemented.

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## I. Introduction

1. The present report is submitted to the General Assembly in accordance with the provisions of paragraph 7 of its resolution [48/216 B](#), in which the Assembly requested the executive heads of the United Nations funds and programmes, at the same time as the recommendations of the Board of Auditors were submitted to the Assembly through the Advisory Committee on Administrative and Budgetary Questions, to provide their responses to the Assembly and to indicate measures that would be taken to implement those recommendations, with appropriate timetables.

2. In preparing the present report, account was taken of the provisions of the following General Assembly resolutions:

(a) Resolution [52/212 B](#) (in particular paras. 3–5) and the note by the Secretary-General transmitting the proposals of the Board for improving the implementation of its recommendations approved by the Assembly ([A/52/753](#), annex);

(b) Resolution [73/268 A](#), in which the Assembly, in paragraph 10, reiterated its request to the Secretary-General and the executive heads of the funds and programmes of the United Nations to ensure full implementation of the recommendations of the Board and the related recommendations of the Advisory Committee on Administrative and Budgetary Questions in a prompt and timely manner, to continue to hold programme managers accountable for the non-implementation of recommendations and to effectively address the root causes of the problems highlighted by the Board. In paragraph 11, the Assembly reiterated its request to the Secretary-General to provide in his reports on the implementation of the recommendations of the Board a full explanation for the delays in the implementation of the recommendations of the Board, in particular those recommendations not yet fully implemented that were two or more years old; and in paragraph 12, the Assembly reiterated its request to the Secretary-General to indicate in future reports an expected time frame for the implementation of the recommendations of the Board, as well as the priorities for their implementation and the office holders to be held accountable.

3. In respect of time frames, every effort has been made by the executive heads to establish target dates for completing the implementation of the recommendations. However, some recommendations are of an ongoing nature.

4. With regard to prioritization, it is noted that the Board categorizes the most important recommendations as “main” recommendations. The implementation of the main recommendations will be given high priority.

## II. International Trade Centre

### A. Implementation of the recommendations contained in the report of the Board of Auditors for the year ended 31 December 2018<sup>1</sup>

5. Table 1 summarizes the status of implementation of the main recommendations of the Board as of August 2019.

<sup>1</sup> [A/74/5 \(Vol. III\)](#) and [A/74/5 \(Vol. III\)/Corr.1](#), chap. II.

Table 1  
**Status of implementation of the main recommendations**

(Number of recommendations)

<i>Department responsible</i>	<i>Total</i>	<i>Not accepted</i>	<i>Closure requested</i>	<i>Under implementation</i>	<i>Target date set</i>	<i>No target date</i>
Division of Country Programmes	1	–	–	1	1	–
Division of Programme Support	4	–	2	2	2	–
Division of Strategic Planning, Performance and Governance	1	–	–	1	1	–
<b>Total</b>	<b>6</b>	<b>–</b>	<b>2</b>	<b>4</b>	<b>4</b>	<b>–</b>

6. Table 2 summarizes the status of implementation of all recommendations of the Board as of August 2019.

Table 2  
**Status of implementation of all recommendations**

(Number of recommendations)

<i>Department responsible</i>	<i>Total</i>	<i>Not accepted</i>	<i>Closure requested</i>	<i>Under implementation</i>	<i>Target date set</i>	<i>No target date</i>
Division of Country Programmes	1	–	–	1	1	–
Division of Programme Support	5	–	2	3	3	–
Division of Strategic Planning, Performance and Governance	2	–	–	2	2	–
<b>Total</b>	<b>8</b>	<b>–</b>	<b>2</b>	<b>6</b>	<b>6</b>	<b>–</b>

7. In paragraph 19 of its report, the Board reiterated its previous recommendation that the International Trade Centre (ITC) undertake detailed resource planning and align and optimize resources vis-à-vis operational requirements.

*Department responsible:* Division of Programme Support

*Status:* Closure requested

*Priority:* High

*Target date:* Not applicable

8. Under the leadership of its Executive Director and Deputy Executive Director, ITC now conducts a holistic annual review of all posts, resourcing levels and training needs (managerial and technical) to ensure that resources are optimized to operational requirements. ITC considers this recommendation to have been implemented and requests its closure by the Board.

9. In paragraph 24 of its report, the Board reiterated its recommendation that ITC select consultants through a competitive process, ensure that the consultants were not engaged for work of generic or routine nature and clearly define the tangible outputs for each assignment in the terms of reference and maintain proper documentation in case of exceptions.

*Department responsible:* Division of Programme Support  
*Status:* Under implementation  
*Priority:* High  
*Target date:* Second quarter of 2020

10. ITC has implemented updates to its consultant hiring tool, eRoster, that include enhancements to the consultant roster and an advanced search facility for hiring managers. The updates are expected to enable hiring managers to better identify potential candidates, thereby strengthening the competitiveness of the recruitment process and increasing the diversity of candidates.

11. In addition, the human resources team continues to advise ITC managers on the rules and procedures related to the hiring of consultants.

**12. In paragraph 29 of its report, the Board reiterated its previous recommendation that ITC ensure appropriate internal controls to avoid awarding contracts at fees higher than the maximum fee associated with the particular level.**

*Department responsible:* Division of Programme Support  
*Status:* Closure requested  
*Priority:* High  
*Target date:* Not applicable

13. All documentation associated with the selection of consultants and the recommendation of a daily rate by hiring managers is validated by the human resources team.

14. ITC acknowledges that the hiring managers do not always indicate the correct level (i.e. A, B, C, D or E), but the daily rates are reviewed and controlled based on the level of education and years of experience of each consultant, as well as the complexity of the work they are to undertake. ITC requests closure of this recommendation by the Board.

**15. In paragraph 33 of its report, the Board recommended that ITC ensure that all the mandatory training courses were completed by the staff members in compliance with the instruction in force.**

*Department responsible:* Division of Programme Support  
*Status:* Under implementation  
*Priority:* Medium  
*Target date:* Fourth quarter of 2019

16. ITC has encouraged its staff members to complete the mandatory training courses. It has organized one week of “bundle training”, which will offer staff members the opportunity to complete the mandatory training courses.

**17. In paragraph 40 of its report, the Board reiterated its previous recommendation that ITC track reasons for non-compliance to the 21-day window for travel in ITC and monitor them closely to ensure better compliance.**

<i>Department responsible:</i>	Division of Programme Support
<i>Status:</i>	Under implementation
<i>Priority:</i>	High
<i>Target date:</i>	First quarter of 2020

18. ITC has encouraged its staff members to submit travel requests 21 days prior to the commencement of travel. Several training sessions on the use of the Umoja travel module and related business intelligence reports have also been organized in order to enforce the requirements of the travel policy.

**19. In paragraph 48 of its report, the Board recommended that ITC incorporate the standard provisions in all memorandums of understanding, in particular, conditionality for payment in the case of projects with training components. The Board also recommended that ITC consider incorporation of the provision linking the future relationship with a grantee to timely submission of a long-term impact report to the satisfaction of ITC.**

<i>Department responsible:</i>	Division of Country Programmes
<i>Status:</i>	Under implementation
<i>Priority:</i>	High
<i>Target date:</i>	Second quarter of 2020

20. ITC grants, including training-related grants, already contain provisions on conditionality for payments. However, greater effort will be made to make these conditions clearer in the memorandums of understanding. Future relationships with grantees are going to be based on the new policy on implementing partners as well as the grantee assessment forms. This will ensure that the selection of future grantees is done through a thorough due diligence process, including assessment of the long-term impact.

**21. In paragraph 55 of its report, the Board recommended that ITC review the project completion reports of all projects and ensure that they were completed within the prescribed time and uploaded on the project portal. The Board also recommended that ITC appropriately follow up the suggestions made in the evaluation reports, including project completion reports.**

<i>Department responsible:</i>	Division of Strategic Planning, Performance and Governance
<i>Status:</i>	Under implementation
<i>Priority:</i>	Medium
<i>Target date:</i>	Fourth quarter of 2019

22. Since ITC introduced the cross-cutting requirement for project completion reports for all of its projects according to a unified project completion report format, the Independent Evaluation Unit of ITC has been reviewing the completed project completion reports on an annual basis. The findings from the project completion reports were included in the ITC annual evaluation synthesis reports of 2018 and 2019 and will also be part of future evaluation synthesis reports. ITC reports annually to its member States on the status of implementation of the recommendations in the

annual evaluation synthesis reports. The Independent Evaluation Unit also tracks the status of implementation of recommendations in its individual evaluation reports.

23. In the fourth quarter of 2019, the Independent Evaluation Unit will provide each Division with a customized analysis of its project completion reports and engage in a discussion of the findings. The analysis will include information on lessons learned and recommendations from the project completion reports, as well as information on compliance with the rule of completing and uploading project completion reports to the project portal within three months after project closure. The Independent Evaluation Unit will also aggregate the findings in a corporate report.

24. **In paragraph 63 of its report, the Board recommended that ITC consider assessing the long-term sustainability of the results achieved under various projects.**

<i>Department responsible:</i>	Division of Strategic Planning, Performance and Governance
<i>Status:</i>	Under implementation
<i>Priority:</i>	High
<i>Target date:</i>	Fourth quarter of 2020

25. The Independent Evaluation Unit will undertake a systematic assessment of the sustainability of the results for projects that ended three to four years ago. Such assessments would be undertaken on an annual basis, using regular budget resources dedicated to evaluation.

## **B. Implementation of the recommendations contained in the reports of the Board of Auditors for prior financial periods**

26. In the annex to its report for the year ended 31 December 2018, the Board provided a summary of the status of implementation of recommendations for previous financial periods. Information is provided below on the nine recommendations that have been determined by the Board to be under implementation. The information is set out below in the order in which the recommendations are presented in the annex.

27. Table 3 summarizes the overall situation as of August 2019.

Table 3

### **Status of implementation of recommendations from prior periods considered not fully implemented**

(Number of recommendations)

<i>Department responsible</i>	<i>Total</i>	<i>Not accepted</i>	<i>Closure requested</i>	<i>Under implementation</i>	<i>Target date set</i>	<i>No target date</i>
Division of Country Programmes	1	–	–	1	1	–
Division of Programme Support	8	–	2	6	5	1
<b>Total</b>	<b>9</b>	<b>–</b>	<b>2</b>	<b>7</b>	<b>6</b>	<b>1</b>



## Report of the Board for the year ended 31 December 2016<sup>2</sup>

**28. In paragraph 40 of its report, the Board recommended that ITC conduct an independent staffing review to optimize its resources.**

*Department responsible:* Division of Programme Support  
*Status:* Under implementation  
*Priority:* High  
*Target date:* Ongoing

29. ITC operates with a regular budget staffing table of 160 posts. During the budget approval process, the staffing resources are reviewed, scrutinized and amended or recommended by the World Trade Organization's Budget Committee, the Advisory Committee on Administrative and Budgetary Questions and the Fifth Committee before being approved by the General Assembly. As discussed in 2017 with the Board, ITC has embarked on the implementation of this recommendation using a two-pronged approach: a post description review project and a skills-mapping project. The completion of both projects is expected to result in updated information that will assist ITC in meeting its staffing requirements and having the workforce necessary to implement its mandate.

**30. In paragraph 59 of its report, the Board recommended that ITC operationalize its independent Oversight Committee to strengthen its internal control mechanisms.**

*Department responsible:* Division of Programme Support  
*Status:* Under implementation  
*Priority:* High  
*Target date:* Second quarter of 2020

31. ITC is making arrangements to restore and operationalize its Oversight Committee. In the meantime, the Senior Management Committee is functioning as an oversight committee in addition to fulfilling its other roles.

**32. In paragraph 65 of its report, the Board recommended that ITC select consultants through a competitive process.**

*Department responsible:* Division of Programme Support  
*Status:* Under implementation  
*Priority:* High  
*Target date:* Second quarter of 2020

33. ITC has implemented updates to its consultant hiring tool, eRoster, that include enhancements to the consultant roster and an advanced search facility for hiring managers. The updates are expected to enable hiring managers to better identify potential candidates, thereby strengthening the competitiveness of the recruitment process and increasing the diversity of candidates.

<sup>2</sup> A/72/5 (Vol. III), chap. II.

34. The human resources team continues to advise ITC managers on the rules and procedures related to the hiring of consultants.

**35. In paragraph 69 of its report, the Board recommended that ITC: (a) select consultants through a competitive process; and (b) avoid using consultants for performance of generic tasks.**

*Department responsible:* Division of Programme Support

*Status:* Under implementation

*Priority:* Medium

*Target date:* Second quarter of 2020

36. The comments of ITC relating to the recommendation in paragraph 65 of the Board's report (see paras. 33 and 34 above) also apply to the recommendation in paragraph 69 of the report.

**37. In paragraph 83 of its report, the Board recommended that ITC adhere to the 16-day clause for advance travel planning to reduce travel expenditure and avoid frequent rescheduling and cancellation of tickets.**

*Department responsible:* Division of Programme Support

*Status:* Under implementation

*Priority:* Medium

*Target date:* Second quarter of 2020

38. ITC continues its efforts to adhere to the 16-day clause for advance travel planning. ITC has encouraged its staff members to submit travel requests 21 days prior to the commencement of travel. Several training sessions on the use of the Umoja travel module and related business intelligence reports have also been organized in order to enforce the requirements of the travel policy.

#### **Report of the Board for the year ended 31 December 2017<sup>3</sup>**

**39. In paragraph 44 of its report, the Board recommended that ITC conduct an assessment of all implementing partners engaged in its projects.**

*Department responsible:* Division of Country Programmes

*Status:* Under implementation

*Priority:* High

*Target date:* Fourth quarter of 2019

40. ITC is finalizing a form for assessing implementing partners, which will be promulgated after it has been approved by ITC senior management.

**41. In paragraph 58 of its report, the Board recommended that ITC select consultants through a competitive process.**

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<sup>3</sup> A/73/5 (Vol. III), chap. II.

*Department responsible:* Division of Programme Support  
*Status:* Under implementation  
*Priority:* High  
*Target date:* Second quarter of 2020

42. The comments of ITC relating to the recommendation in paragraph 65 of the Board's report for the year ended 31 December 2016 (see paras. 33 and 34 above) also apply to the recommendation in paragraph 58 of the Board's report for the year ending 31 December 2017.

**43. In paragraph 62 of its report, the Board recommended that ITC apply adequate checks and controls to avoid awarding contracts at fees higher than the maximum fee associated with a particular level.**

*Department responsible:* Division of Programme Support  
*Status:* Closure requested  
*Priority:* High  
*Target date:* Not applicable

44. All documentation associated with the selection of consultants and the recommendation of a daily rate by hiring managers is validated by the human resources team.

45. ITC acknowledges that the hiring managers do not always indicate the correct level (i.e. A, B, C, D or E), but the daily rates are reviewed and controlled based on the level of education and years of experience of each consultant, as well as the complexity of the work they are to undertake. ITC requests closure of this recommendation by the Board.

**46. In paragraph 72 of its report, the Board recommended that ITC follow a documented and transparent approach for implementing its agreed termination programme.**

*Department responsible:* Division of Programme Support  
*Status:* Closure requested  
*Priority:* High  
*Target date:* Not applicable

47. The process has been documented in the agreed termination programme of 9 May 2019. ITC considers this recommendation to have been implemented and requests its closure by the Board.

### III. United Nations University

#### A. Implementation of the recommendations contained in the report of the Board of Auditors for the year ended 31 December 2018<sup>4</sup>

48. Table 4 summarizes the status of implementation of the main recommendations of the Board as of August 2019.

Table 4

##### Status of implementation of the main recommendations

(Number of recommendations)

<i>Department responsible</i>	<i>Total</i>	<i>Not accepted</i>	<i>Closure requested</i>	<i>Under implementation</i>	<i>Target date set</i>	<i>No target date</i>
Administration	1	–	–	1	1	–
United Nations University Institute for the Advance Study of Sustainability (UNU-IAS)	1	–	–	1	1	–
<b>Total</b>	<b>2</b>	<b>–</b>	<b>–</b>	<b>2</b>	<b>2</b>	<b>–</b>

49. Table 5 summarizes the status of implementation of all recommendations of the Board as of August 2019.

Table 5

##### Status of implementation of all recommendations

(Number of recommendations)

<i>Department responsible</i>	<i>Total</i>	<i>Not accepted</i>	<i>Closure requested</i>	<i>Under implementation</i>	<i>Target date set</i>	<i>No target date</i>
Administration	1	–	–	1	1	–
United Nations University Institute for Advance Study of Sustainability (UNU-IAS)	2	–	1	1	1	–
<b>Total</b>	<b>3</b>	<b>–</b>	<b>1</b>	<b>2</b>	<b>2</b>	<b>–</b>

50. In paragraph 22 of its report, the Board recommended that United Nations University (UNU) periodically verify the inventory of its library books, with the purpose of detecting missing books.

*Department responsible:* UNU-IAS  
*Status:* Under implementation  
*Priority:* High  
*Target date:* First quarter of 2020

51. UNU will verify the inventory of its library books pursuant to its policy on non-capital assets.

<sup>4</sup> A/74/5 (Vol. IV), chap. II.

52. In paragraph 23 of its report, the Board recommended that UNU maintain an updated valuation of the inventory of its library books in its accounting reports.

*Department responsible:* UNU-IAS  
*Status:* Closure requested  
*Priority:* Medium  
*Target date:* Not applicable

53. The monetary values of the library books have been recorded in the UNU library database. UNU considers this recommendation to have been implemented and requests its closure by the Board.

54. In paragraph 33 of its report, the Board recommended that UNU periodically review the Atlas users of UNU Centre and UNU institutes and programmes, and remove those users who had been separated from the organization.

*Department responsible:* Administration  
*Status:* Under implementation  
*Priority:* High  
*Target date:* Fourth quarter of 2019

55. UNU has removed Atlas users who have separated from the organization. A reminder will be sent to human resources focal points to ensure that action is taken to revoke Atlas access, where applicable, before the separation checklist is signed. In addition, UNU will implement guidelines for periodic review of the Atlas user list.

## B. Implementation of the recommendations contained in the reports of the Board of Auditors for prior financial periods

56. In the annex to its report for the year ended 31 December 2018 (A/74/5 (Vol. IV), chap. II), the Board provided a summary of the status of implementation of recommendations for previous financial periods. Information is provided below on the 29 recommendations that have been determined by the Board to be under implementation. The information is set out below in the order in which the recommendations are presented in the annex.

57. Table 6 summarizes the overall situation as of August 2019.

Table 6  
**Status of implementation of recommendations from prior periods considered not fully implemented**

(Number of recommendations)

<i>Department responsible</i>	<i>Total</i>	<i>Not accepted</i>	<i>Closure requested</i>	<i>Under implementation</i>	<i>Target date set</i>	<i>No target date</i>
Administration	13	—	3	10	10	—
Campus Computing Centre	3	—	2	1	1	—
Office of the Rector	4	—	1	3	3	—

<i>Department responsible</i>	<i>Total</i>	<i>Not accepted</i>	<i>Closure requested</i>	<i>Under implementation</i>	<i>Target date set</i>	<i>No target date</i>
UNU Institute for Environment and Human Security (UNU-EHS) and UNU Vice-Rectorate in Europe (UNU-ViE)	3	–	–	3	3	–
United Nations University Institute for Advance Study of Sustainability (UNU-IAS)	6	–	4	2	2	–
<b>Total</b>	<b>29</b>	<b>–</b>	<b>10</b>	<b>19</b>	<b>19</b>	<b>–</b>

### Report of the Board for the year ended 31 December 2015<sup>5</sup>

58. In paragraph 14 of its report, the Board recommended that UNU create deferred revenue liability for the amount of future instalments which depended on fulfilment of performance obligations.

*Department responsible:* Administration  
*Status:* Closure requested  
*Priority:* Medium  
*Target date:* Not applicable

59. UNU reviewed all donor agreements against the document entitled “Corporate guidance for International Public Sector Accounting Standards – funding arrangements”. It was concluded that there were no stipulations and that there was therefore no requirement for the creation of deferred revenue liability. This position was supported by the Office of Programme Planning, Finance and Budget of the United Nations Secretariat and communicated to the Board. UNU considers this recommendation to have been implemented and requests its closure by the Board.

### Report of the Board for the year ended 31 December 2016<sup>6</sup>

60. In paragraph 30 of its report, the Board recommended that UNU consider multi-year donor agreements to be conditional if the receipt of future instalments depended on the fulfilment of enforceable performance obligations, specifically if UNU had no experience with the donor or had not previously breached stipulations and therefore had no evidence that enforcement was unlikely.

*Department responsible:* Administration  
*Status:* Closure requested  
*Priority:* High  
*Target date:* Not applicable

61. The comments of UNU relating to the recommendation in paragraph 14 of the Board’s report for the year ended 31 December 2015 (see para. 59 above) also apply to the recommendation in paragraph 30 of the Board’s report for the year ended 31 December 2016.

<sup>5</sup> A/71/5 (Vol. IV), chap. II.

<sup>6</sup> A/72/5 (Vol. IV), chap. II.

62. **In paragraph 75 of its report, the Board recommended that UNU-EHS and UNU-ViE perform a physical verification exercise for all capital and non-capital assets as soon as possible and update the actual locations of all assets and the information about the custodian.**

*Departments responsible:* UNU-EHS and UNU-ViE

*Status:* Under implementation

*Priority:* High

*Target date:* Fourth quarter of 2019

63. UNU-EHS and UNU-ViE are in the process of increasing their staffing, and the offices will be expanded accordingly. The physical verification exercise was therefore postponed to the end of 2019, as the shifting of many assets is foreseen.

64. **In paragraph 76 of its report, the Board recommended that UNU update the information on capital and non-capital assets in the Atlas enterprise resource planning system on the basis of the physical verification exercise as at April 2017. Atlas should display only assets with the status “in use” that were actually in service. Assets that were obsolete or not in use should be deleted in Atlas, or at least their asset status should be changed from “in use” to “disposed of”.**

*Department responsible:* Administration

*Status:* Under implementation

*Priority:* High

*Target date:* Fourth quarter of 2019

65. UNU has started to closely review the detailed asset reports in Atlas on a monthly basis and is also working closely with the asset custodians to obtain information on the capital and non-capital assets in a timely manner for updates in the Atlas system.

66. **In paragraph 97 of its report, the Board recommended that UNU-EHS and UNU-ViE plan, formalize and carry out all activities for business continuity and disaster recovery for any event of disruption. This plan was to be reviewed periodically.**

*Departments responsible:* UNU-EHS and UNU-ViE

*Status:* Under implementation

*Priority:* High

*Target date:* Fourth quarter of 2020

67. UNU-EHS and UNU-ViE have carried out several activities for business continuity and disaster recovery, including the development of standard operating procedures and the study of ISO 27001. For the latter, UNU-EHS and UNU-ViE contracted temporary assistance to establish the foundation for the process. The aim is for formal documentation to be completed by the fourth quarter of 2020, depending on the availability of additional resources.

68. **In paragraph 107 of its report, the Board recommended that UNU-EHS and UNU-ViE not implement Office 365 until the efficiency of implementing Office**

**365 in comparison with adequate services provided by the institutes themselves had been verified. Aspects of information technology security also needed to be considered in this verification process.**

*Departments responsible:* UNU-EHS and UNU-ViE

*Status:* Under implementation

*Priority:* Medium

*Target date:* First quarter of 2020

69. Several reviews of Office 365 have been conducted with the assistance of the Campus Computing Centre in Tokyo. The implementation of Office 365 is currently not a priority for UNU-EHS and UNU-ViE owing to organizational growth and resource constraints. The aim is for the verification process to be completed by the first quarter of 2020, depending on the availability of additional resources.

**Report of the Board for the year ended 31 December 2017<sup>7</sup>**

**70. In paragraph 18 of its report, the Board recommended that UNU develop a risk-control matrix.**

*Department responsible:* Administration

*Status:* Under implementation

*Priority:* High

*Target date:* Fourth quarter of 2019

71. UNU has contacted the Internal Control Section of the Office of Programme Planning, Finance and Budget of the United Nations Secretariat for guidelines on the risk-control matrix and will create the matrix once the templates and reference materials are received.

**72. In paragraph 36 of its report, the Board recommended that UNU change its accounting policy for enforceable donor agreements that referred to a maximum contribution in cash so as to reflect that in such cases the fair value could usually be measured reliably and an asset should be recognized.**

*Department responsible:* Administration

*Status:* Closure requested

*Priority:* Medium

*Target date:* Not applicable

73. UNU discussed with the Finance Division of the Office of Programme Planning, Finance and Budget of the United Nations Secretariat and was advised that there was no policy change, but rather a change in the application of the policy for non-conditional agreements. This was communicated to the Board. UNU considers this recommendation to have been implemented and requests its closure by the Board.

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<sup>7</sup> A/73/5 (Vol. IV), chap. II.



**74. In paragraph 79 of its report, the Board recommended that UNU conduct a comprehensive analysis of the financial situation of all UNU institutes.**

*Department responsible:* Office of the Rector  
*Status:* Under implementation  
*Priority:* High  
*Target date:* Fourth quarter of 2019

75. Twelve financial analysis reports have been completed since July 2018. The remaining two reports are expected to be completed by the fourth quarter of 2019.

**76. In paragraph 89 of its report, the Board recommended that UNU fully implement the Anti-Fraud and Anti-Corruption Framework of the United Nations Secretariat.**

*Department responsible:* Office of the Rector  
*Status:* Under implementation  
*Priority:* High  
*Target date:* Second quarter of 2020

77. Following the onboarding of several new Institute Directors, UNU is identifying resources to review the risk universe of each institute, including a systematic assessment of fraud in the revised risk registers.

78. UNU adopted the Anti-Fraud and Anti-Corruption Framework of the United Nations Secretariat, as outlined in the audit observation. UNU will strengthen and better elaborate the mechanism for responding to misconduct and the channels for reporting any supposed misconduct within UNU. This will also be linked to the Secretary-General's bulletin on protection against retaliation for reporting misconduct and for cooperating with duly authorized audits and investigations ([ST/SGB/2017/2/Rev.1](#)).

**79. In paragraph 112 of its report, the Board recommended that UNU make sure that all UNU information and communications technology (ICT) users, in particular new personnel, completed the information security awareness training course of the Department of Safety and Security of the Secretariat as soon as possible.**

*Department responsible:* Campus Computing Centre  
*Status:* Closure requested  
*Priority:* High  
*Target date:* Not applicable

80. UNU has taken the necessary steps to ensure a high completion rate. Notably, UNU management has: (a) issued several announcements to University personnel; (b) enabled easy access to the training materials via the UNU intranet; and (c) reminded human resources focal points to brief all new personnel about the need to undergo the training. Furthermore, completion rates are regularly checked by UNU human resources services. UNU considers this recommendation to have been implemented and requests its closure by the Board.

81. **In paragraph 113 of its report, the Board recommended that UNU request all UNU ICT users to submit their information security awareness foundational certificates after completion of the course to the UNU human resources services.**

*Department responsible:* Campus Computing Centre

*Status:* Closure requested

*Priority:* Medium

*Target date:* Not applicable

82. UNU has created an online self-service system to streamline the certificate submission process. The system also contains a reporting mechanism that enables UNU human resources services and focal points to regularly check on completion rates. UNU considers this recommendation to have been implemented and requests its closure by the Board.

83. **In paragraph 118 of its report, the Board recommended that UNU assess the sensitivity of data it received from and sent to third parties in accordance with the classification principles stipulated in the Secretary-General's bulletin on information sensitivity, classification and handling (ST/SGB/2007/6) and make sure that sensitive information is appropriately protected.**

*Department responsible:* Campus Computing Centre

*Status:* Under implementation

*Priority:* Medium

*Target date:* Fourth quarter of 2020

84. Several rounds of consultations have been carried out with members of ICT teams across the UNU system, which resulted in the adoption of new data classification guidelines in June 2019. A survey will be sent to all ICT focal points to review the data being managed, and the results of the survey will support the development of an implementation plan, which is expected to be ready by the fourth quarter of 2020.

85. **In paragraph 129 of its report, the Board recommended that UNU check randomly, preferably in advance of the planned travel, whether a security clearance had been obtained.**

*Department responsible:* Administration

*Status:* Under implementation

*Priority:* Medium

*Target date:* Fourth quarter of 2019

86. As indicated in the information circular on official travel dated 8 July 2019, it is the traveller's individual responsibility to obtain the required security clearances prior to the commencement of all travel (ST/IC/2019/16, para. 19). Approvers and travel and shipment approvers are not responsible to ensure that security clearance has or will be obtained and that the required security awareness training (such as BSAFE) has been completed prior to the approval of a travel request; however, they are to remind travellers of their obligation to obtain the security clearance and

complete required training prior to travel (ibid., para. 20). The new UNU travel policy, which is expected to be effective in the last quarter of 2019, will be updated to include this information.

**87. In paragraph 130 of its report, the Board recommended that UNU determine how travellers other than UNU staff and personnel service agreement holders should announce the necessary security clearances.**

*Department responsible:* Administration  
*Status:* Under implementation  
*Priority:* Medium  
*Target date:* Fourth quarter of 2019

88. The new UNU travel policy will include instructions for travellers other than UNU staff and personnel service agreement holders concerning how to obtain the necessary security clearances.

**89. In paragraph 175 of its report, the Board recommended that UNU-IAS ensure that travellers reported their travel completion within one month after the travel end date.**

*Department responsible:* UNU-IAS  
*Status:* Under implementation  
*Priority:* Medium  
*Target date:* Fourth quarter of 2019

90. UNU will ensure that the travel confirmation is done within one month after travel is concluded under the travel and expense module in the Atlas enterprise resource planning system.

**91. In paragraph 176 of its report, the Board recommended that UNU update its administrative instruction for travel on the basis of the relevant United Nations rules and administrative instructions and taking into account lessons learned since the administrative instruction had been implemented. The updated administrative instruction should cover travel issues that had turned out to be general cases for enhancing transparency and giving staff clear guidance. The updated administrative instruction should also include the current version of the duty travel plan.**

*Department responsible:* Administration  
*Status:* Under implementation  
*Priority:* High  
*Target date:* Fourth quarter of 2019

92. In general, UNU follows the United Nations rules and administrative instructions. However, in order to provide for some flexibility to cater to its needs and circumstances, UNU follows the United Nations Development Programme (UNDP) Programme and Operations Policies and Procedures, particularly for the mode, route and standard of travel, and miscellaneous expenses, as well as the calculation of daily subsistence allowance.

93. **In paragraph 178 of its report, the Board recommended that UNU use the most economical route available as the standard route for all official travel pursuant to staff rule 7.6 (f).**

*Department responsible:* Administration  
*Status:* Under implementation  
*Priority:* Medium  
*Target date:* Fourth quarter of 2019

94. In general, UNU follows the United Nations rules and administrative instructions. For the purpose of implementing staff rule 7.6 (f) on the route of travel, UNU follows the UNDP Programme and Operations Policies and Procedures regarding route, mode of transportation and standard of accommodation, which stipulate that the normal route of transportation for all official travel is the most economical route of travel from the place of origin to the official destination that does not exceed the most direct route by four hours or more and does not add a connection. This is done to cater to the needs and circumstances of UNU.

95. **In paragraph 179 of its report, the Board recommended that UNU randomly review the requirement on reporting for duty in paragraph 5.4 of the UNU administrative instruction.**

*Department responsible:* Administration  
*Status:* Under implementation  
*Priority:* Medium  
*Target date:* Fourth quarter of 2019

96. UNU will conduct a random review of the requirement on reporting for duty.

97. **In paragraph 180 of its report, the Board recommended that UNU determine that travellers other than staff and personnel service agreement holders could announce all their travel using a formal duty travel plan to facilitate the administrative work process.**

*Department responsible:* Administration  
*Status:* Under implementation  
*Priority:* Medium  
*Target date:* Fourth quarter of 2019

98. UNU is gradually implementing the Atlas travel and expense module organization-wide. Using this module, non-staff members are required to compete and submit their travel request forms for authorization of travel through the travel arranger or travel unit. This requirement is included in the new UNU travel policy.

99. **In paragraph 193 of its report, the Board recommended that UNU develop its own institutional memory instead of continuously hiring former staff members as consultants for this purpose.**

*Department responsible:* Office of the Rector  
*Status:* Under implementation  
*Priority:* Medium  
*Target date:* Fourth quarter of 2019

100. UNU hired a legal and policy specialist in April 2019 to support the development of a legal handbook to document existing institutional memory and support ongoing legal cases. The first version of the handbook is expected to be completed in the fourth quarter of 2019.

**101. In paragraph 194 of its report, the Board recommended that UNU describe specific, results-oriented functions to be accomplished within a prescribed time frame in the terms of reference or work assignment contained in its consultant contracts.**

*Department responsible:* Office of the Rector  
*Status:* Closure requested  
*Priority:* High  
*Target date:* Not applicable

102. UNU issued an administrative instruction on consultant contracts that was effective from 1 March 2019. All consultant contracts now strictly adhere to the administrative instruction. UNU considers this recommendation to have been implemented and requests its closure by the Board.

**103. In paragraph 197 of its report, the Board recommended that UNU limit the duration of consultant contracts for retired staff members in receipt of a benefit from the United Nations Joint Staff Pension Fund to six months per calendar year. UNU should consider calculating fees on the basis of the nature and complexity of the assignment performed by former or retired staff members.**

*Department responsible:* Administration  
*Status:* Closure requested  
*Priority:* High  
*Target date:* Not applicable

104. As indicated above, a new administrative instruction on consultant contracts was issued that contains provisions that address this recommendation. All UNU consultant contracts are now in line with those provisions. UNU considers this recommendation to have been implemented and requests its closure by the Board.

**105. In paragraph 205 of its report, the Board recommended that UNU use an electronic system, preferably the human capital management module of the enterprise resource planning system, for managing personnel service agreements and consultant and individual contractor contracts.**

*Department responsible:* Administration  
*Status:* Under implementation  
*Priority:* High  
*Target date:* Second quarter of 2020

106. UNU is in the process of migrating the data of all its institutes into the human capital management module in the Atlas enterprise resource planning system. It is estimated that all personnel service agreements will be migrated by end of 2019. After completion of the migration, UNU will engage with UNDP on the systemic changes needed to implement the migration of the data for individual contractors.

**107. In paragraph 225 of its report, the Board recommended that UNU-IAS add all necessary information (serial number, model description and custodian) to the assets in Atlas.**

*Department responsible:* UNU-IAS  
*Status:* Closure requested  
*Priority:* Medium  
*Target date:* Not applicable

108. UNU-IAS completed the update of the details of its assets in the Atlas enterprise resource planning system as of May 2019. UNU considers this recommendation to have been implemented and requests its closure by the Board.

**109. In paragraph 226 of its report, the Board recommended that UNU-IAS not use software products or licences with an expired licence period to prevent legal action from being taken by the licensor.**

*Department responsible:* UNU-IAS  
*Status:* Closure requested  
*Priority:* Medium  
*Target date:* Not applicable

110. UNU-IAS completed the status update of the software products and licences in the Atlas enterprise resource planning system as of May 2019. UNU considers this recommendation to have been implemented and requests its closure by the Board.

**111. In paragraph 227 of its report, the Board recommended that UNU-IAS perform a physical verification exercise for the library collection and update the information in the library management system at the earliest possible time.**

*Department responsible:* UNU-IAS  
*Status:* Under implementation  
*Priority:* Medium  
*Target date:* First quarter of 2020

112. UNU will perform a physical verification of the inventory of its library books pursuant to its policy on non-capital assets.

**113. In paragraph 234 of its report, the Board recommended that UNU-IAS perform a thorough physical verification exercise to ensure the completeness of data of assets.**

<i>Department responsible:</i>	UNU-IAS
<i>Status:</i>	Closure requested
<i>Priority:</i>	Medium
<i>Target date:</i>	Not applicable

114. UNU-IAS conducted a thorough physical verification exercise and all assets were verified as of the end of May 2019. UNU considers this recommendation to have been implemented and requests its closure by the Board.

**115. In paragraph 235 of its report, the Board recommended that UNU-IAS update the location of all assets and their profile ID. Atlas should display all assets that were actually in service with status “I” (in use). Assets that were obsolete or not in use should be deleted in Atlas or their asset status should at least be changed from “in use” to “D” (disposed of).**

<i>Department responsible:</i>	UNU-IAS
<i>Status:</i>	Closure requested
<i>Priority:</i>	Medium
<i>Target date:</i>	Not applicable

116. UNU-IAS completed the updating of the location of all assets, including their status, as of the end of May 2019. UNU considers this recommendation to have been implemented and requests its closure by the Board.

## IV. United Nations Development Programme

### A. Implementation of the recommendations contained in the report of the Board of Auditors for the year ended 31 December 2018<sup>8</sup>

117. Table 7 summarizes the status of implementation of the main recommendations of the Board as of August 2019.

Table 7

#### Status of implementation of the main recommendations

(Number of recommendations)

<i>Department responsible</i>	<i>Total</i>	<i>Not accepted</i>	<i>Closure requested</i>	<i>Under implementation</i>	<i>Target date set</i>	<i>No target date</i>
Office of Financial Resources Management	2	—	—	2	2	—
Office of Human Resources	2	—	—	2	2	—
Regional bureaux	1	—	—	1	1	—
Multiple offices	4	—	—	4	4	—
<b>Total</b>	<b>9</b>	<b>—</b>	<b>—</b>	<b>9</b>	<b>9</b>	<b>—</b>

<sup>8</sup> A/74/5/Add.1, chap. II.

118. Table 8 summarizes the status of implementation of all recommendations of the Board as of August 2019.

Table 8  
**Status of implementation of all recommendations**

(Number of recommendations)

<i>Department responsible</i>	<i>Total</i>	<i>Not accepted</i>	<i>Closure requested</i>	<i>Under implementation</i>	<i>Target date set</i>	<i>No target date</i>
Office of Financial Resources Management	4	–	–	4	4	–
Office of Human Resources	5	–	–	5	5	–
Office of Sourcing and Operations	2	–	–	2	2	–
Regional bureaux	4	–	–	4	4	–
Multiple offices	10	–	–	10	10	–
<b>Total</b>	<b>25</b>	<b>–</b>	<b>–</b>	<b>25</b>	<b>25</b>	<b>–</b>

119. **In paragraph 41 of its report, the Board recommended that UNDP continue to refine its policies and procedures and to review its contribution agreements in order to establish an enhanced basis for decision-making on recognition of non-exchange transactions in line with International Public Sector Accounting Standard 23.**

*Department responsible:* Office of Financial Resources Management  
*Status:* Under implementation  
*Priority:* High  
*Target date:* Second quarter of 2020

120. UNDP agreed with the recommendation.

121. **In paragraph 47 of its report, the Board recommended that UNDP enhance the process for manual recording of exchange transactions at country office level in order to ensure that revenue was recorded in the period in which UNDP rendered the services, as required under an accrual basis of accounting.**

*Departments responsible:* Office of Financial Resources Management and regional bureaux  
*Status:* Under implementation  
*Priority:* Medium  
*Target date:* Second quarter of 2020

122. UNDP agreed with the recommendation.

123. **In paragraph 48 of its report, the Board recommended that UNDP ensure that country offices enhanced the process for collecting payments so that payments were collected in a timely manner.**



*Departments responsible:* Regional bureaux  
*Status:* Under implementation  
*Priority:* Medium  
*Target date:* Second quarter of 2020

124. UNDP agreed with the recommendation.

**125. In paragraph 49 of its report, the Board recommended that UNDP ensure that country offices provided on-the-job training so that personnel had the sustainable awareness required to accurately record exchange transactions in accordance with UNDP policies and instructions.**

*Departments responsible:* Office of Financial Resources Management and regional bureaux  
*Status:* Under implementation  
*Priority:* Medium  
*Target date:* Second quarter of 2020

126. UNDP agreed with the recommendation.

**127. In paragraph 54 of its report, the Board recommended that UNDP, on the basis of an analysis of the effects on financial statements, raise the threshold for the recognition of property, plant and equipment as an asset to reduce the administrative burden.**

*Department responsible:* Office of Sourcing and Operations  
*Status:* Under implementation  
*Priority:* Medium  
*Target date:* Second quarter of 2020

128. UNDP agreed with the recommendation.

**129. In paragraph 60 of its report, the Board recommended that UNDP ensure that required changes of signatories were followed up with banks.**

*Departments responsible:* Regional bureaux  
*Status:* Under implementation  
*Priority:* Medium  
*Target date:* Second quarter of 2020

130. UNDP agreed with the recommendation.

**131. In paragraph 75 of its report, the Board recommended that UNDP review the cases of non-compliance presented by the Board and analyse the reasons for and circumstances in which bureaux and country offices did not fully comply with the corporate internal control framework.**

*Departments responsible:* Office of Financial Resources Management and regional bureaux

*Status:* Under implementation

*Priority:* Medium

*Target date:* First quarter of 2020

132. UNDP agreed with the recommendation.

**133. In paragraph 76 of its report, the Board recommended that UNDP, on the basis of the above-mentioned analysis, further refine its internal control framework to strengthen its implementation.**

*Departments responsible:* Office of Financial Resources Management and regional bureaux

*Status:* Under implementation

*Priority:* High

*Target date:* First quarter of 2020

134. UNDP agreed with the recommendation.

**135. In paragraph 77 of its report, the Board recommended that UNDP consider the feasibility of incorporating more automated controls into its enterprise resource planning system or supplementary related information technology systems to enhance compliance with the corporate internal control framework.**

*Departments responsible:* Office of Financial Resources Management and Office of Information Management and Technology

*Status:* Under implementation

*Priority:* High

*Target date:* First quarter of 2020

136. UNDP agreed with the recommendation.

**137. In paragraph 85 of its report, the Board recommended that UNDP assess whether and what internal financial control procedures could be introduced by UNDP to enhance data quality and limit risks of errors by means of having standardized control procedures and appropriate documentation to evidence that control procedures had been performed.**

*Departments responsible:* Office of Financial Resources Management and regional bureaux

*Status:* Under implementation

*Priority:* Medium

*Target date:* Second quarter of 2020

138. UNDP agreed with the recommendation.

139. **In paragraph 93 of its report, the Board recommended that UNDP ensure that country offices either established their own standard template with minimum documentation requirements for programmatic output verification or used the template provided by UNDP.**

*Departments responsible:* Bureau for Policy and Programme Support and regional bureaux  
*Status:* Under implementation  
*Priority:* Medium  
*Target date:* Second quarter of 2020

140. UNDP agreed with the recommendation.

141. **In paragraph 100 of its report, the Board recommended that UNDP: (a) analyse options to ensure timely certification of combined delivery reports; and (b) ensure that country offices and implementing partners signed combined delivery reports within the given time limit.**

*Departments responsible:* Office of Financial Resources Management and regional bureaux  
*Status:* Under implementation  
*Priority:* Medium  
*Target date:* Second quarter of 2020

142. UNDP agreed with the recommendation.

143. **In paragraph 111 of its report, the Board recommended that UNDP update its policy on the harmonized approach to cash transfers to specify that the harmonized approach to cash transfers SharePoint site should be used for the mandatory planning of all microassessments and assess options for including the documentation of the required review of microassessment plans on the SharePoint site.**

*Department responsible:* Office of Financial Resources Management  
*Status:* Under implementation  
*Priority:* Medium  
*Target date:* Second quarter of 2020

144. UNDP agreed with the recommendation.

145. **In paragraph 116 of its report, the Board recommended that UNDP ensure that country offices documented the review of and conclusions drawn from microassessments.**

*Departments responsible:* Regional bureaux  
*Status:* Under implementation  
*Priority:* High  
*Target date:* First quarter of 2020

146. UNDP agreed with the recommendation.

**147. In paragraph 124 of its report, the Board recommended that UNDP update its policy on the harmonized approach to cash transfers to specify that the harmonized approach to cash transfers SharePoint site should be used for the mandatory planning of all assurance activities and that UNDP ensure the review of annual assurance activity plans.**

*Department responsible:* Office of Financial Resources Management  
*Status:* Under implementation  
*Priority:* Medium  
*Target date:* Second quarter of 2020

148. UNDP agreed with the recommendation.

**149. In paragraph 125 of its report, the Board recommended that UNDP revise its policy on the harmonized approach to cash transfers and clarify that management in country offices was required to conduct a control designed to review the completeness of assurance activities performed and the completeness of follow-up actions taken.**

*Department responsible:* Office of Financial Resources Management  
*Status:* Under implementation  
*Priority:* High  
*Target date:* Second quarter of 2020

150. UNDP agreed with the recommendation.

**151. In paragraph 129 of its report, the Board recommended that UNDP strengthen oversight and monitoring functions for the harmonized approach to cash transfers framework.**

*Departments responsible:* Regional bureaux  
*Status:* Under implementation  
*Priority:* Medium  
*Target date:* Second quarter of 2020

152. UNDP agreed with the recommendation.

**153. In paragraph 140 of its report, the Board recommended that UNDP review its policies and guidelines with regard to the use of P-6 and P-7 grades in order to provide guidance on the circumstances in which these grades may be used.**

*Department responsible:* Office of Human Resources  
*Status:* Under implementation  
*Priority:* High  
*Target date:* First quarter of 2020

154. UNDP agreed with the recommendation.

**155. In paragraph 146 of its report, the Board recommended that UNDP enhance its policies and guidelines on strategic placements in order to require adequate documentation when using strategic placements.**

*Department responsible:* Office of Human Resources

*Status:* Under implementation

*Priority:* Medium

*Target date:* Second quarter of 2020

156. UNDP agreed with the recommendation.

**157. In paragraph 157 of its report, the Board recommended that UNDP, as part of its “People for 2030” strategy, review the policies on service contracts and individual contracts in order to establish clear criteria for assessing what constituted a staff task and function and which tasks and functions might be transferred to other contractual modalities other than regular staff contracts.**

*Departments responsible:* Office of Human Resources and Office of Sourcing and Operations

*Status:* Under implementation

*Priority:* High

*Target date:* Second quarter of 2020

158. UNDP agreed with the recommendation.

**159. In paragraph 161 of its report, the Board recommended that UNDP review its policy on service contracts in order to clarify recurring matters of non-compliance and consider amending the requirements defined in the policy that UNDP did not intend to implement.**

*Department responsible:* Office of Human Resources

*Status:* Under implementation

*Priority:* Medium

*Target date:* Second quarter of 2020

160. UNDP agreed with the recommendation.

**161. In paragraph 168 of its report, the Board recommended that UNDP review its policy on service contracts, including the requirements for waiving competitive recruitment and the use of such waivers.**

*Department responsible:* Office of Human Resources

*Status:* Under implementation

*Priority:* High

*Target date:* First quarter of 2020

162. UNDP agreed with the recommendation.

**163. In paragraph 173 of its report, the Board recommended that UNDP review the responsibilities and monitoring function for the service contract modality as part of implementing the “People for 2030” strategy and define how much monitoring or oversight from headquarters was feasible and reasonable.**

*Department responsible:* Office of Human Resources

*Status:* Under implementation

*Priority:* Medium

*Target date:* Second quarter of 2020

164. UNDP agreed with the recommendation.

**165. In paragraph 191 of its report, the Board recommended that UNDP review its policy on individual contracts in order to clarify recurring matters of non-compliance and strengthen oversight by the procurement committees.**

*Department responsible:* Office of Sourcing and Operations

*Status:* Under implementation

*Priority:* Medium

*Target date:* Second quarter of 2020

166. UNDP agreed with the recommendation.

**167. In paragraph 192 of its report, the Board recommended that UNDP ensure that country offices and units with identified cases of non-compliance provided on-the-job training so that personnel had the sustainable awareness required to properly procure and manage individual contracts in accordance with the policy on individual contracts.**

*Departments responsible:* Office of Sourcing and Operations and regional bureaux

*Status:* Under implementation

*Priority:* High

*Target date:* First quarter of 2020

168. UNDP agreed with the recommendation.

## **B. Implementation of the recommendations contained in the reports of the Board of Auditors for prior financial periods**

169. In the annex to its report for the year ended 31 December 2018 ([A/74/5/Add.1](#), chap. II), the Board provided a summary of the status of implementation of recommendations for previous financial periods. Information is provided below on the 26 recommendations that have been determined by the Board either to be under implementation or not to have been implemented. The information is set out below in the order in which the recommendations are presented in the annex.

170. Table 9 summarizes the overall situation as of August 2019.

Table 9

**Status of implementation of recommendations from prior periods considered not fully implemented**

(Number of recommendations)

<i>Department responsible</i>	<i>Total</i>	<i>Not accepted</i>	<i>Closure requested</i>	<i>Under implementation</i>	<i>Target date set</i>	<i>No target date</i>
Multi-Partner Trust Fund Office	1	–	–	1	1	–
Office of Financial Resources Management	1	–	–	1	1	–
Office of Human Resources	2	–	–	2	2	–
Office of Sourcing and Operations	2	–	–	2	2	–
Regional bureaux	14	–	2	12	12	–
Multiple offices	6	–	–	6	6	–
<b>Total</b>	<b>26</b>	<b>–</b>	<b>2</b>	<b>24</b>	<b>24</b>	<b>–</b>

**Report of the Board for the year ended 31 December 2017<sup>9</sup>**

171. In paragraph 24 of the report, UNDP agreed with the Board's recommendation that the UNDP Egypt and South Africa country offices: (a) continue to liaise with the key counterparts consisting of implementing partners and the United Nations country team so that the counterparts were fully engaged in the United Nations Development Assistance Framework process to smooth implementation of the Framework by conducting annual reviews and responding on time to recommendations of evaluations; (b) formulate strategies to ensure that the results of current Development Assistance Framework evaluations and reviews were used to design the next Framework; and (c) ensure that the conclusions and recommendations from annual and midterm reviews of country programmes enabled timely updating and revision of the country programme documents.

*Departments responsible:* Regional Bureau for Africa and Regional Bureau for Arab States

*Status:* Under implementation

*Priority:* High

*Target date:* Second quarter of 2020

172. The Board indicated that, based on the delinking of the resident coordinator system from UNDP, it considered parts (a) and (b) of this recommendation to have been overtaken by events. With regard to part (c), the Government of South Africa decided to extend the strategic cooperation framework from December 2017 to 31 March 2020 in order to align it with the Government's five-year national development plan. The development of the subsequent country programme document for South Africa has therefore been delayed, which is why results from evaluations have not yet been considered in the revision of the country programme document.

<sup>9</sup> A/73/5/Add.1 and A/73/5/Add.1/Corr.1, chap. II.

**173. In paragraph 35 of the report, UNDP agreed with the Board's recommendations that country offices: (a) continue consultation with implementing partners such that combined delivery reports were signed on time by UNDP and the implementing partners in compliance with the Programme and Operations Policies and Procedures; (b) ensure that the follow-up requests to the implementing partners were conducted on time and evidence of the follow-up was uploaded to the combined delivery report library in the corporate planning system; and (c) certify the combined delivery reports on time when implementing partners were not responding after a reasonably extended period.**

*Departments responsible:* Office of Financial Resources Management and regional bureaux

*Status:* Under implementation

*Priority:* High

*Target date:* Second quarter of 2020

174. For part (a) of the recommendation, UNDP will continue its consultations with implementing partners to improve the timeliness of the combined delivery reports. With regard to part (b), UNDP will enhance its efforts to ensure that follow-up requests are sent on time and evidence is uploaded to the combined delivery reports library accordingly. With regard to part (c), UNDP issued a policy in 2017 for the closure of combined delivery reports in cases of non-response by implementing partners, and it is monitoring compliance with the policy.

175. Notwithstanding the above-mentioned efforts, performance by implementing partners is still below the UNDP target. In 2019, UNDP began to make efforts to develop a digital solution for issues relating to the combined delivery reports.

**176. In paragraph 41 of the report, UNDP agreed with the Board's recommendation that it ensure that country offices reviewed and updated project risks, issues and monitoring logs and documented information in Atlas on time as the primary source of project information.**

*Departments responsible:* Regional bureaux

*Status:* Under implementation

*Priority:* High

*Target date:* Fourth quarter of 2020

177. The UNDP enterprise risk management policy was updated in April 2019. It offers a unified and integrated approach to institutional and programmatic risk management across different types and levels of risk, including project risks. Project risk registers have been modified to align them to the updated policy. UNDP will continue to monitor compliance with the updated requirements through its annual project quality analysis process.

**178. In paragraph 47 of its report, the Board recommended that the UNDP country offices, in consultation with the implementing partners: (a) analyse the project documents with respect to their relevance and timing and consider revising them owing to the lapse of time; and (b) consider setting a time frame for implementing partners to approve the project documents.**



<i>Departments responsible:</i>	Regional bureaux
<i>Status:</i>	Under implementation
<i>Priority:</i>	Medium
<i>Target date:</i>	Second quarter of 2020

179. This recommendation is still under implementation, owing to its complexity and the time required to implement it.

**180. In paragraph 52 of the report, UNDP agreed with the Board's recommendation that it: (a) provide further guidance to the country office concerning implementation of the harmonized approach to cash transfers framework; and (b) continue to advocate to the Government and development partners on the importance of implementing the framework in the country office.**

<i>Department responsible:</i>	Regional Bureau for Europe and the Commonwealth of Independent States
<i>Status:</i>	Under implementation
<i>Priority:</i>	Medium
<i>Target date:</i>	Fourth quarter of 2020

181. UNDP considers part (a) of this recommendation to have been implemented. With regard to part (b), the Turkmenistan country office sent a note verbale to the Ministry of Foreign Affairs of Turkmenistan with the aim of making progress in the implementation of the harmonized approach to cash transfers by the Government.

**182. In paragraph 57 of the report, UNDP agreed with the Board's recommendation that the Turkmenistan, South Africa, Turkey and Paraguay country offices encourage the working groups on the harmonized approach to cash transfers to be active and perform their duties to facilitate planning and implementation of the harmonized approach to cash transfers framework in the respective countries through regular meetings and activities, which should be documented.**

<i>Departments responsible:</i>	Regional Bureau for Africa, Regional Bureau for Europe and the Commonwealth of Independent States and Regional Bureau for Latin America and the Caribbean
<i>Status:</i>	Closure requested
<i>Priority:</i>	High
<i>Target date:</i>	Not applicable

183. All country offices have reactivated their working groups on the harmonized approach to cash transfers. UNDP considers this recommendation to have been implemented and requests its closure by the Board.

**184. In paragraph 61 of the report, UNDP agreed with the Board's recommendation that the South Africa country office use public expenditure and financial accountability reports as a source of information and liaise with other United Nations agencies to conduct macroassessments for the harmonized**

approach to cash transfers to align with their country office programme cycles, as required by the Programme and Operations Policies and Procedures on the harmonized approach to cash transfers and the United Nations Development Group harmonized approach to cash transfers framework.

*Department responsible:* Regional Bureau for Africa

*Status:* Under implementation

*Priority:* High

*Target date:* Fourth quarter of 2020

185. The South Africa country office is in the process of establishing a new United Nations Sustainable Development Cooperation Framework and plans to conduct a macroassessment in coordination with the Government.

**186. In paragraph 79 of its report, the Board recommended that UNDP document its annual process performed to evidence the review of useful lives of assets, and specify in the policy guidelines the manner in which the review of the useful lives of assets would be performed and documented.**

*Department responsible:* Office of Sourcing and Operations

*Status:* Under implementation

*Priority:* Medium

*Target date:* Fourth quarter of 2019

187. UNDP will document the annual process of review of the useful lives of assets and update its policy guidelines. A draft policy document has been prepared. It is being cleared with the Office of Financial Resources Management before its official release.

**188. In paragraph 88 of the report, UNDP agreed with the Board's recommendation that the Malawi, Paraguay and South Africa country offices ensure that, in future, evaluations of service contractors were completed on time, ideally one month prior to the expiration of contracts in accordance with policy, to give reasonable time for the office to make relevant and timely decisions regarding service contracts.**

*Departments responsible:* Regional Bureau for Africa and Regional Bureau for Latin America and the Caribbean

*Status:* Under implementation

*Priority:* High

*Target date:* Fourth quarter of 2020

189. The country offices have stepped up their efforts to ensure that service contract evaluations are done on time. This includes reminders that are sent to project and programme managers. Further efforts will be made in 2020.

**190. In paragraph 92 of the report, UNDP agreed with the Board's recommendation that the Turkmenistan country office: (a) align the job descriptions for the hired service contract individuals with the service contract**

**user guide; and (b) ensure that the service contract holders did not perform internal control functions to compensate for the absence of staff.**

*Department responsible:* Regional Bureau for Europe and the Commonwealth of Independent States

*Status:* Closure requested

*Priority:* Medium

*Target date:* Not applicable

191. This recommendation was implemented by the Turkmenistan country office. Accordingly, UNDP requests its closure by the Board.

**192. In paragraph 97 of its report, the Board reiterated its previous recommendation that UNDP ensure that all staff members completed mandatory training courses on time.**

*Department responsible:* Office of Human Resources

*Status:* Under implementation

*Priority:* Medium

*Target date:* Second quarter of 2020

193. UNDP has invested significant efforts in its mandatory training courses and has managed to increase the percentage of personnel that have completed the entire mandatory learning plan from 36 per cent as at 31 December 2017 to 71 per cent as at 31 December 2018. The completion rates for many of the individual mandatory training courses are much higher. Given the addition of new mandatory training courses on fraud prevention and security, UNDP is expecting a decline in the completion rates in 2019. However, several interventions are planned in order to increase the rate of completion of the entire mandatory learning plan beyond 71 per cent.

**194. In paragraph 102 of the report, UNDP agreed with the Board's recommendation that country offices: (a) encourage staff to exercise their leave within the period in which leave was earned; and (b) ensure the implementation of the leave plan so that the office operated efficiently at all times and ultimately to reduce cases of forfeited untaken leave days.**

*Departments responsible:* Regional bureaux

*Status:* Under implementation

*Priority:* High

*Target date:* Fourth quarter of 2020

195. UNDP continues to remind staff to take leave.

**196. In paragraph 108 of its report, the Board recommended that UNDP: (a) conduct an asset and liability management study to review the appropriateness of the funding plan and other valuation assumptions; and (b) update its policy for funding of end-of-services liabilities to specify the frequency of asset and liability management studies, as the current policy was silent in this area.**

*Department responsible:* Office of Financial Resources Management  
*Status:* Under implementation  
*Priority:* High  
*Target date:* Fourth quarter of 2019

197. UNDP will conduct an asset and liability management study before the end of 2019 and update its policy accordingly.

**198. In paragraph 123 of the report, UNDP agreed with the Board's recommendation that country offices ensure: (a) that United Nations agencies sign the memorandum of understanding for the occupancy and use of United Nations common premises; and (b) that all amounts due for payments or refunds between agencies were settled on time in accordance with the memorandum of understanding.**

*Departments responsible:* Regional bureaux  
*Status:* Under implementation  
*Priority:* Medium  
*Target date:* Fourth quarter of 2019

199. The process of negotiating with the agencies to sign the memorandum of understanding and to follow up on payments and refunds is under way.

**200. In paragraph 136 of the report, UNDP agreed with the Board's recommendation that: (a) country offices implement the design of the electronic fund transfer interface in accordance with Atlas banking system guidelines to eliminate manual intervention and prevent unauthorized access to electronic fund transfer files residing in the network by encryption; and (b) establish a mechanism for keeping backups of electronic fund transfer files for reconciliation of records.**

*Departments responsible:* Regional Bureau for Africa and Office of Financial Resources Management  
*Status:* Under implementation  
*Priority:* Medium  
*Target date:* Fourth quarter of 2020

201. The Malawi country office established a business process for using the electronic banking facility of Standard Bank for transmitting pre-approved universal flat files for payments. For the South Africa country office, the electronic banking facility is expected to be implemented in 2020.

**202. In paragraph 142 of the report, UNDP agreed with the Board's recommendation that the South Africa and Egypt country offices: (a) strengthen controls over information security to ensure that the disaster recovery and business continuity plans were tested on time and test results were documented; and (b) review and update the business continuity plan on time.**

<i>Departments responsible:</i>	Regional Bureau for Africa and Regional Bureau for Arab States
<i>Status:</i>	Under implementation
<i>Priority:</i>	High
<i>Target date:</i>	Fourth quarter of 2019

203. The recommendation has been implemented for the South Africa country office, but a test of the disaster recovery plan and business continuity plan is pending for the Egypt country office.

**204. In paragraph 160 of the report, UNDP agreed with the Board's recommendation that it ensure that the South Africa country office established a backup Internet link and increased Internet bandwidth.**

<i>Department responsible:</i>	Regional Bureau for Africa
<i>Status:</i>	Under implementation
<i>Priority:</i>	Medium
<i>Target date:</i>	Second quarter of 2020

205. The South Africa country office is in the process of establishing a backup Internet link and increasing its Internet bandwidth.

#### **Report of the Board for the year ended 31 December 2016<sup>10</sup>**

**206. In paragraph 44 of its report, the Board recommended that UNDP: (a) introduce a clause in the cooperation agreements on the communication obligations of all parties involved in programme implementation, including measures for motivating implementation of those obligations; and (b) increase follow-up with counterparts to ensure that appropriate measures were taken to address the recurrence of delayed certification of combined delivery reports by both UNDP and implementing partners.**

<i>Departments responsible:</i>	Office of Financial Resources Management and regional bureaux
<i>Status:</i>	Under implementation
<i>Priority:</i>	High
<i>Target date:</i>	Second quarter of 2020

207. The comments of UNDP relating to the recommendation in paragraph 35 of the Board's report for the year ended 31 December 2017 (see paras. 174 and 175 above) also apply to the recommendation in paragraph 44 of the Board's report for the year ended 31 December 2016.

**208. In paragraph 51 of its report, the Board recommended that UNDP ensure: (a) timely review and updating of project risks, issues and monitoring logs and document this in Atlas as the primary source of project information; and (b) that**

<sup>10</sup> [A/72/5/Add.1](#), chap. II.

**project boards conducted regular meetings as a means of continuously monitoring project implementation.**

*Departments responsible:* Bureau for Policy and Programme Support and regional bureaux

*Status:* Under implementation

*Priority:* High

*Target date:* Fourth quarter of 2020

209. The Board recognized the efforts made by UNDP in this regard, particularly the development of corporate quality standards for programming and corporate quality assurance tools. However, the Board noticed similar issues in its audits for the years ended 31 December 2017 and 31 December 2018, and UNDP is making efforts to address them.

**210. In paragraph 69 of the report, UNDP agreed with the Board's recommendation that it: (a) take proactive measures to ensure that all operationally closed projects were financially closed within 12 months, in accordance with the Programme and Operations Policies and Procedures, which would entail obtaining in a timely manner donors' approvals on refunds or reprogramming of unspent amounts, and thoroughly review and effect all transactions related to projects before they were financially closed; and (b) ensure that all asset balances were cleared before projects were financially closed.**

*Departments responsible:* Regional bureaux

*Status:* Under implementation

*Priority:* High

*Target date:* Fourth quarter of 2020

211. While UNDP has invested significant resources and made progress in reducing the number of expired projects in 2017 and 2018, timely project closure is not always in its control. UNDP hopes that its efforts and investments in systems and tools will continue to have a positive impact in the future.

**212. In paragraph 101 of its report, the Board recommended that UNDP strengthen reviews and monitoring of the purchase orders and accounts payable to ensure that: (a) expenses recorded in the general ledger, commitment control and projects were accurate, complete and recorded in the correct accounting period; and (b) pending transactions (i.e. purchase orders, vouchers and general ledger journal entries with an accounting date on or before the last day of the month being closed) were cleared in accordance with year-end closure instructions.**

*Departments responsible:* Procurement Services Unit and regional bureaux

*Status:* Under implementation

*Priority:* Medium

*Target date:* Fourth quarter of 2020

213. While substantial progress on this recommendation has been achieved, as acknowledged by the Board, sustained efforts and more time are needed to fully implement it.

**214. In paragraph 107 of its report, the Board recommended that UNDP ensure that future service contract evaluations were completed on time, ideally one month prior to the contract's expiration, pursuant to policy, so as to provide offices with a reasonable amount of time for decision-making.**

*Departments responsible:* Office of Human Resources, central bureaux and regional bureaux

*Status:* Under implementation

*Priority:* Medium

*Target date:* Fourth quarter of 2020

215. UNDP has made progress in implementing this recommendation. The Office of Human Resources has sent a reminder to human resource practitioners regarding the requirement to complete service contract evaluations on time.

**216. In paragraph 116 of its report, the Board recommended that UNDP ensure that all staff members completed mandatory training courses on time.**

*Department responsible:* Office of Human Resources

*Status:* Under implementation

*Priority:* Medium

*Target date:* Second quarter of 2020

217. While the Board acknowledged the efforts and progress made by the Office of Human Resources, it found similar issues in other country offices, and UNDP is making efforts to address them.

**218. In paragraph 120 of the report, UNDP agreed with the Board's recommendation that it introduce a schedule that ensured easy reconciliation of the differences in respect of individual asset additions between the note in the financial statements on property, plant and equipment and the in-service report.**

*Department responsible:* Office of Sourcing and Operations

*Status:* Under implementation

*Priority:* Medium

*Target date:* Fourth quarter of 2019

219. The Office of Sourcing and Operations prepared a document on business requirements and initiated a project with the Office of Information Management and Technology. However, because the volume of property, plant and equipment general ledger data that is generated in a fiscal year is extremely large, it cannot be processed by Atlas. UNDP continues to explore an appropriate digital solution. A change in the reporting format of the UNDP financial statements also caused further difficulties in implementing this recommendation.

**Report of the Board for the year ended 31 December 2015<sup>11</sup>**

220. In paragraph 41 of the report, UNDP agreed with the Board's recommendation that: (a) in future, UNDP plan ahead regarding the changes needed in project settings, such as the rates of the general management support fee, to minimize delays in signing quarterly combined delivery reports; (b) it submit the combined delivery reports in a timely manner, duly signed by UNDP and implementing partners, in compliance with the Programme and Operations Policies and Procedures; and (c) it liaise with implementing partners on their accountability regarding the timely signing of combined delivery reports when delays were encountered.

*Departments responsible:* Office of Financial Resources Management and regional bureaux

*Status:* Under implementation

*Priority:* High

*Target date:* Second quarter of 2020

221. The comments of UNDP relating to the recommendation in paragraph 35 of the Board's report for the year ended 31 December 2017 (see paras. 174 and 175 above) also apply to the recommendation in paragraph 41 of the Board's report for the year ended 31 December 2015.

222. In paragraph 72 of the report, UNDP agreed with the Board's recommendation that it: (a) enhance and document the follow-up mechanisms, including feedback from all delayed participating organizations, for future improvements; (b) introduce measures to accelerate the operational and financial closure of all overdue projects; and (c) as the largest United Nations fund administration service provider, propose the idea of common policies and procedures around inter-agency pooled funding mechanisms to harmonize practices so as to enhance accuracy in reporting and timing of the issuing of reports.

*Department responsible:* Multi-Partner Trust Fund Office

*Status:* Under implementation

*Priority:* High

*Target date:* Fourth quarter of 2020

223. The Board acknowledged the follow-up efforts made by UNDP to accelerate project closures and determined parts (a) and (b) of the recommendation to be under implementation. UNDP continues to implement routine follow-up measures on project closures to reduce delays. Part (c) of the recommendation has been withdrawn by the Board.

<sup>11</sup> A/71/5/Add.1, chap. II.



## V. United Nations Capital Development Fund

### A. Implementation of the recommendations contained in the report of the Board of Auditors for the year ended 31 December 2018<sup>12</sup>

224. Table 10 summarizes the status of implementation of the main recommendations of the Board as of August 2019.

Table 10

#### Status of implementation of the main recommendations

(Number of recommendations)

<i>Department responsible</i>	<i>Total</i>	<i>Not accepted</i>	<i>Closure requested</i>	<i>Under implementation</i>	<i>Target date set</i>	<i>No target date</i>
Management Support Unit	1	–	–	1	1	–
Least Developed Countries Investment Platform Unit	3	–	–	3	3	–
<b>Total</b>	<b>4</b>	<b>–</b>	<b>–</b>	<b>4</b>	<b>4</b>	<b>–</b>

225. Table 11 summarizes the status of implementation of all recommendations of the Board as of August 2019.

Table 11

#### Status of implementation of all recommendations

(Number of recommendations)

<i>Department responsible</i>	<i>Total</i>	<i>Not accepted</i>	<i>Closure requested</i>	<i>Under implementation</i>	<i>Target date set</i>	<i>No target date</i>
Directorate and Programme Management Support Unit	1	–	–	1	1	–
Management Support Unit	1	–	–	1	1	–
Least Developed Countries Investment Platform Unit	5	–	–	5	5	–
<b>Total</b>	<b>7</b>	<b>–</b>	<b>–</b>	<b>7</b>	<b>7</b>	<b>–</b>

226. In paragraph 18 of its report, the Board recommended that the United Nations Capital Development Fund (UNCDF) continue to refine its policies and procedures and to review its contribution agreements in order to establish an enhanced basis for decision-making on the recognition of non-exchange transactions in line with International Public Sector Accounting Standard 23.

*Department responsible:* Management Support Unit

*Status:* Under implementation

*Priority:* High

*Target date:* First quarter of 2020

227. UNCDF is in the process of reviewing its contribution agreements.

<sup>12</sup> A/74/5/Add.2, chap. II.

**228. In paragraph 33 of its report, the Board recommended that UNCDF include in its loan policy the option to finalize the loan repayment schedule after disbursement of the principal amount.**

*Department responsible:* Least Developed Countries Investment Platform Unit

*Status:* Under implementation

*Priority:* High

*Target date:* Second quarter of 2020

229. UNCDF is working on a revision of its loan policy to include the option to finalize the loan repayment schedule after disbursement of the principal amount.

**230. In paragraph 34 of its report, the Board recommended that UNCDF include in all loan agreements the option to finalize the loan repayment schedule after disbursement of the principal amount.**

*Department responsible:* Least Developed Countries Investment Platform Unit

*Status:* Under implementation

*Priority:* High

*Target date:* Second quarter of 2020

231. UNCDF is working on a revised legal template of the loan agreement to include the option to finalize the loan repayment schedule after disbursement of the principal amount.

**232. In paragraph 35 of its report, the Board recommended that UNCDF strengthen its implementation of the loan policy in terms of the need for the final loan repayment schedules to be signed by both parties, the borrower and the lender.**

*Department responsible:* Least Developed Countries Investment Platform Unit

*Status:* Under implementation

*Priority:* Medium

*Target date:* Second quarter of 2020

233. UNCDF is taking steps to implement this recommendation.

**234. In paragraph 38 of its report, the Board recommended that UNCDF strengthen quality assurance and quality review mechanisms to foster more consistent and coherent loan agreements.**

<i>Department responsible:</i>	Least Developed Countries Investment Platform Unit
<i>Status:</i>	Under implementation
<i>Priority:</i>	High
<i>Target date:</i>	First quarter of 2020

235. UNCDF is enhancing the quality assurance and review mechanisms based on the feedback it has received and the experience it has gained.

**236. In paragraph 41 of its report, the Board recommended that UNCDF clarify in the loan policy that payments in local currencies needed to be made to designated UNDP bank accounts, as UNDP acted as the service provider to UNCDF.**

<i>Department responsible:</i>	Least Developed Countries Investment Platform Unit
<i>Status:</i>	Under implementation
<i>Priority:</i>	Medium
<i>Target date:</i>	Second quarter of 2020

237. UNCDF is working on a revision of its loan policy to clarify that payments in local currencies need to be made to designated UNDP bank accounts, as UNDP acts as the service provider for UNCDF.

**238. In paragraph 47 of its report, the Board recommended that UNCDF review the use and assess the impact of the recently introduced obligatory grants module in order to ensure that the desired effect of enhancing and streamlining the grant disbursement process and its documentation had been reached.**

<i>Departments responsible:</i>	Directorate and Programme Management Support Unit
<i>Status:</i>	Under implementation
<i>Priority:</i>	Medium
<i>Target date:</i>	Second quarter of 2020

239. UNCDF is in the process of rolling out the grant module.

## **B. Implementation of the recommendations contained in the reports of the Board of Auditors for prior financial periods**

240. In the annex to its report for the year ended 31 December 2018 ([A/74/5/Add.2](#), chap. II), the Board provided a summary of the status of implementation of recommendations from previous financial periods. Information is provided below on the one recommendation that has been determined by the Board to be under implementation.

241. Table 12 summarizes the overall situation as of August 2019.

Table 12

**Status of implementation of the recommendations from prior periods considered not fully implemented**

(Number of recommendations)

<i>Department responsible</i>	<i>Total</i>	<i>Not accepted</i>	<i>Closure requested</i>	<i>Under implementation</i>	<i>Target date set</i>	<i>No target date</i>
Management Support Unit	1	–	1	–	–	–
<b>Total</b>	<b>1</b>	<b>–</b>	<b>1</b>	<b>–</b>	<b>–</b>	<b>–</b>

**Report of the Board for the year ended 31 December 2017<sup>13</sup>**

242. In paragraph 52 of its report, the Board recommended that UNCDF document its process and specify in its policy guidelines how the annual review of the useful lives of assets should be performed.

<i>Department responsible:</i>	Management Support Unit
<i>Status:</i>	Closure requested
<i>Priority:</i>	Medium
<i>Target date:</i>	Not applicable

243. UNCDF documented its process and policy guidelines on the annual review of the useful lives of assets, as recommended by the Board. UNCDF considers this recommendation to have been implemented and requests its closure by the Board.

## VI. United Nations Children's Fund

### A. Implementation of the recommendations contained in the report of the Board of Auditors for the year ended 31 December 2018<sup>14</sup>

244. Table 13 summarizes the status of implementation of the main recommendations of the Board as of August 2019.

Table 13

**Status of implementation of the main recommendations**

(Number of recommendations)

<i>Department responsible</i>	<i>Total</i>	<i>Not accepted</i>	<i>Closure requested</i>	<i>Under implementation</i>	<i>Target date set</i>	<i>No target date</i>
Division of Financial and Administrative Management	2	–	2	–	–	–
Global Shared Services Centre	5	–	–	5	5	–
Lebanon country office	1	–	–	1	1	–
Private Fundraising and Partnerships Division	3	–	2	1	1	–
Multiple offices	3	–	2	1	1	–
<b>Total</b>	<b>14</b>	<b>–</b>	<b>6</b>	<b>8</b>	<b>8</b>	<b>–</b>

<sup>13</sup> A/73/5/Add.2, chap. II.

<sup>14</sup> A/74/5/Add.3, chap. II.

245. Table 14 summarizes the status of implementation of all recommendations of the Board as of August 2019.

Table 14  
**Status of implementation of all recommendations**

(Number of recommendations)

<i>Department responsible</i>	<i>Total</i>	<i>Not accepted</i>	<i>Closure requested</i>	<i>Under implementation</i>	<i>Target date set</i>	<i>No target date</i>
Division of Financial and Administrative Management	10	1	3	6	6	—
Global Shared Services Centre	12	—	—	12	12	—
Latin America and the Caribbean Regional Office	3	—	—	3	3	—
Lebanon country office	2	—	—	2	2	—
Private Fundraising and Partnerships Division	7	—	5	2	2	—
Supply Division	7	—	1	6	6	—
Multiple offices	7	—	3	4	4	—
<b>Total</b>	<b>48</b>	<b>1</b>	<b>12</b>	<b>35</b>	<b>35</b>	<b>—</b>

246. In paragraph 15 of its report, the Board recommended that the United Nations Children's Fund (UNICEF) disclose information regarding target and actual revenue in the notes to the financial statements.

<i>Department responsible:</i>	Division of Financial and Administrative Management
<i>Status:</i>	Not accepted
<i>Priority:</i>	Medium
<i>Target date:</i>	Not applicable

247. UNICEF did not accept this recommendation. The current disclosures on expenditure authority that are included in statement V of the annual financial statements on the comparison of budget to actual amounts are fully in line with the International Public Sector Accounting Standards (IPSAS) and the harmonized position of the United Nations system. The Task Force on Accounting Standards has established that organizations with assessed contributions should apply the requirement to present revenue information noted in the recommendation. Organizations that do not receive assessed contributions do not apply this requirement. For UNICEF, as an organization funded by voluntary contributions, expenditure authority is not granted by the General Assembly but by each individual agreement with respective donors. As a result, the information presented in statement V is in harmony with that provided by other organizations of the United Nations system that are funded by voluntary contributions and is fully in line with IPSAS.

248. In paragraph 16 of its report, the Board recommended that UNICEF expand on the explanation of the difference between the original and final budget by budget categories as part of the disclosure associated with statement V of the annual financial statements.

<i>Department responsible:</i>	Division of Financial and Administrative Management
<i>Status:</i>	Under implementation
<i>Priority:</i>	Medium
<i>Target date:</i>	First quarter of 2020

249. UNICEF currently provides an explanation of material differences between the original budget and the final budget in the financial overview and in the notes to the financial statements. In the Board's report for the year ended 31 December 2018 (A/74/5/Add.3), the latter disclosure is presented in note 5 on comparison to budget. The note provides detailed explanations of material differences between the original and final budgets. However, UNICEF agrees to further expand the disclosure by budget category.

**250. In paragraph 21 of its report, the Board recommended that UNICEF move towards disclosure of the split between active and retired staff for after-service health insurance liability on completion of the full actuarial valuation.**

<i>Department responsible:</i>	Division of Financial and Administrative Management
<i>Status:</i>	Under implementation
<i>Priority:</i>	Medium
<i>Target date:</i>	First quarter of 2020

251. Upon completion of the full actuarial valuation, UNICEF will include the disclosures regarding the split between active and retired staff for after-service health insurance liability in its future financial statements.

**252. In paragraph 27 of its report, the Board recommended that outstanding cases of advances be reviewed and an action plan for timely settlement of outstanding advances be developed and implemented.**

<i>Department responsible:</i>	Division of Financial and Administrative Management
<i>Status:</i>	Under implementation
<i>Priority:</i>	Medium
<i>Target date:</i>	Second quarter of 2020

253. UNICEF has policies and procedures in place regarding the management of outstanding advances. Accordingly, advances are reviewed periodically, as a result of which an amount of \$1.87 million relating to education grants and \$0.7 million relating to salary advances were cleared subsequent to the 2018 audit. UNICEF is developing an action plan to enhance the settlement of long-outstanding advances.

**254. In paragraph 37 of its report, the Board recommended that UNICEF review the present system of expensing full travel costs and daily subsistence allowance as soon as travel was authorized and consider the feasibility of classifying travel advances as staff advances at the time of release of payment, which could be expensed at the time of trip certification and closure.**

<i>Department responsible:</i>	Division of Financial and Administrative Management
<i>Status:</i>	Closure requested
<i>Priority:</i>	High
<i>Target date:</i>	Not applicable

255. UNICEF reviewed and considered the feasibility of the proposed recommendation and determined that the policy decision of expensing full travel costs and daily subsistence allowance upon authorization of travel is still valid. UNICEF considers this recommendation to have been implemented and requests its closure by the Board.

**256. In paragraph 43 of its report, the Board recommended that UNICEF continue its efforts to clear the open goods receipt and invoice receipt items through regular monitoring and follow-up action, with a special emphasis on the items pending for more than two months and the cases of quantity mismatch.**

<i>Department responsible:</i>	Division of Financial and Administrative Management
<i>Status:</i>	Under implementation
<i>Priority:</i>	Medium
<i>Target date:</i>	First quarter of 2020

257. UNICEF has made considerable progress in improving the timeliness of the clearance of open goods receipt and invoice receipt items. It has implemented a systematic matching process, which has resulted in a decrease in the proportion of items aged more than one year against all items aged more than 120 days, from 45 per cent at the end of 2017 to 31 per cent at the end of 2018. Furthermore, UNICEF offices currently receive a detailed schedule of open items monthly, with items of higher priority identified in the schedule to facilitate review and necessary action. With the exception of cases, such as construction projects, for which there are legitimate reasons for goods receipts remaining open for 6 to 12 months, UNICEF continues to follow up and clear goods receipt and invoice receipt items pending for over 2 months, with the goal of further reducing their numbers and age.

**258. In paragraph 61 of its report, the Board recommended that UNICEF review the feasibility of improving the mapping of country-level targets to the strategic plan targets in the programme information database coding structure.**

<i>Department responsible:</i>	Division of Financial and Administrative Management
<i>Status:</i>	Closure requested
<i>Priority:</i>	High
<i>Target date:</i>	Not applicable

259. UNICEF has already implemented this recommendation via the robust programme information database coding structure that is currently in place. UNICEF supports the primacy of the nationally led country programmes and their focus on achieving results for children and women through the realization of national

development priorities and goals. UNICEF contributes to national efforts to achieve the 2030 Agenda for Sustainable Development and child-related goals through programmes of cooperation. The programmes contribute to the achievement of results in the UNICEF Strategic Plan 2018–2021. Goal and result areas within country programme documents reflect the accountability of UNICEF towards children and national development priorities. They are developed and designed with a view to contributing to the Strategic Plan. The programme information database codes inform the formulation of country programme documents and, more specifically, enable the association between country programme document results and the Strategic Plan. All levels of UNICEF results and workplan activities entered in the enterprise resource planning system, VISION, are associated with the Strategic Plan using the programme information database codes. This enables UNICEF to track the contribution of all expenditures to its Strategic Plan.

260. Based on the existing robust and effective mechanism for mapping programme components, outcomes and indicators in country programme documents with those of the UNICEF Strategic Plan, UNICEF considers this recommendation to have been implemented and requests its closure by the Board.

**261. In paragraph 67 of its report, the Board recommended that UNICEF review reasons for the gaps in achievement of outputs under the “Every child survives and thrives” goal area of the Strategic Plan 2018–2021 and take suitable measures to address them.**

<i>Departments responsible:</i>	Multiple offices
<i>Status:</i>	Closure requested
<i>Priority:</i>	Medium
<i>Target date:</i>	Not applicable

262. The gaps identified in 2018 were measured in programmes conducted from the Amman hub in the southern Syrian Arab Republic. The gaps are the result of limited access to the territories by UNICEF partners (operating under cross-border modalities from Jordan) after the military control of those territories shifted with the offensive in the southern Syrian Arab Republic in June 2018. This change in the context of operations took place after the mid-year review. As a result, it was not possible to adjust the targets presented in the results assessment module. However, detailed explanations were provided in December 2018 during the year-end review of the results assessment module.

263. UNICEF has already set up a plan of action with the related government ministry for effective distribution of micronutrients in 2019 and 2020, which includes an activity to explain to caregivers the importance of these micronutrients for the most vulnerable families, especially among Syrian refugees, who have limited options to diversify their children’s diet.

264. UNICEF examined shortfalls in the achievement of targets during the year-end and annual review meetings, internally and with partners respectively, covering the humanitarian results based on the situation reports. Results have been reflected in the 2019 workplans. UNICEF considers this recommendation to have been implemented and requests its closure by the Board.

**265. In paragraph 71 of its report, the Board recommended that the Lebanon country office and the Latin America and the Caribbean Regional Office take the measures necessary to complete the required data sets and prepare baselines for better planning, monitoring and implementation of programmatic activities.**



**The Board also recommended that UNICEF carry out a review of the status of availability of baseline data sets in other country and regional offices and, if required, take the measures necessary to fill the gaps.**

*Departments responsible:* Lebanon country office and Latin America and the Caribbean Regional Office

*Status:* Under implementation

*Priority:* Medium

*Target date:* Fourth quarter of 2019

266. The Lebanon country office will continue to support the Ministry of Health, in collaboration with the World Health Organization and other stakeholders, to expand the mobile evidence reporting and assessment application and cover all Expanded Programme on Immunization service points, such as nurseries and schools. This effort is aimed at improving the quality of data for planning, monitoring and service delivery. The Latin America and the Caribbean Regional Office confirms that the Regional Office management plan is fully aligned with the UNICEF Strategic Plan 2018–2021 and that indicators and targets will be adjusted during the midterm review.

267. UNICEF notes that the second part of the recommendation was not raised during the global audit visits or in the respective management letters or the Board's draft report. The basis of this global recommendation is not clear, and UNICEF is therefore unable to agree and respond to it in a meaningful way. UNICEF requests closure of this part of the recommendation by the Board.

**268. In paragraph 79 of its report, the Board recommended that the Middle East and North Africa Regional Office and the Latin America and the Caribbean Regional Office continue to close the gaps in the assurance activities related to the harmonized approach to cash transfers and ensure their timely implementation to achieve the minimum required targets in all the country offices. The Board also recommended that UNICEF review the status of assurance in other country and regional offices and, if required, take the measures necessary to fill the gaps.**

*Departments responsible:* Middle East and North Africa Regional Office and Latin America and the Caribbean Regional Office

*Status:* Under implementation

*Priority:* Medium

*Target date:* Fourth quarter of 2019

269. UNICEF agrees with the recommendation that the Middle East and North Africa Regional Office and the Latin America and the Caribbean Regional Office close the gaps in assurance activities related to the harmonized approach to cash transfers. Following the update of the UNICEF procedure on the harmonized approach to cash transfers to implementing partners, the status of implementation of the approach is being monitored on a quarterly basis. UNICEF will follow up closely with country offices that have shortfalls.

270. UNICEF notes that the second part of the recommendation was not raised during the global audit visits or in the respective management letters or the Board's draft report. The basis of the global recommendation is not clear and UNICEF is therefore

not in a position to agree and respond to it in a meaningful way. UNICEF requests closure of this part of the recommendation by the Board.

**271. In paragraph 83 of its report, the Board recommended that the Lebanon country office take prompt action on the findings and recommendations resulting from spot checks and appropriately document the details of remedial action taken. The Board also recommended that UNICEF review the status of pending recommendations in other country and regional offices and, if required, take the measures necessary to fill the gaps.**

*Department responsible:* Lebanon country office  
*Status:* Under implementation  
*Priority:* High  
*Target date:* Fourth quarter of 2019

272. UNICEF agrees with the recommendation that the Lebanon country office take prompt action on high-risk findings and recommendations resulting from spot checks. The Lebanon country office is following up on the 2018 findings and recommendations with programme and finance staff through an offline system to record progress. For 2019, the full implementation of eTools in the 2019 annual management plan has been prioritized. The country office is using eTools to support field monitoring and partnership management, including follow-up on high-risk recommendations, resulting in a more consolidated system for the monitoring of the harmonized approach to cash transfers implementation.

273. UNICEF notes that the second part of the recommendation was not raised during the global audit visits or in the respective management letters or the Board's draft report. The basis of the global recommendation is not clear and UNICEF is therefore not in a position to agree and respond to it in a meaningful way. UNICEF requests closure of this part of the recommendation by the Board.

**274. In paragraph 88 of its report, the Board recommended that urgent action be taken by the Lebanon country office, the State of Palestine country office, the Middle East and North Africa Regional Office and the Panama country office to strengthen the controls over the completeness of mandatory details in the Funding Authorization and Certificate of Expenditures forms, which should be ensured before cash transfers were approved.**

*Departments responsible:* Lebanon, Panama and State of Palestine country offices and Middle East and North Africa Regional Office  
*Status:* Closure requested  
*Priority:* High  
*Target date:* Not applicable

275. UNICEF notes that this recommendation arose from the Board's observation that details such as the name, title and signature of the approving authority may not have been included on some Funding Authorization and Certificate of Expenditures forms. UNICEF considers the recommendation to be implemented via its "ezHACT" module, which enabled automatic routing of the Funding Authorization and Certificate of Expenditures forms for approval within the VISION enterprise resource planning system. As such, no physical signatures are required for UNICEF staff, as

all approvals are captured electronically through the system. The existing controls in the system ensure that neither payment of an advance nor liquidation of an advance is possible without appropriate approvals. UNICEF considers this recommendation to have been implemented and requests its closure by the Board.

**276. In paragraph 94 of its report, the Board recommended that UNICEF consider the feasibility of making the upload of the Funding Authorization and Certificate of Expenditures forms in VISION mandatory for the recording of direct cash transfer transactions.**

<i>Department responsible:</i>	Division of Financial and Administrative Management
<i>Status:</i>	Closure requested
<i>Priority:</i>	Medium
<i>Target date:</i>	Not applicable

277. While acknowledging the attachment of supporting documentation as a good practice, UNICEF wishes to highlight the challenging environments in which its offices operate, by virtue of which mandatory attachment of the Funding Authorization and Certificate of Expenditures forms may not be feasible. As offices currently attach supporting documentation as applicable, UNICEF management will encourage offices to continue with this practice. Owing to varied, challenging operating contexts in the field, including intermittent Internet connectivity and lack of equipment to scan, it is not feasible to make the upload of supporting documentation mandatory. However, offices retain such documentation in line with UNICEF policy on the retention of recorded information. UNICEF considers this recommendation to have been implemented and requests its closure by the Board.

**278. In paragraph 103 of its report, the Board recommended that the Lebanon and State of Palestine country offices ensure that the prescribed requirements for partnership review committee forms were followed and a complete trail of action taken on recommendations of the partnership review committee were documented and maintained.**

<i>Departments responsible:</i>	Lebanon and State of Palestine country offices
<i>Status:</i>	Closure requested
<i>Priority:</i>	High
<i>Target date:</i>	Not applicable

279. In the State of Palestine country office, follow-up on the recommendations and suggestions of the partnership review committee was conducted, and the related outcomes were reported. The partnership review committee reviewed the results of the follow-up action and endorsed the programme document for approval. It also confirmed that all related forms had been updated in accordance with the new global procedures and guidelines. In addition, checklists are now used systematically by both country offices to ensure they have complete documentation based on the reviews by the partnership review committee. UNICEF considers this recommendation to have been implemented and requests its closure by the Board.

**280. In paragraph 109 of its report, the Board recommended that the Panama and Ecuador country offices carry out a formal process for open selection of civil society organizations as a priority and document the rationale for selection in all**

cases where the direct selection method was preferred. The Board also recommended that UNICEF review the status of selection methodology adopted across country offices and take similar corrective action where the open selection process was not followed.

*Departments responsible:* Panama and Ecuador country offices  
*Status:* Under implementation  
*Priority:* High  
*Target date:* Fourth quarter of 2019

281. The Latin America and the Caribbean Regional Office will guide offices in the region in applying a more strategic approach to the selection of partners. The country offices in the region will make efforts to ensure that every partner identified in an expression of interest is reviewed during the selection process. In the case of direct selection, the process and the review by the partnership review committee will be documented. In addition, the adoption of eTools will further facilitate the open partner selection and documentation processes.

**282. In paragraph 112 of its report, the Board recommended that UNICEF implement a time-bound plan to take necessary corrective measures to improve the status of outstanding direct cash transfers.**

*Department responsible:* Division of Financial and Administrative Management  
*Status:* Under implementation  
*Priority:* Medium  
*Target date:* First quarter of 2020

283. UNICEF has conducted a review of the reasons for long-outstanding direct cash transfers noted in specific regions. The causes for all long-outstanding cases are now known by management. UNICEF will continue to review long-outstanding balances and pursue remedial action as applicable.

**284. In paragraph 119 of its report, the Board recommended that UNICEF review the adherence to the harmonized approach to cash transfers framework in its country offices and ensure that all offices followed the provisions of the framework while processing direct cash transfers.**

*Department responsible:* Latin America and the Caribbean Regional Office  
*Status:* Under implementation  
*Priority:* Medium  
*Target date:* Fourth quarter of 2019

285. The implementation of this recommendation will be carried out through several mechanisms, including reminders to country offices and training sessions led by focal points for the harmonized approach to cash transfers.

**286. In paragraph 127 of its report, the Board recommended that UNICEF take the steps necessary to identify the underperforming National Committees and**

country offices and identify measures to further strengthen the strategies to address the issues having an impact on their performance to help to achieve the targets for the current strategic plan period.

*Department responsible:* Private Fundraising and Partnerships Division  
*Status:* Closure requested  
*Priority:* High  
*Target date:* Not applicable

287. The Private Fundraising and Partnerships Division identifies underperforming markets and works closely with the related offices on the strategies to address any matters that have an impact on performance. For 2018, it is contextually important to note that fundraising underperformance was not unique to UNICEF. It was applicable to the general charitable organization sector, resulting in lower-than-expected revenue. This outcome validated management's assessment that the fundraising performance of UNICEF was significantly influenced by external market factors. UNICEF considers this recommendation to have been implemented and requests its closure by the Board.

**288. In paragraph 134 of its report, the Board recommended that UNICEF lay down a clear plan and engage the National Committees to ensure that the contribution rates remained in line with the provision of the UNICEF financial regulations and rules and the cooperation agreement.**

*Department responsible:* Private Fundraising and Partnerships Division  
*Status:* Closure requested  
*Priority:* High  
*Target date:* Not applicable

289. UNICEF notes that through the joint strategic plans with National Committees, it has put in place clear plans for National Committees to strive to reach the desired 75 per cent contribution rate. UNICEF considers this recommendation to have been implemented and requests its closure by the Board.

**290. In paragraph 140 of its report, the Board recommended that UNICEF constructively engage the National Committees to have a reserve policy that is aligned with the maintenance of benchmark requirements for reserve levels.**

*Department responsible:* Private Fundraising and Partnerships Division  
*Status:* Under implementation  
*Priority:* High  
*Target date:* Fourth quarter of 2019

291. UNICEF continues to engage with National Committees and has already begun the process of aligning the reserve policies with the new guidance.

**292. In paragraph 144 of its report, the Board recommended that UNICEF take the measures necessary for the inclusion of key performance indicators for activities of all related entities in the Joint Strategic Plans, with a focus on**

**remittances of the amount collected to UNICEF and follow-up of the achievement of targets.**

*Department responsible:* Private Fundraising and Partnerships Division  
*Status:* Closure requested  
*Priority:* Medium  
*Target date:* Not applicable

293. UNICEF has implemented this recommendation through the 2019 Joint Strategic Plans with its National Committees. UNICEF considers this recommendation to have been implemented and requests its closure by the Board.

**294. In paragraph 150 of its report, the Board recommended that UNICEF improve the management of the fundraising development programme portfolio through a more realistic assessment of return on investment and put a robust monitoring mechanism in place for timely interventions in cases of below-par performance.**

*Department responsible:* Private Fundraising and Partnerships Division  
*Status:* Closure requested  
*Priority:* Medium  
*Target date:* Not applicable

295. UNICEF considers this recommendation to have been overtaken by events owing to the implementation of its revised investment fund framework. In accordance with the framework, UNICEF expects the return on the comprehensive portfolio to reach a ratio of 3:1, rather than expecting that all individual activities funded under the fundraising development programme will achieve the same return. This approach facilitates the management of the results of the overall portfolio. It also provides and incentive for offices to submit more realistic forecasts of returns on their proposals. UNICEF requests closure of this recommendation by the Board.

**296. In paragraph 155 of its report, the Board recommended that integration of the integrated funds management platform with VISION and inSight and other dependent systems be completed at the earliest.**

*Department responsible:* Private Fundraising and Partnerships Division  
*Status:* Closure requested  
*Priority:* Medium  
*Target date:* Not applicable

297. The comments of UNICEF are reflected in paragraph 156 of the Board's report. UNICEF considers this recommendation to have been implemented and requests its closure by the Board.

**298. In paragraph 157 of its report, the Board recommended that explicit provision for capturing and reporting on details of rejected cases be provided in the integrated funds management platform.**

*Department responsible:* Private Fundraising and Partnerships Division  
*Status:* Under implementation  
*Priority:* Medium  
*Target date:* Fourth quarter of 2019

299. UNICEF notes the opportunity for enhanced management and reporting capabilities. Implementation action that includes integration with VISION is under way.

**300. In paragraph 164 of its report, the Board recommended that UNICEF continue its close monitoring of the goods in transit and take further measures to avoid the goods remaining in transit for more than 100 days, especially for emergency supplies.**

*Department responsible:* Supply Division  
*Status:* Under implementation  
*Priority:* Medium  
*Target date:* Fourth quarter of 2019

301. Current oversight activities fully integrate the monitoring of goods in transit to ensure timely attention to the identification of risks to country offices. UNICEF is keen to continue to monitor goods in transit and will fully integrate the regular monitoring of emergency supplies by the end of 2019.

**302. In paragraph 169 of its report, the Board recommended that UNICEF prescribe the maximum time allowed for delivery of the items for each emergency type, enforce it strictly and take corrective action towards reducing the lead times to ensure prompt supply response in emergencies.**

*Department responsible:* Supply Division  
*Status:* Under implementation  
*Priority:* Medium  
*Target date:* First quarter of 2020

303. UNICEF will review the maximum time allowed for delivery of items of each emergency type and take corrective action towards reducing the lead times by the first quarter of 2020 to ensure prompt supply responses in emergencies.

**304. In paragraph 176 of its report, the Board recommended that system issues affecting the utilization of the freight forwarders performance monitoring tool be resolved as a priority to ensure the effective monitoring of the performance of the freight forwarders. The Board also recommended that necessary contractual action be initiated against the freight forwarders whose performance was not found satisfactory.**

*Department responsible:* Supply Division  
*Status:* Under implementation  
*Priority:* Medium  
*Target date:* First quarter of 2020

305. The comments of UNICEF are reflected in paragraph 177 of the Board's report.

**306. In paragraph 183 of its report, the Board recommended that necessary action be taken by the specific regional and country offices to minimize container retention and consequent demurrage expenses.**

*Department responsible:* Supply Division  
*Status:* Closure requested  
*Priority:* Medium  
*Target date:* Not applicable

307. UNICEF has already undertaken a root cause analysis of the reasons for the undue delays in the return of containers and provided information to regional offices and country offices to enable specific actions to prevent demurrage charges. UNICEF notes that based on the information it previously provided to the Board on this issue, the Board had determined a related recommendation in paragraph 206 of its report for the year ended 31 December 2017 (A/73/5/Add.3, chap. II) to have been implemented. UNICEF therefore considers this recommendation to have been implemented and requests its closure by the Board.

**308. In paragraph 184 of its report, the Board recommended that UNICEF improve the freight forwarder container monitoring report to ensure the capture of correct and relevant data to arrive at accurate conclusions.**

*Department responsible:* Supply Division  
*Status:* Under implementation  
*Priority:* Medium  
*Target date:* First quarter of 2020

309. This recommendation is under implementation.

**310. In paragraph 190 of its report, the Board recommended that UNICEF coordinate with its regional and country offices, particularly in the regions where higher incidences of delay were noticed, to work with recipient countries to ensure timely inspection and transmittal of vaccine arrival reports and further strengthen the monitoring of delivery and supply of vaccines.**

*Department responsible:* Supply Division  
*Status:* Under implementation  
*Priority:* Medium  
*Target date:* First quarter of 2020

311. UNICEF continues to enhance its existing process of monitoring the delivery and supply of vaccines. In addition, UNICEF will include the receipt of vaccine arrival reports in the performance indicators for the supply chain dashboard. The aim of these efforts is to monitor and determine the technical assistance requirements and guidance needed to strengthen supply chains and provide effective vaccine management. These efforts will be complemented by the continued use of tools such as the vaccine arrival reports mobile application to facilitate timely receipt of the vaccine reports.



312. **In paragraph 197 of its report, the Board recommended that UNICEF improve the existing system to provide a robust and integrated case management solution that would enable coordination among all internal stakeholders for timely initiation and completion of the required procurement and contract management processes.**

*Department responsible:* Supply Division  
*Status:* Under implementation  
*Priority:* Medium  
*Target date:* First quarter of 2020

313. UNICEF is making efforts to enhance the existing system through automated tracking of progress and timelines.

314. **In paragraph 203 of its report, the Board recommended that a specific clause regarding the levy of liquidated damages be included in all tenders, long-term agreements and purchase orders and in cases where such a clause was not included, justification for the decision should be adequately justified and documented.**

*Department responsible:* Latin America and the Caribbean Regional Office  
*Status:* Under implementation  
*Priority:* Medium  
*Target date:* Fourth quarter of 2019

315. The Latin America and the Caribbean Regional Office will ensure that the clause covering liquidated damages is included in contractual documentation as part of the standard terms in English and will work with the Legal Office on a similar provision in Spanish. In addition, the Regional Office will strengthen its communication with contractors regarding applicable penalties in case of non-compliance. Management will further enhance the tracking of cases for which penalties have been waived and record the related justifications.

316. **In paragraph 204 of its report, the Board recommended that specific dates on which the final delivery of services was made be properly documented.**

*Department responsible:* Latin America and the Caribbean Regional Office  
*Status:* Under implementation  
*Priority:* Medium  
*Target date:* Fourth quarter of 2019

317. UNICEF agrees to continue to monitor the dates on which final delivery of services was completed and to improve the documentation of delivery dates for services.

318. **In paragraph 210 of its report, the Board recommended that existing internal controls be reviewed to put in place a robust mechanism over the bank guarantees received by UNICEF.**

*Departments responsible:* Lebanon and State of Palestine country offices  
*Status:* Under implementation  
*Priority:* Medium  
*Target date:* Fourth quarter of 2019

319. UNICEF is assessing ways of strengthening its due diligence, in addition to the existing controls surrounding bank guarantees. UNICEF notes that the origin of this recommendation was related to a fraudulent activity committed by a vendor, which is being handled in line with the relevant UNICEF financial regulations and rules. The Lebanon country office has implemented additional control mechanisms in cooperation with the financial institution concerned to verify and validate the authenticity of letters of guarantee provided by suppliers' banks.

**320. In paragraph 211 of its report, the Board recommended that investigation in the fraud case be completed in a timely manner and that necessary remedial action be taken.**

*Department responsible:* Lebanon country office  
*Status:* Under implementation  
*Priority:* Medium  
*Target date:* First quarter of 2020

321. UNICEF confirms that the fraud case is currently being handled in line with relevant UNICEF policies and procedures relating to investigations, with the goal of timely completion of the investigation. Appropriate remedial action will be taken subsequently.

**322. In paragraph 219 of its report, the Board recommended that UNICEF further strengthen the monitoring mechanism for the submission and follow-up of value added tax (VAT) claims. The Board also recommended that available measures be explored for timely settlement of long-outstanding claims.**

*Department responsible:* Division of Financial and Administrative Management  
*Status:* Under implementation  
*Priority:* Medium  
*Target date:* Fourth quarter of 2019

323. In order to strengthen the monitoring mechanism for the submission and follow-up of VAT claims, UNICEF will evaluate the need for additional measures, if any, beyond those already in operation. The Board has determined a similar recommendation in paragraph 150 of its report for the year ended 31 December 2017 to have been implemented.

**324. In paragraph 236 of its report, the Board recommended that UNICEF review and strengthen the methodology to calculate savings achieved to give a complete picture of all the efficiencies achieved, including post reductions, across the organization as a result of the establishment of the Global Shared Services Centre.**

*Department responsible:* Global Shared Services Centre  
*Status:* Under implementation  
*Priority:* High  
*Target date:* Second quarter of 2020

325. UNICEF has developed an updated methodology for calculating future savings that is currently under review.

**326. In paragraph 245 of its report, the Board recommended that that UNICEF consider issuing comprehensive documents defining the roles and responsibilities of the Global Shared Services Centre and the relationship of the Centre with other UNICEF offices in all of its areas of functioning, and mitigate the existing gaps in the internal instructions and procedures for all areas of functioning of the Centre.**

*Department responsible:* Global Shared Services Centre  
*Status:* Under implementation  
*Priority:* High  
*Target date:* Fourth quarter of 2019

327. Noting that the role, functions and responsibilities of the Global Shared Services Centre are captured in several Executive Board documents and internal communications, UNICEF will consider the possibility of issuing a report of the Executive Board containing updated information on the functions, structure and accountabilities of all UNICEF offices, including the Global Shared Services Centre.

**328. In paragraph 270 of its report, the Board recommended that UNICEF review the service-level agreement targets for business processes and take into consideration the average time taken for processing as an important input in the exercise.**

*Department responsible:* Global Shared Services Centre  
*Status:* Under implementation  
*Priority:* High  
*Target date:* Fourth quarter of 2019

329. UNICEF notes that the service-level agreement targets were set in accordance with industry standards and agreed with business owners as part of the Global Shared Services Centre project. Those service-level agreement targets are reviewed by UNICEF annually, and were reviewed by external independent firms in 2017 and 2018. The reviews cover the processes, average processing time and other industry standards.

330. UNICEF conducts annual reviews of service-level agreement targets to assess opportunities for revision. As the result of a review, UNICEF implemented changes to the service-level agreement targets based on the average processing times in February 2019. UNICEF is planning a further review at the end of 2019 to ensure that any changes are incorporated in the revised delivery times.

**331. In paragraph 271 of its report, the Board recommended that UNICEF strive to fix a tolerance limit, beyond which individual reasons for not meeting the service-level agreement targets should be clearly documented.**

*Department responsible:* Global Shared Services Centre  
*Status:* Under implementation  
*Priority:* High  
*Target date:* Fourth quarter of 2019

332. UNICEF notes that the workplan of the Global Shared Services Centre for 2019 includes a review of ticket handling guidelines. Those guidelines will include tolerance limits for meeting the service-level agreement targets. In addition, in order to facilitate monitoring and follow-up, the Centre plans to develop a report that will detail cases that exceed the tolerance limits.

**333. In paragraph 272 of its report, the Board recommended that UNICEF review the system to identify and correct the possibility of manually pausing the service-level agreement clock and review the cases in which the service-level agreement clock had been manually paused for long periods.**

*Department responsible:* Global Shared Services Centre  
*Status:* Under implementation  
*Priority:* Medium  
*Target date:* First quarter of 2020

334. UNICEF notes that the revised ticket handling guidelines mentioned above will incorporate guidance on the review of cases in which the service-level agreement clock has been paused for an extended period and the related role of the quality assessment team in reviewing such cases of stoppage.

**335. In paragraph 273 of its report, the Board recommended that UNICEF ensure that the specific reasons for the return and rejection of all cases were documented in the ticketing tool.**

*Department responsible:* Global Shared Services Centre  
*Status:* Under implementation  
*Priority:* Medium  
*Target date:* Fourth quarter of 2019

336. UNICEF notes that the newly implemented Service Gateway case management tool includes drop-down menus with reasons for the return and rejection of cases. Further enhancements will be made to include an indicator for the reason for suspension or stoppage.

**337. In paragraph 279 of its report, the Board recommended that data in all master tables be reviewed regularly for completeness, accuracy and quality, and that a clear definition of mandatory fields be established for all master tables.**

*Department responsible:* Global Shared Services Centre  
*Status:* Under implementation  
*Priority:* High  
*Target date:* Second quarter of 2020

338. Noting that the system already includes built-in master tables with mandatory fields and appropriate controls based on information types, UNICEF will evaluate and determine the mandatory fields for finance master records to be included in the master data management guidance and procedures.

**339. In paragraph 284 of its report, the Board recommended that UNICEF incorporate necessary input controls and data checks, especially for the baseline date in VISION.**

*Department responsible:* Global Shared Services Centre  
*Status:* Under implementation  
*Priority:* Medium  
*Target date:* First quarter of 2020

340. As a preventive control at the time of the processing of invoices, UNICEF is developing enhancements in its enterprise resource planning system, VISION, to flag exceptional baseline dates entered into the system.

**341. In paragraph 285 of its report, the Board recommended that UNICEF take the measures necessary to ensure the timely submission and processing of invoices by all concerned offices.**

*Department responsible:* Global Shared Services Centre  
*Status:* Under implementation  
*Priority:* Medium  
*Target date:* First quarter of 2020

342. UNICEF notes that the review of invoices that are older than six months is already part of the standard operating procedures of the Global Shared Services Centre. Additional training has been provided to staff to reinforce their knowledge of the standard operating procedures. UNICEF is implementing additional quality assurance oversight on old invoices through monthly reporting on a related key performance indicator.

**343. In paragraph 291 of its report, the Board recommended that UNICEF prioritize the settlement of outstanding cases on the basis of focused criteria and an action plan involving all concerned offices.**

*Department responsible:* Global Shared Services Centre  
*Status:* Under implementation  
*Priority:* Medium  
*Target date:* First quarter of 2020

344. The Global Shared Services Centre will prioritize the reconciliation of personal accounts receivables for the transactions from July 2016 onwards. The Centre will work closely with country offices to recover the outstanding balances where possible and to explore alternatives to regularize the transactions.

**345. In paragraph 292 of its report, the Board recommended that UNICEF explore the feasibility of recovery of overpayments, including those that were due to the entry of incorrect data in earlier years, in line with the administrative instruction concerned.**

*Department responsible:* Global Shared Services Centre

*Status:* Under implementation

*Priority:* Medium

*Target date:* First quarter of 2020

346. UNICEF is developing a plan to improve the recovery of overpayments. In this regard, the Global Shared Services Centre plans to review the payroll exception report in consultation with the Division of Human Resources in order to assess any additional resources and actions required to determine the final amounts for recovery or write-off.

**347. In paragraph 293 of its report, the Board recommended that UNICEF explore enhancing the monthly master data and funds exception report to identify exceptions or errors with payroll implications for review and corrective action.**

*Department responsible:* Global Shared Services Centre

*Status:* Under implementation

*Priority:* Medium

*Target date:* Fourth quarter of 2019

348. UNICEF is reviewing and updating the list of validations embedded in the master data and funds exception report. UNICEF will further explore ways to enhance the report to flag errors with real payroll implications for each month.

## **B. Implementation of the recommendations contained in the reports of the Board of Auditors for prior financial periods**

349. In the annex to its report for the year ended 31 December 2018 ([A/74/5/Add.3](#), chap. II), the Board provided a summary of the status of implementation of recommendations for previous financial periods. Information is provided below on the 32 recommendations that have been determined by the Board to be under implementation. The information is set out below in the order in which the recommendations are presented in the annex.

350. Table 15 summarizes the overall situation as of August 2019.

Table 15  
**Status of implementation of recommendations from prior periods considered not fully implemented**

(Number of recommendations)

<i>Department responsible</i>	<i>Total</i>	<i>Not accepted</i>	<i>Closure requested</i>	<i>Under implementation</i>	<i>Target date set</i>	<i>No target date</i>
Division of Data, Research and Policy	1	–	1	–	–	–
Division of Financial and Administrative Management	16	–	10	6	6	–
Field Results Group	2	–	2	–	–	–
Global Shared Services Centre	1	–	1	–	–	–
Office of Internal Audit and Investigations	2	–	–	2	2	–
Private Fundraising and Partnerships Division	4	–	4	–	–	–
Public Partnerships Division	2	–	–	2	2	–
Supply Division	3	–	3	–	–	–
Multiple offices	1	–	1	–	–	–
<b>Total</b>	<b>32</b>	<b>–</b>	<b>22</b>	<b>10</b>	<b>10</b>	<b>–</b>

#### **Report of the Board for the year ended 31 December 2013<sup>15</sup>**

351. In paragraph 69 of its report, the Board recommended that UNICEF require its country offices to apply fully justified budget assumptions in preparation for resource estimation with respect to activities set out in the multi-year/rolling workplans.

<i>Department responsible:</i>	Division of Financial and Administrative Management
<i>Status:</i>	Closure requested
<i>Priority:</i>	Medium
<i>Target date:</i>	Not applicable

352. UNICEF developed and implemented a new budget formulation tool in order to streamline and facilitate the resource estimation processes. UNICEF considers this recommendation to have been implemented and requests its closure by the Board.

#### **Report of the Board for the year ended 31 December 2015<sup>16</sup>**

353. In paragraph 14 of its report, the Board recommended that UNICEF: (a) consider consolidating at the corporate level an annual integrated budget containing figures from all the budgets approved by the Executive Board; and (b) include budgeted amounts for various activities under each outcome at the appropriate business unit level.

<sup>15</sup> A/69/5/Add.3, chap. II.

<sup>16</sup> A/71/5/Add.3, chap. II.

<i>Department responsible:</i>	Division of Financial and Administrative Management
<i>Status:</i>	Closure requested
<i>Priority:</i>	High
<i>Target date:</i>	Not applicable

354. Part (a) of this recommendation was implemented and the relevant information was provided to the Board. With regard to part (b) of the recommendation, UNICEF has prepared a clear framework in line with IPSAS that articulates the annualization of amounts from the various budget sources. UNICEF also developed and implemented a new budget formulation tool, as indicated above. UNICEF considers this recommendation to have been implemented and requests its closure by the Board.

**355. In paragraph 105 of its report, the Board recommended that UNICEF: (a) consider putting in place a fund tracking system to establish links between planned and actual expenditure against the appropriate planning level (outcome, output, activity); (b) review the existing guidance and other resource material for their improvement and better utilization; and (c) align output indicators with focus areas and activities towards achievement of outputs under the outcome entitled “Education”.**

<i>Departments responsible:</i>	Division of Data, Research and Policy and Division of Financial and Administrative Management
<i>Status:</i>	Closure requested
<i>Priority:</i>	Medium
<i>Target date:</i>	Not applicable

356. As indicated above, UNICEF has developed and implemented a new budget formulation tool, which addresses the issues raised in this recommendation. UNICEF considers this recommendation to have been implemented and requests its closure by the Board.

#### **Report of the Board for the year ended 31 December 2016<sup>17</sup>**

**357. In paragraph 25 of its report, the Board recommended that UNICEF implement the guideline on identifying the operational costs that should be met from the programme budget and the institutional budget.**

<i>Department responsible:</i>	Division of Financial and Administrative Management
<i>Status:</i>	Closure requested
<i>Priority:</i>	Medium
<i>Target date:</i>	Not applicable

358. The budget formulation tool is a web-based application that has replaced the integrated budget costing system. It employs the results-based budgeting principles

<sup>17</sup> A/72/5/Add.3, chap. II.



that help UNICEF to enhance its ability to link results and resources. UNICEF considers this recommendation to have been implemented and requests its closure by the Board.

**359. In paragraph 36 of its report, the Board recommended that UNICEF engage with the National Committees and follow up with them to achieve the desired contribution rate of 75 per cent of gross proceeds set in the cooperation agreement for the National Committees.**

*Department responsible:* Private Fundraising and Partnerships Division  
*Status:* Closure requested  
*Priority:* Medium  
*Target date:* Not applicable

360. UNICEF notes that there should be an accurate contextualization and acknowledgement of its active engagement with the National Committees in a bid to achieve the desired 75 per cent contribution rate of gross proceeds received by the National Committees. UNICEF acknowledges that progress in this respect depends on the specific context of the various markets in which the National Committees are based. UNICEF considers this recommendation to have been implemented and requests its closure by the Board.

**361. In paragraph 68 of its report, the Board recommended that UNICEF strengthen its implementation of the harmonized approach to cash transfers to achieve the targets for assurance activities implemented.**

*Department responsible:* Field Results Group  
*Status:* Closure requested  
*Priority:* Medium  
*Target date:* Not applicable

362. UNICEF has strengthened its implementation of the harmonized approach to cash transfers procedure by implementing it in all country offices, developing robust reporting mechanisms and issuing guidance and manuals on the procedure. The targets for the harmonized approach to cash transfers have consistently improved, with the minimum requirements having been met and exceeded. UNICEF considers this recommendation to have been implemented and requests its closure by the Board.

**363. In paragraph 99 of its report, the Board recommended that UNICEF ensure that the proposed new enterprise risk management policy was appropriately crafted to incorporate the organization's functional requirements and, at the same time, ensure that incongruities were avoided.**

*Department responsible:* Division of Financial and Administrative Management  
*Status:* Under implementation  
*Priority:* Medium  
*Target date:* Fourth quarter of 2019

364. UNICEF has redrafted the regulatory content of its enterprise risk management policy to address the incongruities noted by the Board. The updated policy is being rolled out in 2019 in conjunction with the development and implementation of the enterprise governance, risk and compliance strategy of the Division of Financial and Administrative Management and the information technology platform to support it.

**365. In paragraph 105 of its report, the Board recommended that, in addition to continuing the good practice of providing ad hoc support from headquarters, there should be a regular and formal training programme for risk liaison personnel on risk management.**

<i>Department responsible:</i>	Division of Financial and Administrative Management
<i>Status:</i>	Closure requested
<i>Priority:</i>	Medium
<i>Target date:</i>	Not applicable

366. UNICEF developed training materials and delivered training on risk management to its personnel in April and May 2019. UNICEF considers this recommendation to have been implemented and requests its closure by the Board.

**367. In paragraph 111 of its report, the Board recommended that UNICEF ensure the formulation of risk tolerance and risk appetite at appropriate operational levels.**

<i>Department responsible:</i>	Division of Financial and Administrative Management
<i>Status:</i>	Under implementation
<i>Priority:</i>	Medium
<i>Target date:</i>	Fourth quarter of 2019

368. UNICEF will articulate a risk tolerance and risk appetite statement at the organizational level in accordance with the UNICEF Financial Regulations and Rules as part of the updated enterprise risk management policy to be developed.

**369. In paragraph 125 of its report, the Board recommended that UNICEF ensure periodic review of vendor master records and remove all inconsistencies.**

<i>Department responsible:</i>	Global Shared Services Centre
<i>Status:</i>	Closure requested
<i>Priority:</i>	High
<i>Target date:</i>	Not applicable

370. UNICEF conducts reviews of vendor master records at the Global Shared Services Centre at least semi-annually. The Centre regularly conducts cleansing of finance records and has succeeded in removing thousands of duplicates. UNICEF considers this recommendation to have been implemented and requests its closure by the Board.

**371. In paragraph 170 of its report, the Board recommended that UNICEF ensure timely receipt of vaccine arrival reports.**

*Department responsible:* Supply Division  
*Status:* Closure requested  
*Priority:* Medium  
*Target date:* Not applicable

372. UNICEF has completed the review of its Supply Manual, published guidelines for country and regional offices on vaccine arrival reports, established key performance indicators to monitor vaccine arrival reports, produced quarterly reports for country and regional offices for visibility and introduced the vaccine arrival reports mobile application. UNICEF considers this recommendation to have been implemented and requests its closure by the Board.

**373. In paragraph 184 of its report, the Board recommended that UNICEF identify the reasons for the detention of containers for long periods and provide guidance to the country and regional offices to reduce the container detention time.**

*Department responsible:* Supply Division  
*Status:* Closure requested  
*Priority:* High  
*Target date:* Not applicable

374. The Supply Division continuously analyses the reasons for any undue delays in the return of containers and provides information to country and regional offices to enable them to take specific actions to prevent demurrage charges. UNICEF considers this recommendation to have been implemented and requests its closure by the Board.

**375. In paragraph 193 of its report, the Board recommended that UNICEF generate and circulate division-wise month-end reports on open travel authorizations to create a monitoring mechanism to minimize delays in trip closure.**

*Department responsible:* Division of Financial and Administrative Management  
*Status:* Closure requested  
*Priority:* Medium  
*Target date:* Not applicable

376. UNICEF notes that there have been improvements in trip closure in recent years, as shown in information that was shared with the Board during its audit. There was a 42 per cent decrease in open travel authorizations in 2017 compared with 2016. In 2018, the open travel authorizations decreased by 41 per cent compared with 2016. To further strengthen this reduction, the Comptroller introduced in February 2019 a bold initiative to enforce the prompt closure of open trips within 15 days of completion of a mission. UNICEF considers this recommendation to have been implemented and requests its closure by the Board.

**377. In paragraph 224 of its report, the Board recommended that UNICEF use the lessons learned from the Millennium Development Goals for effective implementation of the Sustainable Development Goals.**

*Department responsible:* Division of Data, Research and Policy  
*Status:* Closure requested  
*Priority:* High  
*Target date:* Not applicable

378. UNICEF has provided detailed information on the actions it has already taken to implement this recommendation. UNICEF considers it to have been fully implemented and requests its closure by the Board.

**379. In paragraph 236 of its report, the Board recommended that UNICEF review the Charter of the Office of Internal Audit and Investigations to ensure adherence to the International Standards for the Professional Practice of Internal Auditing.**

*Department responsible:* Office of Internal Audit and Investigations  
*Status:* Under implementation  
*Priority:* Medium  
*Target date:* Fourth quarter of 2019

380. UNICEF is reviewing the Charter of its Office of Internal Audit and Investigations. With the new Director of the Office now on board, UNICEF looks forward to completion of the review by the end of 2019.

**381. In paragraph 243 of its report, the Board recommended that the Office of Internal Audit and Investigations prepare and implement its annual workplan to adhere to the five-year audit cycle in accordance with the Charter of the Office of Internal Audit and Investigations.**

*Department responsible:* Office of Internal Audit and Investigations  
*Status:* Under implementation  
*Priority:* Medium  
*Target date:* Fourth quarter of 2019

382. The comments of UNICEF relating to the recommendation in paragraph 236 of the Board's report (see para. 380 above) also apply to the recommendation in paragraph 243 of the report.

#### **Report of the Board for the year ended 31 December 2017<sup>18</sup>**

**383. In paragraph 15 of its report, the Board recommended that UNICEF review all multi-year donor agreements and decide whether their stipulations satisfied the criteria of a condition.**

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<sup>18</sup> [A/73/5/Add.3](#), chap. II.

<i>Department responsible:</i>	Division of Financial and Administrative Management
<i>Status:</i>	Closure requested
<i>Priority:</i>	Medium
<i>Target date:</i>	Not applicable

384. In 2018, UNICEF reviewed 152 multi-year agreements relating to “other resources” in a total amount of \$1,977 million, accounting for about 90 per cent of earmarked multi-year contributions (excluding National Committees and private sector fund-raising contributions). UNICEF considers this recommendation to have been implemented and requests its closure by the Board.

**385. In paragraph 21 of its report, the Board recommended that UNICEF disclose the net assets of institutional and regular resource programme segments as distinct segments.**

<i>Department responsible:</i>	Division of Financial and Administrative Management
<i>Status:</i>	Closure requested
<i>Priority:</i>	Medium
<i>Target date:</i>	Not applicable

386. UNICEF wishes to point out that the recommended information has been disclosed in note 36 of its 2018 financial statements ([A/74/5/Add.3](#), chap. V). UNICEF considers this recommendation to have been implemented and requests its closure by the Board.

**387. In paragraph 28 of its report, the Board recommended that UNICEF depict the contributions receivable at their fair value in compliance with IPSAS.**

<i>Department responsible:</i>	Division of Financial and Administrative Management
<i>Status:</i>	Closure requested
<i>Priority:</i>	Medium
<i>Target date:</i>	Not applicable

388. UNICEF notes that the materiality framework was implemented and the information was shared with the Board. An assessment of the contributions receivable was carried out and UNICEF concluded that the amounts were not material. Management has taken all the actions it agreed to take in relation to this recommendation. Accordingly, UNICEF considers it to have been implemented and requests its closure by the Board.

**389. In paragraph 48 of its report, the Board recommended that UNICEF review and ensure compliance with the internal control mechanism in the travel management and related processes.**

<i>Department responsible:</i>	Division of Financial and Administrative Management
<i>Status:</i>	Under implementation
<i>Priority:</i>	Medium
<i>Target date:</i>	Fourth quarter of 2019

390. UNICEF anticipates improved compliance globally upon the implementation of new certification measures, which include some enhanced functionalities in the VISION system. UNICEF also plans to enhance some required system changes to improve internal control mechanisms related to travel.

**391. In paragraph 50 of its report, the Board recommended that UNICEF review its policy of releasing 100 per cent of daily subsistence allowance and expensing it on the creation of a trip.**

<i>Department responsible:</i>	Division of Financial and Administrative Management
<i>Status:</i>	Closure requested
<i>Priority:</i>	High
<i>Target date:</i>	Not applicable

392. UNICEF reviewed and considered the feasibility of the proposed recommendation and determined that the policy decision of expensing full travel cost and daily subsistence allowance upon authorization of travel was still valid. UNICEF considers this recommendation to have been implemented and requests its closure by the Board.

**393. In paragraph 55 of its report, the Board recommended that UNICEF get a verification of compatibility and customization process of VISION, including the travel management functionality, done.**

<i>Department responsible:</i>	Division of Financial and Administrative Management
<i>Status:</i>	Under implementation
<i>Priority:</i>	High
<i>Target date:</i>	Fourth quarter of 2019

394. UNICEF plans to make the required enhancements to the travel management system by the end of 2019 after the ongoing upgrades of the VISION system have been completed.

**395. In paragraph 61 of its report, the Board recommended that UNICEF complete the review of the user access management guide and the segregation of duties rules and update them in a time-bound manner.**

<i>Department responsible:</i>	Division of Financial and Administrative Management
<i>Status:</i>	Under implementation
<i>Priority:</i>	Medium
<i>Target date:</i>	Second quarter of 2020

396. UNICEF is working to update the user access management guide and the rules for the segregation of duties.

**397. In paragraph 62 of its report, the Board recommended that UNICEF update the segregation of duties violation report to reflect the mitigation of segregation of duties conflict by the Global Shared Services Centre process and to incorporate transaction-level monitoring.**

<i>Department responsible:</i>	Division of Financial and Administrative Management
<i>Status:</i>	Under implementation
<i>Priority:</i>	Medium
<i>Target date:</i>	Second quarter of 2020

398. As indicated above, UNICEF is updating the user access management guide and the rules for the segregation of duties. The resulting reporting will reflect the mitigation of any segregation of duties conflict by the Global Shared Services Centre process and incorporate transaction-level monitoring.

**399. In paragraph 89 of its report, the Board recommended that UNICEF periodically interact with, guide and direct National Committees that were consistently delaying submission of audited financial statements and certified final revenue and expenditure reports.**

<i>Department responsible:</i>	Private Fundraising and Partnerships Division
<i>Status:</i>	Closure requested
<i>Priority:</i>	Medium
<i>Target date:</i>	Not applicable

400. The late submission of the audited financial statements of National Committees is primarily due to the fact that the audited financial statements must be approved by the respective executive boards of the Committees, and this happens late in the year. UNICEF is satisfied that, for reporting and other needs, it has the necessary information for timely closure of accounts in the revenue and expenditure reports. UNICEF considers this recommendation to have been implemented and requests its closure by the Board.

**401. In paragraph 92 of its report, the Board recommended that UNICEF engage with the National Committees for appropriate management of their investments and review their investment policies.**

<i>Department responsible:</i>	Private Fundraising and Partnerships Division
<i>Status:</i>	Closure requested
<i>Priority:</i>	Medium
<i>Target date:</i>	Not applicable

402. UNICEF has reviewed the investment policies of its National Committees and is comfortable that they respect their cooperation agreements. On an annual basis, UNICEF also conducts a review of the audited financial statements of the National

Committees, which includes a review of the investments held, and discusses them with the National Committees if questions arise.

403. The clause in the cooperation agreement that relates to management of funds and assets was not violated by any of the National Committees mentioned by the Board, since it allows investments that are in accordance with existing national charity standards. There were no cases identified in which a National Committee was either not in compliance with national charity standards or not in compliance with its investment policy. UNICEF considers this recommendation to have been implemented and requests its closure by the Board.

**404. In paragraph 104 of its report, the Board recommended that UNICEF analyse the reasons for low contributions and then formulate an appropriate strategy to enhance the level of contribution from potentially important income channels such as corporate donors.**

<i>Department responsible:</i>	Private Fundraising and Partnerships Division
<i>Status:</i>	Closure requested
<i>Priority:</i>	Medium
<i>Target date:</i>	Not applicable

405. UNICEF undertook a significant situation analysis, which resulted in the formulation of the 2018–2021 IMPACT Plan. UNICEF is currently implementing the IMPACT Plan, in relation to which systems are in place to monitor progress and take corrective action as necessary, focusing efforts on the channels that will maximize return on investment. UNICEF considers this recommendation to have been implemented and requests its closure by the Board.

**406. In paragraph 116 of its report, the Board recommended that UNICEF strengthen the mechanism for monitoring donor reports and ensure timely submission of all donor reports.**

<i>Department responsible:</i>	Public Partnerships Division
<i>Status:</i>	Under implementation
<i>Priority:</i>	Medium
<i>Target date:</i>	Fourth quarter of 2019

407. UNICEF agrees to further strengthen the monitoring of donor reports to improve their timeliness and quality.

**408. In paragraph 117 of its report, the Board recommended that UNICEF update information on submission of donor reports in VISION.**

<i>Department responsible:</i>	Public Partnerships Division
<i>Status:</i>	Under implementation
<i>Priority:</i>	Medium
<i>Target date:</i>	Fourth quarter of 2019

409. UNICEF agrees to update the information on the submission of donor reports in the VISION system.



**410. In paragraph 131 of its report, the Board recommended that UNICEF review and strengthen the internal control and monitoring system over cash transfers to implementing partners and fully adhere to the laid-down policy for these cash transfers.**

*Department responsible:* Field Results Group  
*Status:* Closure requested  
*Priority:* High  
*Target date:* Not applicable

411. Since 2017, UNICEF has been strengthening its internal control framework on cash transfers to implementing partners. In 2018, UNICEF issued a revised procedure on the harmonized approach to cash transfers to implementing partners in order to assign responsibilities for the management of the cash transfers. UNICEF considers this recommendation to have been implemented and requests its closure by the Board.

**412. In paragraph 183 of its report, the Board recommended that UNICEF country offices ensure that the procurement procedure related to emergency supplies was completed and supplies were delivered within the stipulated timelines.**

*Department responsible:* Division of Financial and Administrative Management  
*Status:* Closure requested  
*Priority:* Medium  
*Target date:* Not applicable

413. In the context of the 2017 audit of the Sri Lanka country office, where the related audit observation was made, the recommendation has been implemented. In order to address the recommendation, UNICEF took the following actions: (a) it established a supply plan within the emergency preparedness platform in the first quarter of 2018; (b) it established long-term arrangements for procurement of the most critical supplies and services in the second quarter of 2018; and (c) it established a qualified vendor list for the local procurement of potential emergency supplies. UNICEF considers this recommendation to have been implemented and requests its closure by the Board.

**414. In paragraph 197 of its report, the Board recommended that UNICEF, the regional offices and the Supply Division identify countries where vaccine arrival reports were regularly delayed and formulate country-specific strategies for monitoring timely receipt of vaccine arrival reports.**

*Department responsible:* Supply Division  
*Status:* Closure requested  
*Priority:* Medium  
*Target date:* Not applicable

415. UNICEF has completed the review of its Supply Manual, published guidelines for country and regional offices on vaccine arrival reports, established key performance indicators to monitor vaccine arrival reports, produced quarterly reports for country and regional offices for visibility and introduced the vaccine arrival

reports mobile application. UNICEF considers this recommendation to have been implemented and requests its closure by the Board.

## VII. United Nations Relief and Works Agency for Palestine Refugees in the Near East

### A. Implementation of the recommendations contained in the report of the Board of Auditors for the year ended 31 December 2018<sup>19</sup>

416. Table 16 summarizes the status of implementation of the main recommendations of the Board as of August 2019.

Table 16

#### Status of implementation of the main recommendations

(Number of recommendations)

<i>Department responsible</i>	<i>Total</i>	<i>Not accepted</i>	<i>Closure requested</i>	<i>Under implementation</i>	<i>Target date set</i>	<i>No target date</i>
Central Support Services Division	3	3	—	—	—	—
Department of Finance	1	—	—	1	1	—
Department of Human Resources	3	2	1	—	—	—
West Bank field office	1	—	—	1	1	—
<b>Total</b>	<b>8</b>	<b>5</b>	<b>1</b>	<b>2</b>	<b>2</b>	<b>—</b>

417. Table 17 summarizes the status of implementation of all recommendations of the Board as of August 2019.

Table 17

#### Status of implementation of all recommendations

(Number of recommendations)

<i>Department responsible</i>	<i>Total</i>	<i>Not accepted</i>	<i>Implemented or closure requested</i>	<i>Under implementation</i>	<i>Target date set</i>	<i>No target date</i>
Central Support Services Division	6	4	—	2	2	—
Department of Finance	1	—	—	1	1	—
Department of Human Resources	6	2	2	2	2	—
Information Management Department	3	1	1	1	1	—
West Bank field office	2	—	—	2	2	—
Microfinance Department	5	—	—	5	5	—
Multiple departments	1	—	—	1	1	—
<b>Total</b>	<b>24</b>	<b>7</b>	<b>3</b>	<b>14</b>	<b>14</b>	<b>—</b>

418. In paragraph 21 of its report, the Board recommended that the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA) adjust in a timely manner the cash accounts and verify that they tally

<sup>19</sup> A/74/5/Add.4, chap. II.

with the physical cash balances, in order to disclose accurate balances in the financial statements.

*Department responsible:* West Bank field office  
*Status:* Under implementation  
*Priority:* High  
*Target date:* Fourth quarter of 2019

419. UNRWA will provide the relevant write-off memorandum to the Board during its upcoming visit.

**420. In paragraph 29 of its report, the Board recommended that the Finance Department of the UNRWA West Bank field office ensure a proper accounting recognition of canteen revenue transactions and that it enhance communication with the Department of Education to reflect all information in its accounting records.**

*Department responsible:* West Bank field office  
*Status:* Under implementation  
*Priority:* Medium  
*Target date:* Second quarter of 2020

421. UNRWA will review the appropriate policies and processes in conjunction with the relevant departments and offices.

**422. In paragraph 37 of its report, the Board recommended that UNRWA take measures to record the precise quantity of each item in the inventory in the Agency's enterprise resource planning system, REACH, which would allow it to manage the physical inventory in an appropriate manner and to report the information accurately and with integrity.**

*Department responsible:* Central Support Services Division  
*Status:* Not accepted  
*Priority:* High  
*Target date:* Not applicable

423. UNRWA disagrees with the recommendation. The detailed list of donated items was recorded in the REACH system. The creation of specific codes to track in-kind donated items for one-time use, such as book titles that change every school-year cycle, would be a labour-intensive exercise that would produce no added value for UNRWA.

**424. In paragraph 38 of its report, the Board recommended that the entity review the material code 55101509.0001 and make the appropriate corrections.**

*Department responsible:* Central Support Services Division  
*Status:* Not accepted  
*Priority:* High  
*Target date:* Not applicable

425. UNRWA disagrees with the recommendation. The comments of UNRWA relating to the recommendation in paragraph 37 of the Board's report (see para. 423 above) also apply to the recommendation in paragraph 38 of the report.

**426. In paragraph 52 of its report, the Board recommended that UNRWA implement an objective, accurate, reliable and consistent attendance control mechanism, which considered the entry and exit record as established in the relevant personnel directive, in order to guarantee correct registration and compliance with the working hours established in area staff rule 101.1.**

*Department responsible:* Department of Human Resources

*Status:* Not accepted

*Priority:* Medium

*Target date:* Not applicable

427. UNRWA disagrees with the recommendation. UNRWA is of the view that the current manner in which attendance is monitored is sufficient, as it provides flexibility and is in line with the diverse work requirements and field-specific contingencies. Accordingly, varying mechanisms of recording time will continue to exist in UNRWA.

**428. In paragraph 53 of its report, the Board recommended that UNRWA headquarters and field offices issue and publish circulars indicating their respective schedule of hours of work, in accordance with personnel directive No. A/1/Rev.1/Amend.1.**

*Department responsible:* Department of Human Resources

*Status:* Closure requested

*Priority:* High

*Target date:* Not applicable

429. UNRWA has reissued the relevant circulars. UNRWA considers this recommendation to have been implemented and requests its closure by the Board.

**430. In paragraph 63 of its report, the Board recommended that, in the event that UNRWA reissued instructions related to austerity measures, especially overtime restrictions, the types of overtime to be reduced be clearly specified, as doing so would make it possible to evaluate and quantify the net savings of employee austerity measures at all levels of operation and assess their effectiveness.**

*Department responsible:* Department of Human Resources

*Status:* Not accepted

*Priority:* High

*Target date:* Not applicable

431. UNRWA disagrees with the recommendation. The austerity measures were specific to 2018 and are not applicable to 2019. In 2018, overtime payments were reviewed and approved on a case-by-case basis. Exceptions were always made at the

appropriate level based on merit. UNRWA does not plan to review the policy, as it is considered effective.

**432. In paragraph 74 of its report, the Board recommended that UNRWA establish unified criteria for the terms regarding the submission of claims for injuries, reconciling the area staff rule and the personnel directive and maintaining the appropriate distinction between the shorter term needed for the initial notice and the longer term needed for the submission of the claims for compensation.**

*Department responsible:* Department of Human Resources  
*Status:* Under implementation  
*Priority:* Medium  
*Target date:* First quarter of 2020

433. UNRWA is implementing this recommendation through a revision to its personnel manual.

**434. In paragraph 84 of its report, the Board recommended that UNRWA take action to lower the percentage of annual and advance annual leave starting prior to approval and to allow the situation to occur only in special cases, in order to comply with part I, article 1.1, of personnel directive No. 5/Rev.7, and to issue circulars and/or communications accordingly.**

*Department responsible:* Department of Human Resources  
*Status:* Closure requested  
*Priority:* Medium  
*Target date:* Not applicable

435. UNRWA is of the view that this recommendation is similar to the recommendation in paragraph 46 of the Board's report for the year ended 31 December 2017 ([A/73/5/Add.4](#), chap. II), which was determined by the Board to have been implemented. Therefore, UNRWA considers this recommendation to have been implemented and requests its closure by the Board.

**436. In paragraph 92 of its report, the Board recommended that UNRWA support its commitments with the appropriate commitment documents, so as to comply with rule 105.9 of the Financial Regulations and Rules of the United Nations.**

*Department responsible:* Department of Human Resources  
*Status:* Under implementation  
*Priority:* Medium  
*Target date:* Second quarter of 2020

437. UNRWA will review the complementary personnel directive, with the objective of strengthening contract management, policy compliance, monitoring and reporting with respect to individual service providers.

438. **In paragraph 97 of its report, the Board recommended that UNRWA issue an official update to the third version of its procurement manual to take into account the changes in the levels of delegated authority, review requirements, the awarding of authority and the redelegation of authority.**

*Department responsible:* Central Support Services Division

*Status:* Under implementation

*Priority:* Medium

*Target date:* First quarter of 2020

439. UNRWA is in the process of updating its procurement manual.

440. **In paragraph 104 of its report, the Board recommended that UNRWA review all administrative instructions and have them updated and aligned with the procurement manual.**

*Department responsible:* Central Support Services Division

*Status:* Under implementation

*Priority:* Medium

*Target date:* First quarter of 2020

441. UNRWA is in the process of reviewing its administrative instructions and updating its procurement manual.

442. **In paragraph 118 of its report, the Board recommended that UNRWA increase its internal control measures during the initial stage of the procurement process in order to avoid the use of vendors and suppliers that had been sanctioned or identified as ineligible, whether internally or externally by United Nations organizations.**

*Department responsible:* Central Support Services Division

*Status:* Not accepted

*Priority:* High

*Target date:* Not applicable

443. UNRWA disagrees with the recommendation. The activation and de-activation of the concerned vendor is clear evidence of the fact that an efficient control system is already in place. A justification of the circumstances leading to the use of the vendor was also provided to the Board.

444. **In paragraph 129 of its report, the Board recommended that UNRWA outline, in a manual or instructions, the conditions, restrictions and requirements for when a given vendor was to be blocked and unblocked.**

*Department responsible:* Central Support Services Division

*Status:* Not accepted

*Priority:* High

*Target date:* Not applicable

445. UNRWA disagrees with the recommendation. The comments of UNRWA relating to the recommendation in paragraph 118 of the Board's report (see para. 443 above) also apply to the recommendation in paragraph 129 of the report.

**446. In paragraph 138 of its report, the Board recommended that UNRWA comply with regulations during budget execution and that it prepare complete and specific quarterly expenditure reviews on a timely basis.**

*Department responsible:* Department of Finance

*Status:* Under implementation

*Priority:* High

*Target date:* Fourth quarter of 2019

447. UNRWA will adjust its policy to reflect operational reality in its expenditure review processes.

**448. In paragraph 145 of its report, the Board recommended that the UNRWA Information and Communications Technology Governance Board hold quarterly meetings, in accordance with its terms of reference, as established by the Agency on 1 December 2015, owing to the importance of oversight for the overall UNRWA information management strategy.**

*Department responsible:* Information Management Department

*Status:* Closure requested

*Priority:* Medium

*Target date:* Not applicable

449. UNRWA provided the Board with information about the meeting of the Information and Communications Technology Governance Board held in the first quarter of 2019. The Board has since held its second quarterly meeting. UNRWA considers this recommendation to have been implemented and requests its closure by the Board.

**450. In paragraph 153 of its report, the Board recommended that UNRWA improve access controls for both its switch rooms and its satellite wide area network dish, in order to comply with technical instruction No. 8 (2017) of the Information Management Department.**

*Department responsible:* Information Management Department

*Status:* Not accepted

*Priority:* Medium

*Target date:* Not applicable

451. UNRWA disagrees with the recommendation. The locks for the switch rooms were fixed soon after the interim audit was carried out. With regard to the satellite wide area network dish access controls, UNRWA is of the view that it does not need to provide additional protection since the satellite wide area network dish is adequately protected 24 hours a day by onsite security personnel, in addition to the closed-circuit television coverage of the area where the equipment is installed.

Furthermore, UNRWA has controlled access to the compound where the dish is located.

**452. In paragraph 160 of its report, the Board recommended that the Jordan, West Bank and Lebanon field offices of UNRWA conduct a disaster recovery exercise at least once per year, to comply with the tests required by the UNRWA information security policy and with technical instruction No. 7 (2012) of the Information Systems Division.**

*Department responsible:* Information Management Department  
*Status:* Under implementation  
*Priority:* Medium  
*Target date:* Second quarter of 2020

453. UNRWA is working on implementing this recommendation.

**454. In paragraph 170 of its report, the Board recommended that the Lebanon field office record accrued interest and late payment fees on an accrual basis, as the loans were granted with maturity dates and conditions determined and previously known by UNRWA, in order to comply with IPSAS 1.**

*Departments responsible:* Department of Relief and Social Services and  
 Department of Finance  
*Status:* Under implementation  
*Priority:* Medium  
*Target date:* Fourth quarter of 2020

455. UNRWA will review its policy and align it with IPSAS 1.

**456. In paragraph 178 of its report, the Board recommended that the management of the UNRWA Microfinance Department establish formal written procedures and policies to be applied consistently across the Department, supported by training for staff members currently handling the risk management functions.**

*Department responsible:* Microfinance Department  
*Status:* Under implementation  
*Priority:* Medium  
*Target date:* Fourth quarter of 2019

457. UNRWA agrees with the recommendation.

**458. In paragraph 182 of its report, the Board recommended that the UNRWA Microfinance Department set up and activate an independent system to confirm the loan instalment payments made, along with the remaining outstanding balances, directly with the borrowers. The system may be automated by having messages sent to the borrowers on a regular basis, indicating the instalments paid and the loan balance as at the date of the message.**



*Department responsible:* Microfinance Department  
*Status:* Under implementation  
*Priority:* Medium  
*Target date:* Fourth quarter of 2019

459. UNRWA agrees with the recommendation.

**460. In paragraph 187 of its report, the Board recommended that the Microfinance Department obtain management approvals over the authority matrix in order for it to be implemented on the Omni application, given the potential for conflict of interest with regard to the segregation of duties.**

*Department responsible:* Microfinance Department  
*Status:* Under implementation  
*Priority:* Medium  
*Target date:* Fourth quarter of 2019

461. UNRWA agrees with the recommendation.

**462. In paragraph 188 of its report, the Board recommended that UNRWA improve the process of granting access to generic accounts in order to avoid the associated risks, taking into account the following considerations: maintain a formal user access form, along with the management's approvals, to grant or revoke access to generic accounts in order to establish accountability; disable the current account of the employee before granting the new account, so as to avoid problems associated with the segregation of duties; and have the Omni application registered with and periodically reviewed by an independent party at the management level, in order to identify any violations and any alarming or excessive actions taken during the period. That review must be formally documented for future reference.**

*Department responsible:* Microfinance Department  
*Status:* Under implementation  
*Priority:* Medium  
*Target date:* Fourth quarter of 2019

463. UNRWA agrees with the recommendation.

**464. In paragraph 191 of its report, the Board recommended that the UNRWA Microfinance Department perform an immediate review of Omni application users with access to the relevant screens for general provisioning settings, restrict such access on the basis of job description and appropriate management level and remove any unnecessary or inappropriate access.**

*Department responsible:* Microfinance Department  
*Status:* Under implementation  
*Priority:* Medium  
*Target date:* Fourth quarter of 2019

465. UNRWA agrees with the recommendation.

## B. Implementation of the recommendations contained in the reports of the Board of Auditors for prior financial periods

466. In annex I to its report for the year ended 31 December 2018 ([A/74/5/Add.4](#), chap. II), the Board provided a summary of the status of implementation of recommendations for previous financial periods. Information is provided below on the 22 recommendations that have been determined by the Board either to be under implementation or not to have been implemented. The information is set out below in the order in which the recommendations are presented in the annex.

467. Table 18 summarizes the overall situation as of August 2019.

Table 18

### Status of implementation of recommendations from prior periods considered not fully implemented

(Number of recommendations)

<i>Department responsible</i>	<i>Total</i>	<i>Not accepted</i>	<i>Closure requested</i>	<i>Under implementation</i>	<i>Target date set</i>	<i>No target date</i>
Central Support Services Division	1	—	—	1	1	—
Department of External Relations and Communications	1	—	1	—	—	—
Department of Finance	2	—	—	2	2	—
Department of Health	1	—	—	1	1	—
Department of Human Resources	4	—	1	3	3	—
Department of Infrastructure and Camp Improvement	1	—	1	—	—	—
Department of Planning	4	—	1	3	3	—
Department of Relief and Social Services	3	—	—	3	3	—
Department of Security and Risk Management	2	—	—	2	2	—
Executive Office	1	—	—	1	1	—
Multiple offices	2	—	—	2	2	—
<b>Total</b>	<b>22</b>	<b>—</b>	<b>4</b>	<b>18</b>	<b>18</b>	<b>—</b>

### Report of the Board for the year ended 31 December 2013<sup>20</sup>

468. In paragraph 40 of the report, UNRWA agreed with the Board's recommendation that it undertake a mapping exercise to identify and compile in a single document key internal controls for its business processes with reference to other documents providing detailed procedures.

<sup>20</sup> [A/69/5/Add.4](#), chap. II.

<i>Department responsible:</i>	Executive Office
<i>Status:</i>	Under implementation
<i>Priority:</i>	Medium
<i>Target date:</i>	Fourth quarter of 2019

469. UNRWA submitted the recommended single document to the Board, and the Board requested further support on hyperlinks that were not working. UNRWA is making efforts to provide working hyperlinks by the end of 2019.

#### **Report of the Board for the year ended 31 December 2016<sup>21</sup>**

**470. In paragraph 23 of the report, the UNRWA West Bank field office agreed with the Board's recommendation that it: (a) certify the monthly statements submitted by the group medical insurance contractor to authenticate the quality of service delivered and the accuracy of monthly actual expenditure; and (b) reconcile the monthly statement submitted by the contractor against the submission made by the staff to validate the accuracy of the information submitted by the contractor.**

<i>Department responsible:</i>	Department of Finance
<i>Status:</i>	Under implementation
<i>Priority:</i>	Medium
<i>Target date:</i>	Fourth quarter of 2019

471. UNRWA will provide the Board with the supporting documents it requested during its next visit.

**472. In paragraph 31 of the report, UNRWA agreed with the Board's recommendation that it: (a) expedite allocation of a physical identification number for each asset in the fixed asset register maintained in the REACH system for easy traceability and monitoring of the assets; (b) develop a unique physical identifier to link the REACH system with other systems used to record fixed assets; and (c) expedite reconciliation of the number of vehicles in the REACH system and the fleet management system records.**

<i>Departments responsible:</i>	Department of Finance, Department of Infrastructure and Camp Improvement and Information Management Department
<i>Status:</i>	Under implementation
<i>Priority:</i>	Medium
<i>Target date:</i>	Fourth quarter of 2019

473. The implementation of the barcoding system is in progress.

**474. In paragraph 36 of its report, the Board recommended that the UNRWA Lebanon field office: (a) ensure that sections and departments provided timely notifications to the Property Management Unit on the new acquisitions, surveyed and transferred assets to allow manual recording and numbering of assets as a short-term solution pending the reactivation of the barcode system; (b) improve**

<sup>21</sup> [A/72/5/Add.4](#), chap. II.

communication and build awareness among custodians on raising survey requests and adherence to transfer procedures to ensure timely dissemination of information to the Property Management Unit for updating the assets records; and (c) expedite the process of reactivating the barcode system in the REACH system for easy tracking and monitoring of acquired assets and surveyed and transferred assets from one location to another.

*Departments responsible:* Department of Finance, Department of Infrastructure and Camp Improvement and Information Management Department

*Status:* Under implementation

*Priority:* Medium

*Target date:* Fourth quarter of 2019

475. The implementation of the barcoding system is in progress.

476. In paragraph 75 of the report, UNRWA agreed with the Board's recommendation that it: (a) review its procurement manual to include limits for contract renewals in order to enhance fair competition and obtain best value for money; and (b) improve the data collection process to include end users' satisfaction as part of vendors' performance evaluation and ensure that renewal of contract took into account the results of the Agency's market assessment.

*Department responsible:* Central Support Services Division

*Status:* Under implementation

*Priority:* Medium

*Target date:* Fourth quarter of 2019

477. UNRWA is revising its procurement manual in order to address this recommendation.

478. In paragraph 97 of the report, UNRWA agreed with the Board's recommendation that it: (a) solicit other sources of funds to complete the remaining work for the project; (b) conduct training for the engineering team on the contract management process to ensure that it took proactive decisions based on the terms and conditions of contract in order to avoid failures in completing projects; (c) involve legal officers when their intervention was required in events, such as slow progress, which indicated that the work could not reasonably be completed on the fixed date and that negotiation with donors was needed in order to prolong the funding period; and (d) hold regular meetings to discuss the status of project implementation and the expiry date of the donor funding involving engineers, the Department of External Relations and Communications and project officers and maintain regular communication with the Executive Office with a view to a final decision.

*Department responsible:* Department of External Relations and Communications

*Status:* Closure requested

*Priority:* Medium

*Target date:* Not applicable

479. UNRWA has provided all relevant supporting documentation to the Board. UNRWA considers this recommendation to have been implemented and requests its closure by the Board.

**480. In paragraph 108 of its report, the Board recommended that the Jordan field office: (a) ensure that project proposals with a detailed workplan were prepared, in the interests of efficient project implementation and monitoring and to solicit funds; (b) improve preliminary survey and design of construction and maintenance projects and, where feasible, prepare cost estimates on the basis of more detailed information to enable improved accuracy of the cost estimate to be submitted to the donor in order to avoid major changes in the scope of work during project implementation; and (c) ensure that monthly reports were submitted to the donor to comply with the funding agreement.**

*Department responsible:* Department of Infrastructure and Camp Improvement  
*Status:* Closure requested  
*Priority:* Medium  
*Target date:* Not applicable

481. UNRWA has provided all relevant supporting documentation to the Board. UNRWA considers this recommendation to have been implemented and requests its closure by the Board.

**482. In paragraph 119 of the report, UNRWA agreed with the Board's recommendation that it develop and deploy a web page for the Department of Security and Risk Management on the Agency intranet in order to improve sharing of security governance documents and other key security-related information and to use the page as a platform to carry out an online security awareness campaign.**

*Department responsible:* Department of Security and Risk Management  
*Status:* Under implementation  
*Priority:* Medium  
*Target date:* Fourth quarter of 2019

483. This recommendation is under implementation.

**484. In paragraph 123 of its report, the Board recommended that UNRWA expedite the process of developing business continuity plans for headquarters and field offices to improve continuity of service delivery and enhance the security and safety of the Agency's resources during major incidents.**

*Department responsible:* Department of Security and Risk Management  
*Status:* Under implementation  
*Priority:* Medium  
*Target date:* Fourth quarter of 2019

485. This recommendation is under implementation.

486. In paragraph 153 of its report, the Board recommended that the West Bank field office: (a) establish a succession plan on the recruitment section so that the absence of one person did not obstruct the recruitment process; and (b) streamline the recruitment process among the hiring departments and human resources and ensure that the detailed interview reports were submitted for appointment within an agreed period after the completed interviews, with a view to minimizing delays in the recruitment process.

<i>Department responsible:</i>	Department of Human Resources
<i>Status:</i>	Under implementation
<i>Priority:</i>	Medium
<i>Target date:</i>	Second quarter of 2020

487. The human resources office of the West Bank Field Office has indicated that, in order to avoid delays in recruitment processes, it will use a tracking system to document its progress on the hiring of staff.

**Report of the Board for the year ended 31 December 2017<sup>22</sup>**

488. In paragraph 33 of the report, UNRWA agreed with the Board's recommendation that it: (a) establish a linkage between salary increment and performance appraisal to ensure that salary increments and promotion of staff were based on performance appraisal, while staff members with uncompleted performance appraisal and unsatisfactory performance were subjected to deferment of annual salary increment as required by personnel directives No. A/3 Rev. 1 and No. PD/A/23; and (b) enhance the monitoring of staff performance appraisal and ensure that heads of departments and divisions exercised their supervisory roles with regard to the completion of staff performance appraisal.

<i>Department responsible:</i>	Department of Human Resources
<i>Status:</i>	Closure requested
<i>Priority:</i>	High
<i>Target date:</i>	Not applicable

489. UNRWA has provided all relevant supporting documentation to the Board. UNRWA considers this recommendation to have been implemented and requests its closure by the Board.

490. In paragraph 37 of its report, the Board recommended that UNRWA: (a) improve its review process in respect of the manual computation of staff entitlements while awaiting the interface between the electronic leave system and the REACH system to minimize the risk of human error; and (b) enhance the time management module in the REACH system through integration with the stand-alone e-leave system to facilitate system computation of leave encashment.

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<sup>22</sup> A/73/5/Add.4, chap. II.

*Department responsible:* Department of Human Resources  
*Status:* Under implementation  
*Priority:* Medium  
*Target date:* Fourth quarter of 2019

491. Supporting information for part (a) of the recommendation relating to change request documents will be provided to the Board during its next visit. UNRWA considers part (b) of the recommendation to have been implemented.

**492. In paragraph 42 of the report, UNRWA field offices agreed with the Board's recommendation that it observe the required time frame for the internal recruitment process for effective and timely service delivery to refugees.**

*Department responsible:* Department of Human Resources  
*Status:* Under implementation  
*Priority:* Medium  
*Target date:* Second quarter of 2020

493. The human resources offices of the Lebanon and Syrian Arab Republic field offices have indicated that, in order to avoid delays in recruitment processes, they will use a tracking system to document progress on the hiring of staff.

**494. In paragraph 49 of its report, the Board recommended that UNRWA: (a) update the existing organizational structure and organizational directive No. 3 to reflect the additional departments and divisions; and (b) indicate the actual number of staff when requesting and accounting for advance grants received from United Nations Headquarters to finance international staff posts under the regular budget.**

*Department responsible:* Department of Finance  
*Status:* Under implementation  
*Priority:* Medium  
*Target date:* Fourth quarter of 2019

495. Part (a) of the recommendation is under implementation and part (b) has been determined by the Board to have been implemented.

**496. In paragraph 89 of the report, the UNRWA Jordan field office agreed with the Board's recommendation that it: (a) work in coordination with headquarters to develop a comprehensive standard operating procedure, which would set controls for emergency cash assistance from registration to the cash distribution process; (b) institute adequate controls over the registration database to enhance internal checks during registration and changes of records for existing refugees; (c) perform pre- and post-distribution verification to ensure that only the intended beneficiaries received cash assistance; and (d) ensure that all unregistered refugees not included in the refugee registration information system were attested and registered for effective control.**

*Department responsible:* Department of Relief and Social Services  
*Status:* Under implementation  
*Priority:* Medium  
*Target date:* Fourth quarter of 2019

497. UNRWA is taking steps to address the outstanding issues. A cash transfer specialist was hired to work on: (a) drafting registration instructions for the emergency programme; (b) drafting instructions for social transfers, including control measures; and (c) setting up a post distribution monitoring system. The specialist has started collecting information from field offices. It is expected that the final set of deliverables will be available within the next few months. In addition, the specialist is working closely with the head of registration to institute adequate controls over the registration processes within the refugee registration information system.

**498. In paragraph 113 of the report, the UNRWA Gaza field office agreed with the Board's recommendation that it: (a) ensure that annual procurement plans for medicine and medical supplies were prepared by early January and submitted to the Chief of the Procurement and Logistics Division in the same month for further processing and approval as required under the procurement manual; and (b) work closely with headquarters to ensure compliance with the established dates in the approved annual procurement plan by issuing purchase requisitions on time to allow the timely release of purchase orders to avoid the risk of stock-out.**

*Department responsible:* Department of Health  
*Status:* Under implementation  
*Priority:* Medium  
*Target date:* Fourth quarter of 2019

499. Part (a) of this recommendation has been determined by the Board to have been implemented, as UNRWA has provided the document entitled "Procurement planning-health commodities 2018–2019". With regard to part (b) of the recommendation, the Board indicated that it would check the new cases during its 2019 audit, given that UNRWA had reported that it had recently completed a new tender process to establish long-term agreements for the provision of medicines.

**500. In paragraph 138 of the report, UNRWA agreed with the Board's recommendations that it: (a) closely follow up with the guarantors of loan defaulters to recover the long-outstanding loans and liaise with the legal office for legal advice, including enforcement of legal action against the guarantors; (b) perform eligibility analysis prior to granting the loan and avoid granting loans to clients whose guarantors refused to provide monthly income evidence, with a view to reducing recoverability risks in case of default by clients; and (c) amend the microcredit community support programme guideline of 2012 to reflect the change in the late fee, from 5 per cent to 2 per cent.**

*Department responsible:* Department of Relief and Social Services  
*Status:* Under implementation  
*Priority:* Medium  
*Target date:* Fourth quarter of 2019



501. UNRWA will provide supporting documents to the Board during its next audit visit.

**502. In paragraph 142 of the report, the UNRWA Lebanon field office agreed with the Board's recommendation that it ensure that all important reports mentioned in the contract were configured in the loan management information system for better management of the microcredit community support programme loan portfolio.**

*Department responsible:* Department of Relief and Social Services

*Status:* Under implementation

*Priority:* Medium

*Target date:* Fourth quarter of 2019

503. UNRWA will provide supporting documents to the Board during its next audit visit.

**504. In paragraph 148 of its report, the Board recommended that the UNRWA Jordan field office: (a) ensure that project workplans were developed and documented prior to implementation of the projects; (b) develop and implement a plan to put in place a field project office equipped with an appropriate level of staff; and (c) ensure that project progress reports were prepared at regular intervals for all projects for monitoring the progress of the project and accountability for the resources utilized.**

*Department responsible:* Department of Planning

*Status:* Under implementation

*Priority:* Medium

*Target date:* Fourth quarter of 2019

505. UNRWA will provide supporting documents to the Board during its next audit visit.

**506. In paragraph 152 of the report, UNRWA agreed with the Board's recommendation that it operationalize the Project Review Committee and ensure that it performed its responsibilities effectively.**

*Department responsible:* Department of Planning

*Status:* Closure requested

*Priority:* Medium

*Target date:* Not applicable

507. UNRWA has provided all relevant supporting documentation to the Board. UNRWA considers this recommendation to have been implemented and requests its closure by the Board.

**508. In paragraph 159 of its report, the Board recommended that UNRWA: (a) document the average time frame for the issue of a closure memorandum by the External Relations and Communications Department after the operational closure of a project for projects which were supposed to be closed and the time frame for administrative closure and financial closure of a project in the system for accountability among the accountable stakeholders; (b) ensure close follow-up in respect of unallocated balances where communication with the donor was needed for reprogramming, refund or transfer to another fund code**

to allow closure of the projects; (c) close all projects in the system which had been indicated by the Department as closed in the project tracker; and (d) develop a work breakdown structure to allocate the pending project fund balance, to avoid the risk of returning the contributed funds to the donors.

*Department responsible:* Department of Planning

*Status:* Under implementation

*Priority:* Medium

*Target date:* Fourth quarter of 2019

509. UNRWA will provide supporting documents to the Board during its next audit visit.

510. In paragraph 160 of its report, the Board recommended that UNRWA enhance communication between the External Relations and Communications Department, the Finance Department and the Department of Planning, to ensure the smooth monitoring of project implementation and timely processing of pending financial and other reports so as to expedite project closure.

*Department responsible:* Department of Planning

*Status:* Under implementation

*Priority:* Medium

*Target date:* Fourth quarter of 2019

511. UNRWA will provide supporting documents to the Board during its next audit visit.

## VIII. United Nations Institute for Training and Research

### A. Implementation of the recommendations contained in the report of the Board of Auditors for the year ended 31 December 2018<sup>23</sup>

512. Table 19 summarizes the status of implementation of the main recommendations of the Board as of August 2019.

Table 19

#### Status of implementation of the main recommendations

(Number of recommendations)

<i>Department responsible</i>	<i>Total</i>	<i>Not accepted</i>	<i>Closure requested</i>	<i>Under implementation</i>	<i>Target date set</i>	<i>No target date</i>
Division for Operations	2	—	2	—	—	—
Finance and Budget Unit	1	—	1	—	—	—
Human Resources Unit	1	—	1	—	—	—
<b>Total</b>	<b>4</b>	<b>—</b>	<b>4</b>	<b>—</b>	<b>—</b>	<b>—</b>

<sup>23</sup> A/74/5/Add.5, chap. II.

513. Table 20 summarizes the status of implementation of all recommendations of the Board as of August 2019.

Table 20

**Status of implementation of all recommendations**

(Number of recommendations)

<i>Department responsible</i>	<i>Total</i>	<i>Not accepted</i>	<i>Closure requested</i>	<i>Under implementation</i>	<i>Target date set</i>	<i>No target date</i>
Division for Operations	3	—	3	—	—	—
Division for Strategic Planning and Performance	1	—	—	1	1	—
Finance and Budget Unit	1	—	1	—	—	—
Human Resources Unit	2	—	2	—	—	—
<b>Total</b>	<b>7</b>	<b>—</b>	<b>6</b>	<b>1</b>	<b>1</b>	<b>—</b>

514. In paragraph 21 of its report, the Board recommended that the United Nations Institute for Training and Research (UNITAR) review and update its current administrative circular regarding the use of consultants and individual contractors and evaluate, considering the limitations issued by the United Nations Secretariat.

*Department responsible:* Human Resources Unit

*Status:* Closure requested

*Priority:* High

*Target date:* Not applicable

515. A revised administrative circular was issued by the Executive Director of UNITAR in May 2019. UNITAR considers this recommendation to have been implemented and requests its closure by the Board.

516. In paragraph 22 of its report, the Board recommended that UNITAR revise and update, if necessary, the workflow for contracts processing indicated in administrative circular AC/UNITAR/2016/11, taking into consideration the current organizational structure of the Institute.

*Department responsible:* Human Resources Unit

*Status:* Closure requested

*Priority:* High

*Target date:* Not applicable

517. The recommended review was completed and the workflows were updated. A revised administrative circular was issued by the Executive Director of UNITAR in June 2019. UNITAR considers this recommendation to have been implemented and requests its closure by the Board.

518. In paragraph 28 of its report, the Board recommended that UNITAR improve the managers' controls by checking the availability of funds before initiating a recruitment process for consultants and individual contractors, to

**ensure effective project management and transparency in the utilization of resources.**

*Department responsible:* Division for Operations

*Status:* Closure requested

*Priority:* High

*Target date:* Not applicable

519. A review of the controls was completed and the workflows were updated. A revised administrative circular was issued by the Executive Director of UNITAR in June 2019. Furthermore, the delegation of authority schedules were revised and published as an administrative circular from the Executive Director in July 2019. UNITAR considers this recommendation to have been implemented and requests its closure by the Board.

**520. In paragraph 35 of its report, the Board recommended that UNITAR keep the Policy Guidelines for Agreements with Financial Implications for the Acceptance of Voluntary Contributions under review, in order to include revision by the Planning, Performance and Results Section and the Finance Budget Unit of agreements that were also below \$100,000 in the context of managing the workload.**

*Department responsible:* Division for Strategic Planning and Performance

*Status:* Under implementation

*Priority:* Medium

*Target date:* Fourth quarter of 2019

521. UNITAR agreed to keep the existing policy guidelines under review. An initial management discussion has taken place, and the target date of 31 December 2019 has been set for further management deliberations, finalization and implementation of the updated guidelines.

**522. In paragraph 41 of its report, the Board recommended that UNITAR align the administrative circular on delegations of authority with the current organization chart to ensure clarity in functions.**

*Department responsible:* Division for Operations

*Status:* Closure requested

*Priority:* Medium

*Target date:* Not applicable

523. UNITAR has updated the delegation of authority schedules, which were published as an administrative circular from the Executive Director in July 2019. UNITAR considers this recommendation to have been implemented and requests its closure by the Board.

**524. In paragraph 48 of its report, the Board recommended that UNITAR make the necessary efforts to comply with the established travel policy controls, ensuring the full compliance of the mission authorization form.**

<i>Department responsible:</i>	Finance and Budget Unit
<i>Status:</i>	Closure requested
<i>Priority:</i>	High
<i>Target date:</i>	Not applicable

525. UNITAR management ensures that the date and the name and title of the approvers are indicated on all incoming mission authorization forms. UNITAR considers this recommendation to have been implemented and requests its closure by the Board.

**526. In paragraph 49 of its report, the Board recommended that UNITAR take the necessary measures in order to include a designated approver for the official travels of the Executive Director.**

<i>Department responsible:</i>	Division for Operations
<i>Status:</i>	Closure requested
<i>Priority:</i>	High
<i>Target date:</i>	Not applicable

527. UNITAR management revised the travel policy to require the approval of the travel of the Executive Director by the Director of the Division for Operations. UNITAR considers this recommendation to have been implemented and requests its closure by the Board.

## **B. Implementation of the recommendations contained in the reports of the Board of Auditors for prior financial periods**

528. In the annex to its report for the year ended 31 December 2018 ([A/74/5/Add.5](#), chap. II), the Board provided a summary of the status of implementation of recommendations for previous financial periods. Information is provided below on the two recommendations that have been determined by the Board to be under implementation. The information is set out below in the order in which the recommendations are presented in the annex.

529. Table 21 summarizes the overall situation as of August 2019.

Table 21

### **Status of implementation of recommendations from prior periods considered not fully implemented**

(Number of recommendations)

<i>Department responsible</i>	<i>Total</i>	<i>Not accepted</i>	<i>Closure requested</i>	<i>Under implementation</i>	<i>Target date set</i>	<i>No target date</i>
Human Resources Unit	2	—	1	1	1	—
<b>Total</b>	<b>2</b>	<b>—</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>—</b>

**Report of the Board for the year ended 31 December 2017<sup>24</sup>**

**530. In paragraph 43 of its report, the Board recommended that UNITAR define criteria for awarding ratings to ensure comparability among consultants.**

*Department responsible:* Human Resources Unit  
*Status:* Closure requested  
*Priority:* High  
*Target date:* Not applicable

531. The criteria for awarding ratings in the evaluations of special service agreement contractors have been established. They were included in the template of the evaluation form annexed to the revised administrative circular on consultants and individual contractors, which was issued by the Executive Director in May 2019. UNITAR considers this recommendation to have been implemented and requests its closure by the Board.

**532. In paragraph 44 of its report, the Board recommended that UNITAR establish a roster that linked consultants' performance evaluations to their respective fields of expertise.**

*Department responsible:* Human Resources Unit  
*Status:* Under implementation  
*Priority:* High  
*Target date:* Fourth quarter 2019

533. UNITAR is exploring the development of an online system with a roster that links consultants' performance evaluations to their fields of expertise by the end of 2019.

## **IX. Voluntary funds administered by the United Nations High Commissioner for Refugees**

### **A. Implementation of the recommendations contained in the report of the Board of Auditors for the year ended 31 December 2018<sup>25</sup>**

534. Table 22 summarizes the status of implementation of the main recommendations of the Board as of August 2019.

<sup>24</sup> A/73/5/Add.5, chap. II.

<sup>25</sup> A/74/5/Add.6, chap. II.

Table 22  
**Status of implementation of the main recommendations**

(Number of recommendations)

<i>Department responsible</i>	<i>Total</i>	<i>Not accepted</i>	<i>Closure requested</i>	<i>Under implementation</i>	<i>Target date set</i>	<i>No target date</i>
Division of Emergency, Security and Supply	2	—	1	1	1	—
Division of Financial and Administrative Management	13	—	1	12	11	1
Division of Human Resources	9	—	2	7	7	—
Division of Information Systems and Telecommunications	4	—	—	4	4	—
Division of International Protection	2	—	—	2	2	—
Division of Programme Support and Management	3	—	—	3	3	—
Enterprise Risk Management Unit	1	—	—	1	1	—
Executive Office	1	—	—	1	1	—
<b>Total</b>	<b>35</b>	<b>—</b>	<b>4</b>	<b>31</b>	<b>30</b>	<b>1</b>

535. Table 23 summarizes the status of implementation of all recommendations of the Board as of August 2019.

Table 23  
**Status of implementation of all recommendations**

(Number of recommendations)

<i>Department responsible</i>	<i>Total</i>	<i>Not accepted</i>	<i>Closure requested</i>	<i>Under implementation</i>	<i>Target date set</i>	<i>No target date</i>
Division of Emergency, Security and Supply	7	—	2	5	5	—
Division of Financial and Administrative Management	22	—	2	20	19	1
Division of Human Resources	15	—	3	12	12	—
Division of Information Systems and Telecommunications	8	—	—	8	8	—
Division of International Protection	2	—	—	2	2	—
Division of Programme Support and Management	5	—	—	5	5	—
Enterprise Risk Management Unit	2	—	—	2	2	—
Executive Office	1	—	—	1	1	—
Legal Affairs Service	1	—	—	1	1	—
Multiple offices	1	—	—	1	1	—
<b>Total</b>	<b>64</b>	<b>—</b>	<b>7</b>	<b>57</b>	<b>56</b>	<b>1</b>

536. In paragraph 20 of its report, the Board recommended that the Office of the United Nations High Commissioner for Refugees (UNHCR) revise the presentation and disclosure of net assets in the financial statements, ensuring that fund accounting information was used only insofar as to complement applicable IPSAS requirements.

*Department responsible:* Division of Financial and Administrative Management

*Status:* Under implementation

*Priority:* High

*Target date:* Ongoing

537. UNHCR is considering revising the net asset presentation when the new IPSAS on revenue recognition is published. UNHCR foresees that the new IPSAS will lead to a fairer presentation of net assets. UNHCR remains of the opinion that its current approach provides essential additional information on the components of net assets under the current accounting standard.

538. In paragraph 25 of its report, the Board recommended that UNHCR enhance the review of contribution agreements to reflect, for each donor, the probability of the outflow and an estimate of the amount of the obligation.

*Department responsible:* Division of Financial and Administrative Management

*Status:* Under implementation

*Priority:* High

*Target date:* First quarter of 2020

539. UNHCR is looking at past trends with regard to individual donors to establish an allowance based on a statistically derived percentage to be applied to those ongoing projects for which detailed and up-to-date monitoring information is not readily available. Depending on its materiality, the allowance calculated as at 31 December 2019 will be reflected as a revenue adjustment provision in the financial statements of 2019.

540. In paragraph 31 of its report, the Board encouraged UNHCR to consult with other United Nations organizations and to determine in collaboration with the actuaries whether the administrative instruction needed to be amended with regard to non-continuous years of service of staff members.

*Department responsible:* Division of Human Resources

*Status:* Under implementation

*Priority:* High

*Target date:* Fourth quarter of 2020

541. UNHCR has submitted a proposal to the Joint Inspection Unit to consider including in its programme of work for 2020 a study on the possible harmonization of practices among United Nations organizations with regard to the calculation of the



number of years of duty to be considered for the purpose of actuarial calculations regarding after-service health insurance.

**542. In paragraph 36 of its report, the Board recommended that UNHCR assess whether it was beneficial to conclude agreements with United Nations organizations for incoming and outgoing staff to gain a clear distribution of accumulated health insurance liabilities between the entities concerned and account for the receivables or contributions, as the case may be, for those staff members.**

*Department responsible:* Division of Human Resources

*Status:* Closure requested

*Priority:* High

*Target date:* Not applicable

543. UNHCR draws attention to the report of the Secretary-General to the General Assembly containing the analysis, conclusions and recommendations of the inter-agency Working Group on After-Service Health Insurance, established by the Secretary-General under the auspices of the Finance and Budget Network of the High-level Committee on Management of the United Nations System Chief Executives Board for Coordination pursuant to General Assembly resolution [68/244 \(A/73/662\)](#). The report indicates that the Working Group considered whether the transfer, associated with inter-agency mobility, of after-service health insurance liability from one agency to another justified the transfer of the corresponding funding of a portion of that liability by the releasing agency and, if so, whether a common formula could be developed to determine what portion of the liability should be funded. The Working Group was of the view that agencies of the United Nations system should accept the transfer of certain accrued health insurance benefits and entitlements, as well as of the after-service health insurance liability, without the administratively onerous transfer of funding. That view is supported by inter-agency mobility statistics covering 38 agencies provided by the secretariat of the United Nations System Chief Executives Board for Coordination for the 2013–2016 period. The statistics show that any difference between the number of received staff members and the number of released staff members is immaterial when compared with the agencies' total workforces. In the light of this information, UNHCR considers this recommendation to have been implemented and requests its closure by the Board.

**544. In paragraph 43 of its report, the Board recommended that UNHCR establish a function in the Managing Systems, Resources and People (MSRP) system to trigger warning messages when impermissible combinations of item identifiers were entered into the system. The further processing should be blocked until the item identifier was corrected or verified by the responsible staff/reviewer.**

*Department responsible:* Division of Emergency, Security and Supply

*Status:* Closure requested

*Priority:* Medium

*Target date:* Not applicable

545. UNHCR now monitors the status of the item master data on a monthly basis to ensure that the thresholds are up to date. UNHCR considers this recommendation to have been implemented and requests its closure by the Board.

**546. In paragraph 44 of its report, the Board recommended that UNHCR conduct a further analysis of the item master data based on the Board's findings. Implausible or even illogical item master data should be identified and clarified.**

*Department responsible:* Division of Emergency, Security and Supply  
*Status:* Under implementation  
*Priority:* Medium  
*Target date:* First quarter of 2020

547. UNHCR is undertaking a review of the item master file with the intent of restructuring the data based on the categorization and use of items, starting with ICT equipment. This will include the creation and inactivation of item categories, the reclassification of items where needed, the discontinuation of items not in use and the launch of monthly monitoring tools to identify discrepancies.

**548. In paragraph 45 of its report, the Board recommended that UNHCR review the item master data on a regular basis. Items that had not been selected for a longer period should be set to "discontinue". The standard unit prices should be updated periodically. Items in the item master data should be automatically flagged for review of actual pricing and accuracy after a defined period (e.g., five years).**

*Department responsible:* Division of Emergency, Security and Supply  
*Status:* Under implementation  
*Priority:* Medium  
*Target date:* First quarter of 2020

549. As indicated above, UNHCR is undertaking a review of the item master file, and this type of review will be repeated on a regular basis.

**550. In paragraph 50 of its report, the Board recommended that UNHCR establish a consistent accounting process and guidance for items that were procured for direct transfer of ownership to other entities, especially for cases that do not refer to the implementation of a specific programme. UNHCR should flag these items in the MSRP system and disclose expenses resulting from such transfers separately in the notes to the financial statements.**

*Department responsible:* Division of Financial and Administrative Management  
*Status:* Under implementation  
*Priority:* High  
*Target date:* Fourth quarter of 2019

551. UNHCR will review the options for implementing a consistent accounting process for those transactions involving a transfer of ownership of assets. With regard to the second part of the recommendation, UNHCR will assess the possibility of

disclosing the expenses resulting from direct transfer of ownership to other entities, taking into consideration the fact that the primary expense classification system in the financial statements is based on the nature of expenses, rather than the purpose for which the costs are incurred.

**552. In paragraph 64 of its report, the Board recommended that UNHCR ensure well-coordinated accountabilities, authorities and reporting lines for managers in the newly created regional and headquarters structures. The reporting lines, accountabilities and authorities should be integrated into the current structures of UNHCR and provide for the necessary coordination and monitoring at headquarters.**

<i>Department responsible:</i>	Executive Office
<i>Status:</i>	Under implementation
<i>Priority:</i>	High
<i>Target date:</i>	Second quarter of 2020

553. UNHCR has integrated a number of functions from the current eight divisions into the future regional bureau structures that are being phased in as from September 2019. These include Regional Controllers, Senior Planning and Budget Officers, Monitoring and Evaluation Officers, Senior Donor Relations Officers, heads of protection hubs, heads of external engagement pillars and others. These functions are grouped under the four pillars of the future regional bureaux: strategic planning, external engagement, protection and operations support. The incumbents of these positions will monitor the operations and provide support to UNHCR country offices. In order to ensure the required continuum of coordination and monitoring at headquarters, UNHCR has adopted a matrix management approach to functionally link the key control functions in the new regional bureaux to headquarters divisions. The managerial reporting line for these functions will be to the Directors of the Regional Bureaux, while a strong functional reporting line to the headquarters divisions responsible for their respective areas (finance, human resources, etc.) will be maintained.

**554. In paragraph 77 of its report, the Board recommended that UNHCR use the new results-based management tool to present the link between input, outcome and results, including the outputs delivered by implementing partners, and facilitate alignment of country operation plans with inter-agency and multi-partner processes.**

<i>Department responsible:</i>	Division of Programme Support and Management
<i>Status:</i>	Under implementation
<i>Priority:</i>	High
<i>Target date:</i>	Fourth quarter of 2021

555. The roll-out and implementation of the new results-based management framework and the information technology tool is planned for early 2021 to support the planning for the year 2022 and beyond. In order to meet this goal, UNHCR will start gradual dissemination and training in 2020.

**556. In paragraph 87 of its report, the Board recommended that UNHCR further enhance the corporate risk registers in terms of meaningful and precise risks, risk treatments and risk prioritization. UNHCR should provide guidance and feedback to risk owners in country operations and headquarters entities on the required granularity of risks in the corporate risk registers.**

*Department responsible:* Enterprise Risk Management Unit  
*Status:* Under implementation  
*Priority:* High  
*Target date:* First quarter of 2020

557. UNHCR continues to provide guidance to risk owners and focal points, noting that the rotation policy has an impact on how long staff with such functions remain in the same operation. In 2019, the Enterprise Risk Management Unit reviewed all risk registers submitted by the field operations and provided feedback, in consultation with the regional bureaux, regarding, among other things, the granularity of risk registers and quality assurance. This process will be repeated in 2020, and it is expected to further improve the overall quality of risk registers. The instructions for the risk review process to be conducted in 2020 will provide additional guidance, including practical examples on the required granularity, which should further contribute to enhancing the consistency and quality of risk registers. The regionalization and decentralization process provides an opportunity to further enhance the quality of risk registers. Beginning next year, the regional bureaux will have positions of Senior Risk Management and Compliance Advisers to ensure the quality of the risk management review processes in the country operations of their regions.

**558. In paragraph 88 of its report, the Board recommended that UNHCR implement a specific review of regional corporate risk registers. The review should ensure that regional registers reflected and aggregated risks from the operations in the region to allow for coherent risk management in the regional context.**

*Department responsible:* Enterprise Risk Management Unit  
*Status:* Under implementation  
*Priority:* Medium  
*Target date:* First quarter of 2020

559. UNHCR is in the process of reviewing the regional corporate risk registers. In addition, UNHCR will issue updated instructions to the regional bureaux for the 2020 risk review that will focus on clarifying the role of regional risk registers and the way in which they should reflect and aggregate risks from the operations in the region. This new approach will also be reflected in the upcoming revision of the administrative instruction on enterprise risk management policy.

**560. In paragraph 99 of its report, the Board recommended that UNHCR implement additional control mechanisms in the newly changed organization structure that compensate for the increased capitalization thresholds.**

<i>Department responsible:</i>	Division of Financial and Administrative Management
<i>Status:</i>	Under implementation
<i>Priority:</i>	Medium
<i>Target date:</i>	Fourth quarter of 2019

561. UNHCR is in the final stages of revising its administrative instruction on serially tracked items, which will include the requirement that annual physical verification is conducted on buildings classified as serially tracked items, as a control mechanism.

**562. In paragraph 108 of its report, the Board recommended that UNHCR refine and systematically update its financial internal control matrix. The key controls should be scaled on the basis of the operational model and identified risks of UNHCR; key controls should build on the control processes already in place and UNHCR should reflect imminent changes in the organizational structure and document the implementation and monitoring of controls in the refined internal control matrix.**

<i>Department responsible:</i>	Division of Financial and Administrative Management
<i>Status:</i>	Under implementation
<i>Priority:</i>	High
<i>Target date:</i>	Second quarter of 2020

563. UNHCR is currently enhancing its documentation of existing controls and the presentation of its internal control system. These efforts will support the issuance of the statement of internal control and serve as a tool for maintaining a strong internal control system.

**564. In paragraph 109 of its report, the Board recommended that UNHCR periodically check for vendors having the same bank account as active staff members and for vendors sharing the same bank account, in order to prevent and detect fraud. This control should be integrated in the control matrix.**

<i>Department responsible:</i>	Division of Financial and Administrative Management
<i>Status:</i>	Under implementation
<i>Priority:</i>	Medium
<i>Target date:</i>	Second quarter of 2020

565. UNHCR will implement a periodic check to identify any bank account numbers of active vendors that coincide with that of active employees. This information will also be captured in the revised financial internal control matrix.

**566. In paragraph 113 of its report, the Board recommended that UNHCR enhance the content and meaningfulness of country financial reports as part of the ongoing business intelligence and data analytics project. Timelier access to the country financial reports should be granted.**

<i>Department responsible:</i>	Division of Financial and Administrative Management
<i>Status:</i>	Under implementation
<i>Priority:</i>	High
<i>Target date:</i>	First quarter of 2020

567. UNHCR has launched a business intelligence and data analytics project, based on which the country financial reports will be replaced by country administrative reports. The content of the country administrative reports will be enhanced in comparison with that of the current country financial reports and they will be accessible in real time through the business intelligence platform.

**568. In paragraph 118 of its report, the Board recommended that UNHCR perform a timely review of implementing partnership-related journals and journal entries using implementing partner codes and ensure that they were set off against account 618000 when needed.**

<i>Department responsible:</i>	Division of Financial and Administrative Management
<i>Status:</i>	Under implementation
<i>Priority:</i>	Medium
<i>Target date:</i>	Fourth quarter of 2019

569. UNHCR has introduced a new monthly reconciliation process for account 618000 against the journal entries using implementing partner codes and has designed a special query to be run monthly, which will identify all direct journals with partner codes.

**570. In paragraph 123 of its report, the Board recommended that UNHCR perform variance analysis and plausibility checks at account level (cash-based intervention) or detailed category level (inventories).**

<i>Departments responsible:</i>	Division of Financial and Administrative Management and Division of Emergency, Security and Supply
<i>Status:</i>	Under implementation
<i>Priority:</i>	Medium
<i>Target date:</i>	Fourth quarter of 2019

571. UNHCR has been monitoring and analysing cash-based intervention expenses on a monthly basis and, since June 2019, has been conducting a comprehensive year-to-year expense comparison and trend analysis at the detailed category level. In addition, UNHCR will perform variance analysis and plausibility checks regarding inventories on a more regular basis.

**572. In paragraph 129 of its report, the Board recommended that UNHCR review aged items of inventory in transit in a more timely manner (at least once a year) and adjust them as needed.**

<i>Department responsible:</i>	Division of Emergency, Security and Supply
<i>Status:</i>	Under implementation
<i>Priority:</i>	Medium
<i>Target date:</i>	Fourth quarter of 2019

573. Regular reviews of the ageing of inventory in transit already take place, and the necessary provisions are recorded at year-end for purposes of reflecting the correct position in the financial statements. UNHCR will also introduce a review of inventories in transit.

**574. In paragraph 140 of its report, the Board recommended that UNHCR clarify its administrative instruction on the monitoring and recovery of VAT and miscellaneous accounts receivable. The administrative instruction should clearly state how VAT claims were to be recorded so as to make potential VAT claims traceable. Irrecoverable VAT should subsequently be expensed as part of the year-end closure procedures.**

<i>Department responsible:</i>	Division of Financial and Administrative Management
<i>Status:</i>	Under implementation
<i>Priority:</i>	Medium
<i>Target date:</i>	Fourth quarter of 2019

575. UNHCR will revise the relevant administrative instruction to ensure that the circumstances in which VAT should be recorded as receivable and in which VAT should initially be expensed are more clearly articulated. The instructions will clarify that no receivable will be recorded when it is clear that no amount is recoverable. In order to ensure full transparency, the accounting records will clearly show non-recoverable amounts that had been expensed initially.

**576. In paragraph 141 of its report, the Board recommended that UNHCR develop and maintain an overview of the specific VAT exemption procedures and formalities, applicable VAT rates, the deliveries or services concerned, due dates and thresholds for each country operation. UNHCR should carry out periodical analytical reviews of VAT key figures.**

<i>Department responsible:</i>	Division of Financial and Administrative Management
<i>Status:</i>	Under implementation
<i>Priority:</i>	Medium
<i>Target date:</i>	First quarter of 2020

577. UNHCR has drafted a comprehensive questionnaire to be filled in by each country operation in order to capture additional country-specific information on VAT and to reflect any changing circumstances. UNHCR will use the information received in response to the questionnaire to maintain and enhance the existing overview of the country-specific VAT exemption procedures.

**578. In paragraph 147 of its report, the Board recommended that UNHCR enhance its variance analysis of salaries and employee benefits to carry out the controls required in the financial control matrix.**

*Department responsible:* Division of Human Resources  
*Status:* Under implementation  
*Priority:* High  
*Target date:* Fourth quarter of 2019

579. UNHCR is preparing a separate analysis for each of the main salary earning elements (gross salary, post adjustment, dependency allowance and pension contribution) to support the variance analysis of the total salary payments.

**580. In paragraph 156 of its report, the Board recommended that UNHCR document the regular run of human resources monitoring reports in a log tracking file. The reports with results should be uploaded to eSafe. UNHCR should document the review in a separate column of the MSRP human resources reports and take appropriate (corrective) action, if necessary. The number of automated human resources reports should be increased.**

*Department responsible:* Division of Human Resources  
*Status:* Under implementation  
*Priority:* High  
*Target date:* Fourth quarter of 2019

581. UNHCR is exploring various technical solutions to establish a process for central monitoring of key human resources reports and to create additional automated human resources reports.

**582. In paragraph 161 of its report, the Board recommended that UNHCR examine the options for implementing an approval cycle for the review of the MSRP human resources reports in the MSRP human resources module to facilitate supervisory controls and their consistent documentation.**

*Department responsible:* Division of Human Resources  
*Status:* Under implementation  
*Priority:* Medium  
*Target date:* Second quarter of 2020

583. UNHCR will examine the options for implementing an approval cycle in the context of the upgrade of the current human resources module of the MSRP system.

**584. In paragraph 167 of its report, the Board recommended that UNHCR document the constant run of required payroll reports in a log tracking file, constantly review the payroll reports and document the review, supervisory controls and appropriate corrective action.**



*Department responsible:* Division of Human Resources  
*Status:* Closure requested  
*Priority:* High  
*Target date:* Not applicable

585. As of May 2019, a manual log tracking block was included in the monthly payroll schedule file where payroll staff confirm that they have run and reviewed the required payroll reports. UNHCR considers this recommendation to have been implemented and requests its closure by the Board.

**586. In paragraph 168 of its report, the Board recommended that UNHCR implement automated blocks of payment of salaries.**

*Department responsible:* Division of Human Resources  
*Status:* Under implementation  
*Priority:* Medium  
*Target date:* Fourth quarter of 2019

587. UNHCR is exploring the possibilities for automatic blocks of payment in the MSRP system.

**588. In paragraph 169 of its report, the Board recommended that UNHCR determine the sample size for spot checks regarding new salary plans in relation to the number of staff affected.**

*Department responsible:* Division of Human Resources  
*Status:* Closure requested  
*Priority:* Medium  
*Target date:* Not applicable

589. UNHCR has designed a report to validate salary plans and since May 2019 has been checking 100 per cent of the staff salaries impacted by the revised salary plans. UNHCR considers this recommendation to have been implemented and requests its closure by the Board.

**590. In paragraph 179 of its report, the Board reiterated its recommendation that country operations start implementation of cash-based interventions when approved standard operating procedures were in place (A/73/5/Add.6, chap. II, para. 37). UNHCR should define the key elements of the standard operating procedures that needed to be in place. If the key elements were not in place, clearance should not be granted.**

*Department responsible:* Division of Financial and Administrative Management  
*Status:* Under implementation  
*Priority:* Medium  
*Target date:* Fourth quarter of 2019

591. UNHCR strictly adheres to standard operating procedures and detailed requirements for cash-based interventions delivered through financial service providers. Periodic monitoring is performed for new and existing cash-based intervention programmes. All new and revised standard operating procedures are recorded in the standard operating procedures tracking and monitoring tool, which will be updated on a monthly basis.

**592. In paragraph 184 of its report, the Board recommended that UNHCR strengthen the monitoring and, in particular, the timeliness of country operation refund processes. The CashAssist system should include an automated notification to request and record claims for repayment from financial service providers at predetermined intervals.**

<i>Department responsible:</i>	Division of Financial and Administrative Management
<i>Status:</i>	Under implementation
<i>Priority:</i>	High
<i>Target date:</i>	First quarter of 2020

593. The standard operating procedures include detailed refund procedures and related timelines. Moreover, UNHCR has included the refund requirements in its contracts with financial service providers. UNHCR monitors its contractual relationship with financial service providers through established key performance indicators to evaluate all criteria, including refund reporting. UNHCR monitors refunds through processes based on assessments performed manually or through automated periodic review of the entries recorded in the systems. In addition, UNHCR has included the requirement for automated notifications in the CashAssist system to request and record repayment claims from financial service providers.

**594. In paragraph 185 of its report, the Board recommended that UNHCR make available clear guidance on the allocation and monitoring of refunds to country operations participating in the common cash facility in cases of commingled cash pools.**

<i>Department responsible:</i>	Division of Financial and Administrative Management
<i>Status:</i>	Under implementation
<i>Priority:</i>	High
<i>Target date:</i>	Fourth quarter of 2019

595. UNHCR, together with other common cash facility participants, has in place a specific methodology for refunds, which is included in the country-specific standard operating procedures and is embedded in contracts with financial service providers. UNHCR will enhance its monitoring to ensure compliance through periodic performance evaluations of financial service providers and review of the refunds recorded in the system.

**596. In paragraph 190 of its report, the Board recommended that UNHCR ensure that in case of non-digital cash distributions a further end-to-end reconciliation was conducted at least on a spot-check basis as long as no systemized reconciliation was available.**

<i>Department responsible:</i>	Division of Financial and Administrative Management
<i>Status:</i>	Under implementation
<i>Priority:</i>	High
<i>Target date:</i>	Fourth quarter of 2019

597. UNHCR consistently monitors the receipt of funds by the beneficiaries included in the approved distribution lists, through the post-distribution monitoring mechanism. In addition, UNHCR will include spot-checks in the monitoring of the distribution of non-digital cash.

**598. In paragraph 191 of its report, the Board recommended that UNHCR require a new approval of the master distribution list if changes in an approved list occurred, to ensure that in accordance with the administrative instruction no cash distribution could be processed without an approved master distribution list.**

<i>Department responsible:</i>	Division of Financial and Administrative Management
<i>Status:</i>	Under implementation
<i>Priority:</i>	High
<i>Target date:</i>	Fourth quarter of 2019

599. UNHCR has embedded the requirement for new approvals of any changes to the master distribution list in the CashAssist system, where distribution lists are approved. In countries not using CashAssist, UNHCR will include the requirement in the country-specific standard operating procedures. All changes to the distribution lists go through the approval process afresh with the appropriate controls over the finalization of master distribution lists.

**600. In paragraph 195 of its report, the Board recommended that UNHCR highlight the importance of a standard check for duplicates in cash assistance distribution lists before approval of the distribution lists.**

<i>Department responsible:</i>	Division of Financial and Administrative Management
<i>Status:</i>	Under implementation
<i>Priority:</i>	High
<i>Target date:</i>	Fourth quarter of 2019

601. UNHCR has developed systems to identify duplicates and has established integrated controls throughout the Profile Global Registration System (proGres) and the CashAssist system. UNHCR is further enhancing the country-specific standard operating procedures and requesting that operations systematically adhere to the control requirements for detection and removal of duplicates.

**602. In paragraph 200 of its report, the Board recommended that UNHCR further enhance and streamline the documentation in the cash assistance process. A standardized documentation of key documents such as distribution lists,**

**approval, financial service provider confirmation, reconciliation, payment and refund evidence should be kept on file by the implementing country operation.**

*Department responsible:* Division of Programme Support and Management  
*Status:* Under implementation  
*Priority:* Medium  
*Target date:* Fourth quarter of 2019

603. All country operations that revise or update their standard operating procedures will be required to reference and include templates of the key documentation in those standard operating procedures. In the CashAssist system, streamlining and standardizing of documentation is automated and a full trail log is kept in the system.

**604. In paragraph 205 of its report, the Board recommended that UNHCR make post-distribution monitoring of the individual country operations' cash-based intervention programmes mandatory. The post-distribution monitoring reports should contain recommendations and key programmatic adaptations as standard content.**

*Department responsible:* Division of Programme Support and Management  
*Status:* Under implementation  
*Priority:* High  
*Target date:* Fourth quarter of 2019

605. The post-distribution monitoring toolkit will be published by December 2019 in English, French and Spanish. It will provide guidance to country operations on post-distribution monitoring and the indicators required for monitoring. There will be a requirement to include a standard section on recommendations in the monitoring reports. The aim is to have practical recommendations for adapting cash-based intervention programming, where appropriate.

**606. In paragraph 209 of its report, the Board recommended that UNHCR define responsibilities at the country and bureaux/headquarters levels with regard to post-distribution monitoring.**

*Department responsible:* Division of Programme Support and Management  
*Status:* Under implementation  
*Priority:* Medium  
*Target date:* Fourth quarter of 2019

607. The roles and responsibilities regarding post-distribution monitoring for cash-based interventions will be included in the next revision of the UNHCR programme manual, ensuring that such responsibilities are aligned with the UNHCR corporate monitoring processes.

**608. In paragraph 213 of its report, the Board recommended that UNHCR analyse and aggregate the findings from post-distribution monitoring and use the analysis as a base for further developing the cash-based intervention programme at the level of both countries and bureaux. The analysis should be made available in a knowledge management portal.**

<i>Department responsible:</i>	Division of Programme Support and Management
<i>Status:</i>	Under implementation
<i>Priority:</i>	High
<i>Target date:</i>	Fourth quarter of 2019

609. UNHCR is currently conducting a meta-analysis of all post-distribution monitoring conducted through June 2019. The review and assessment will be available towards the end of 2019 and will be shared through appropriate channels, including weekly updates on the cash-based interventions intranet page.

**610. In paragraph 226 of its report, the Board recommended that UNHCR establish additional controls to perform overall reviews as well as sample checks and increase compliance with the implementing partner sections of the UNHCR Manual through more accountability. This could be embedded in the new regional bureaux structure through the future Regional Control Officers.**

<i>Department responsible:</i>	Division of Financial and Administrative Management
<i>Status:</i>	Under implementation
<i>Priority:</i>	Medium
<i>Target date:</i>	Fourth quarter of 2020

611. UNHCR continues to strengthen awareness of the need to perform the required manual controls and will endeavour to automate those controls that are still manual by the end of 2020 to improve compliance.

**612. In paragraph 235 of its report, the Board recommended that UNHCR implement further electronic processes, such as submission of partner financial reports from partners through the United Nations Partner Portal and electronic signature for the approval of partner financial reports to replace the current offline verification signatures where possible, in order to facilitate strengthened internal controls. When electronic signatures were implemented, UNHCR should ensure that the authorities were aligned with the delegation of authority plan.**

<i>Department responsible:</i>	Division of Financial and Administrative Management
<i>Status:</i>	Under implementation
<i>Priority:</i>	High
<i>Target date:</i>	Fourth quarter of 2020

613. UNHCR uses its existing electronic systems (MSRP, FOCUS, eSafe) as much as feasible in the partnership processing cycle. Furthermore, UNHCR is taking steps to digitalize and centralize the entire partnership process, while creating proper interfaces between its digital systems. A phased approach is necessary owing to the issues of resource availability, the need to achieve a smooth integration into the complex and multifaceted nature of partnerships, the different operational contexts of UNHCR and the varying quality of Internet access in different locations.

614. **In paragraph 242 of its report, the Board recommended that UNHCR make a minimum set of monitoring reports and their upload to e-Safe mandatory. These should include at least a risk assessment, a monitoring plan and half-yearly monitoring reports.**

*Department responsible:* Division of Financial and Administrative Management  
*Status:* Under implementation  
*Priority:* Medium  
*Target date:* Fourth quarter of 2019

615. UNHCR has already made some reports mandatory and is considering classifying further reports as mandatory.

616. In paragraph 251 of its report, the Board reiterated its previous recommendation ([A/72/5/Add.6](#), chap. II, para. 81) that UNHCR ensure coherent risk assessments. UNHCR should harmonize the risk assessment of implementing partner projects to have one list of main risks for each project.

*Department responsible:* Division of Financial and Administrative Management  
*Status:* Closure requested  
*Priority:* Medium  
*Target date:* Not applicable

617. UNHCR has harmonized the different forms that are used to document risk assessment at different stages of the projects. The risk catalogue is a living document, which is constantly updated as new risks are identified in the field. UNHCR considers this recommendation to have been implemented and requests its closure by the Board.

618. **In paragraph 262 of its report, the Board recommended that UNHCR strengthen the link of performance review and resource requirements to additional instalment payments and document the review accordingly when initiating the payment of additional instalments.**

*Department responsible:* Division of Financial and Administrative Management  
*Status:* Closure requested  
*Priority:* High  
*Target date:* Not applicable

619. The format of the project financial reports was amended in July 2019 to strengthen the link between the project financial reports and the instalment payments. Whenever the timing or the amount of instalment payments requested by operations is significantly different from the indicative instalment plan, or when partners hold cash from previous instalments equivalent to more than one month of requirements at the time of the instalment payment recommendation, the operation is required to document the rationale for the requested instalment payment. UNHCR considers this recommendation to have been implemented and requests its closure by the Board.

620. In paragraph 267 of its report, the Board recommended that UNHCR transparently link transfers of ownership to project partnership agreements in cases where the recipient was an implementing partner. The transfer of ownership agreement and MSRP recordings should state the project partnership agreement identification symbol. The purpose of the transfer should be clearly defined and stipulated in the transfer of ownership agreements.

*Department responsible:* Division of Financial and Administrative Management

*Status:* Under implementation

*Priority:* High

*Target date:* Fourth quarter of 2019

621. The relevant divisions of UNHCR will coordinate a technical development in the MSRP system to ensure that the partnership agreement symbol, where applicable, is referenced in relation to any transfer of ownership agreement concluded with a partner.

622. In paragraph 299 of its report, the Board recommended that UNHCR incorporate the results of the evaluation report in the next fleet strategy and assess the sequence and importance of the processes needed to be implemented and prioritize them accordingly.

*Department responsible:* Division of Emergency, Security and Supply

*Status:* Closure requested

*Priority:* High

*Target date:* Not applicable

623. The new global fleet management strategy covering the period from 2019 to 2021, which has been finalized, was informed, among other things, by the results and recommendations of the evaluation report. UNHCR considers this recommendation to have been implemented and requests its closure by the Board.

624. In paragraph 300 of its report, the Board recommended that the field level should be obliged to record all operational and financial data in the analysis tools (FleetWave/vehicle tracking system) and that global fleet management staff have access to all databases and have the capacity to carry out analytical services and evaluate the data.

*Department responsible:* Division of Emergency, Security and Supply

*Status:* Under implementation

*Priority:* High

*Target date:* Fourth quarter of 2020

625. UNHCR issued an administrative instruction (UNHCR/AI/2018/9) on supply chain management activities, which provided that field offices should include all operational and cost data in the FleetWave system. The global fleet management project has full access to all data in FleetWave; however, additional resources will be

required to ensure the completeness of the data recorded and to conduct the analysis of this data. UNHCR is assessing how these tasks can be addressed.

**626. In paragraph 301 of its report, the Board recommended that UNHCR consider a solution to integrate operational and cost data from commercially rented vehicles in the operational and cost analysis.**

*Department responsible:* Division of Emergency, Security and Supply  
*Status:* Under implementation  
*Priority:* Medium  
*Target date:* Fourth quarter of 2020

627. UNHCR is reviewing whether it is feasible to integrate the operational and cost data for commercially rented vehicles in the operational and cost analysis. The outcome of the review will inform the next steps.

**628. In paragraph 307 of its report, the Board recommended that UNHCR should strengthen its justification and documentation for hiring individual contractors under the circumstances that the required capability is not available in UNHCR.**

*Department responsible:* Division of Human Resources  
*Status:* Under implementation  
*Priority:* Medium  
*Target date:* Fourth quarter of 2019

629. The new administrative instruction on the use of affiliate workforce will clarify that the hiring entity should provide justification and documentation for hiring individual contractors before the start of the hiring process.

630. In paragraph 310 of its report, the Board recommended that UNHCR ensure that the mandatory break in service of three full months was fulfilled in every case. Therefore, UNHCR should monitor the duration of contracts to comply with the applicable limits set.

*Department responsible:* Division of Human Resources  
*Status:* Under implementation  
*Priority:* High  
*Target date:* Fourth quarter of 2019

631. UNHCR will explore the possibility of a configuration in the finance and human resources modules of its MSRP system to automatically block the issuance of contracts to individual contractors that are in excess of the maximum allowed duration specified in the policy.

**632. In paragraph 316 of its report, the Board recommended that UNHCR provide clear guidance to divisions and field operations (hiring entities) to enhance the awareness of human resources clearance. UNHCR should amend the respective policies with regard to human resources clearance and ensure the involvement of the Affiliate Partnerships Unit in the clearance process.**



*Department responsible:* Division of Human Resources  
*Status:* Under implementation  
*Priority:* High  
*Target date:* Fourth quarter of 2019

633. UNHCR is in the process of reviewing its policy on individual contractors and the administrative instruction on the use of affiliate workforce arrangements. Both revised documents will emphasize the importance of clearance by the Division of Human Resources and will clarify the respective accountabilities.

**634. In paragraph 317 of its report, the Board recommended that UNHCR establish tools that enable the processing of human resources clearance on an online basis.**

*Department responsible:* Division of Human Resources  
*Status:* Under implementation  
*Priority:* Medium  
*Target date:* Fourth quarter of 2020

635. Discussions have taken place with the technical development team regarding the enhancement and modernization of systems and tools supporting human resources functions. UNHCR is completing a full mapping of all its processes as a preliminary stage of the planned systems customization.

**636. In paragraph 324 of its report, the Board recommended that UNHCR ensure that the entire contractor identification and selection process was independently verified or was based on an approval workflow process (as an integrated part of the MSRP module) in order to increase transparency and efficiency of the selection decision made by the hiring manager.**

*Department responsible:* Division of Human Resources  
*Status:* Under implementation  
*Priority:* High  
*Target date:* Third quarter of 2020

637. UNHCR will explore the technical feasibility of including recruitment of individual contractors in the new MSRP recruitment module, which was rolled out in June 2019 for the purpose of hiring staff in the General Service and National Professional Officer categories, as well as the affiliate workforce.

**638. In paragraph 327 of its report, the Board recommended that UNHCR pay particular attention to preparing specific job descriptions that enabled the responsible officials to evaluate the performance of contractors. Therefore, UNHCR should review the existing performance classification as a component of the evaluation report and consider whether the evaluation report and template could be established in the MSRP module.**

*Department responsible:* Division of Human Resources  
*Status:* Under implementation  
*Priority:* Medium  
*Target date:* Fourth quarter of 2019

639. A new, redesigned standard job description template will be distributed to all operations as part of the revised policy on individual contractors. The template will provide more clarity about what is required to be included in the job descriptions.

**640. In paragraph 328 of its report, the Board recommended that UNHCR conduct an analysis to determine whether the assignment of contractors was the most cost-effective solution.**

*Department responsible:* Division of Human Resources  
*Status:* Under implementation  
*Priority:* High  
*Target date:* Fourth quarter of 2019

641. As part of the preparation of the relevant administrative instruction, the Division of Human Resources has consulted field operations with regard to this requirement and concluded that such a cost-benefit analysis should be part of a broader feasibility analysis that takes into account several additional relevant human resources aspects other than costs, such as functional restrictions, the nature of the required tasks or emergency requirements.

**642. In paragraph 343 of its report, the Board recommended that UNHCR establish mandatory UNHCR-wide minimum information security standards in an ICT governance framework as soon as possible.**

*Department responsible:* Division of Information Systems and Telecommunications  
*Status:* Under implementation  
*Priority:* High  
*Target date:* Fourth quarter of 2019

643. UNHCR is in the process of drafting the mandatory guidelines on information security.

**644. In paragraph 344 of its report, the Board recommended that UNHCR establish a mandatory central clearance process to avoid the duplication of existing applications and establish a register for all applications developed in the field. Field offices should inform the Division of Information Systems and Telecommunications when they plan to develop further applications.**

*Department responsible:* Division of Information Systems and Telecommunications  
*Status:* Under implementation  
*Priority:* Medium  
*Target date:* First quarter of 2020

645. Senior Information Technology Officers in the new regional bureaux, who will be in regular communication with the Division of Information Systems and Telecommunications, will maintain a full inventory of locally developed applications and systems. In addition, any applications over the defined thresholds, whether they are centrally or locally developed, must be sent to the Information and Communications Technology Governance Board in accordance with the existing administrative instruction in order to avoid duplication of systems.

**646. In paragraph 345 of its report, the Board recommended that UNHCR make additional funds available to implement and monitor mandatory minimum information security standards in the field.**

<i>Department responsible:</i>	Division of Information Systems and Telecommunications
<i>Status:</i>	Under implementation
<i>Priority:</i>	High
<i>Target date:</i>	Fourth quarter of 2021

647. UNHCR is in the process of implementing minimum security standards through its cybersecurity transformation programme.

**648. In paragraph 355 of its report, the Board recommended that UNHCR establish an information security risk assessment process based upon or directionally aligning towards ISO 27005.**

<i>Department responsible:</i>	Division of Information Systems and Telecommunications
<i>Status:</i>	Under implementation
<i>Priority:</i>	High
<i>Target date:</i>	Fourth quarter of 2021

649. UNHCR is planning to implement this recommendation incrementally. Initially, the Division of Information Systems and Telecommunications will adopt this standard for future information security assessments. Subsequently, as it gains experience, it will introduce it to other sectors of UNHCR.

**650. In paragraph 356 of its report, the Board recommended that UNHCR document primary and supporting assets for the information security risk assessment.**

<i>Department responsible:</i>	Division of Information Systems and Telecommunications
<i>Status:</i>	Under implementation
<i>Priority:</i>	Medium
<i>Target date:</i>	First quarter of 2020

651. UNHCR will document the primary and supporting assets for the information security assessment process.

652. In paragraph 357 of its report, the Board recommended that UNHCR complement its information security risk register with already known information security risks.

*Department responsible:* Division of Information Systems and Telecommunications

*Status:* Under implementation

*Priority:* Medium

*Target date:* Fourth quarter of 2020

653. UNHCR has started populating the risks from ongoing information security assessments and will develop an information security risk register from this activity.

654. In paragraph 365 of its report, the Board recommended that UNHCR strengthen the position of the Chief Information Security Officer and increase interaction with top management. To secure the position of the Officer, the Board recommended that UNHCR redefine and describe the role and tasks of the Chief Information Security Officer in an overarching information security mandatory guideline that defined mandatory requirements, controls and responsibilities of all stakeholders. The mandatory guideline should also grant the Chief Information Security Officer a reporting line to a consultative and reporting body that included membership by top management.

*Department responsible:* Division of Information Systems and Telecommunications

*Status:* Under implementation

*Priority:* High

*Target date:* Second quarter of 2020

655. The position of the Chief Information Security Officer will be moved to the Office of the Chief Information Officer. UNHCR will establish a council, which will include members of top management, to increase interaction between the Chief Information Security Officer and senior management.

656. In paragraph 369 of its report, the Board recommended that all senior management and staff at headquarters, as important stakeholders, participate in information security awareness training courses, given that they were responsible for ensuring information security measures.

*Department responsible:* Division of Information Systems and Telecommunications

*Status:* Under implementation

*Priority:* Medium

*Target date:* Second quarter of 2020

657. The information security awareness training became mandatory in June 2018, with a transitional period of three months. Since that period expired, the completion rates have been rising steadily. As of August 2019, 81 per cent of all staff at UNHCR headquarters had completed the training.

**658. In paragraph 374 of its report, the Board recommended that UNHCR plan to develop an overall data protection policy to include the protection of personal data of all UNHCR personnel.**

*Department responsible:* Legal Affairs Service  
*Status:* Under implementation  
*Priority:* Medium  
*Target date:* Second quarter of 2020

659. UNHCR made a decision to issue a global data protection policy, covering the personal data of persons of concern and of other personnel, including but not limited to UNHCR personnel. The drafting and consultation process has started, and the new policy is expected to be issued by the second quarter of 2020.

**660. In paragraph 382 of its report, the Board recommended that UNHCR review and update the Data Protection Officer's role and functions in such a way that the Officer was able to perform the tasks stated in the policy on the protection of personal data of persons of concern to UNHCR. The Board also recommended that as UNHCR developed its global data protection policy, it should ensure that accountability regarding protection of all personal data was addressed.**

*Department responsible:* Division of International Protection  
*Status:* Under implementation  
*Priority:* Medium  
*Target date:* Fourth quarter of 2020

661. The Data Protection Officer position has been set up within the Division of International Protection in the integrity team. The Officer reports directly to the Director of the Division. The workload of the Data Protection Officer will be monitored regularly by the Director within the broader scope of the divisional work priorities. While no staffing increase was foreseen in the 2020–2021 annual programme review, this issue will be revisited by senior management, with the aim of achieving a fair balance between workload and resources available to exercise various data protection responsibilities.

**662. In paragraph 387 of its report, the Board recommended that the UNHCR Data Protection Officer have appropriate access to the top management.**

*Department responsible:* Division of International Protection  
*Status:* Under implementation  
*Priority:* High  
*Target date:* Fourth quarter of 2019

663. The Data Protection Officer, who is responsible for the implementation of the policy on data protection for persons of concern, reports directly to the Director of the Division of International Protection, who is in turn responsible for convening regular interdivisional meetings on data protection and for ensuring that the senior executive team is fully briefed on all relevant data protection matters. In discharging

this responsibility, the Director of the Division of International Protection will ensure the direct participation of the Data Protection Officer in those senior executive team sessions that are relevant to data protection matters.

## B. Implementation of the recommendations contained in the report of the Board of Auditors for prior financial periods

664. In the annex to its report for the year ended 31 December 2018 ([A/74/5/Add.6](#), chap. II), the Board provided a summary of the status of implementation of recommendations for previous financial periods. Information is provided below on the 32 recommendations that have been determined by the Board to be under implementation. The information is set out below in the order in which the recommendations are presented in the annex.

665. Table 24 summarizes the overall situation as of August 2019.

Table 24

### Status of implementation of recommendations from prior periods considered not fully implemented

(Number of recommendations)

<i>Department responsible</i>	<i>Total</i>	<i>Not accepted</i>	<i>Closure requested</i>	<i>Under implementation</i>	<i>Target date set</i>	<i>No target date</i>
Division of Emergency, Security and Supply	8	—	2	6	6	—
Division of Financial and Administrative Management	1	—	1	—	—	—
Division of Human Resources	7	—	2	5	5	—
Division of Information Systems and Telecommunications	4	—	—	4	4	—
Division of Programme Support and Management	8	—	1	7	7	—
Regional bureaux	4	—	—	4	4	—
<b>Total</b>	<b>32</b>	<b>—</b>	<b>6</b>	<b>26</b>	<b>26</b>	<b>—</b>

### Report of the Board for the year ended 31 December 2017<sup>26</sup>

666. In paragraph 88 of its report, the Board recommended that country operations enhance project planning for construction projects implemented by partners. The country operations should initiate corrective measures such as getting support from regional service centres in cases of lack of capacity or resources to plan and monitor projects adequately.

<i>Departments responsible:</i>	Regional bureaux
<i>Status:</i>	Under implementation
<i>Priority:</i>	Medium
<i>Target date:</i>	Fourth quarter of 2020

<sup>26</sup> [A/73/5/Add.6](#), chap. II.

667. UNHCR has engaged a consultant to develop construction project guidance that seeks to strengthen its oversight role and provide greater clarity and differentiation with regard to the responsibilities of UNHCR technical staff and the implementing partners.

**668. In paragraph 100 of its report, the Board recommended that, based on the corporate position, UNHCR operationalize its Sustainable Development Goals engagement.**

<i>Department responsible:</i>	Division of Programme Support and Management
<i>Status:</i>	Under implementation
<i>Priority:</i>	High
<i>Target date:</i>	First quarter of 2020

669. UNHCR approved its corporate position in June 2019. To operationalize the position, UNHCR has developed a presentation and sent it to all staff in order to guide offices in defining their context-specific Sustainable Development Goals approach. In addition, UNHCR has developed a plan and timeline to operationalize the position through: (a) guidance on the implementation of the Goals, including parameters for a coherent approach across operations; and (b) the collection and dissemination of lessons learned.

**670. In paragraph 108 of its report, the Board recommended that, based on its corporate position on Sustainable Development Goals engagement, UNHCR develop a results-based management system that was able to reflect the position of UNHCR on Sustainable Development Goals engagement in order to demonstrate its contributions to the achievement of the Goals in the long term.**

<i>Department responsible:</i>	Division of Programme Support and Management
<i>Status:</i>	Under implementation
<i>Priority:</i>	High
<i>Target date:</i>	First quarter of 2021

671. As of July 2019, the future results framework structure, which has been submitted to senior management for endorsement, proposes to incorporate the Sustainable Development Goals mainly into three aspects, by:

- i. Aligning some of the newly introduced outcome areas with the Goals;
- ii. Adopting some of the relevant Goal indicators as corporate core indicators of UNHCR;
- iii. Allowing country operations to select Goal targets and indicators relevant to their contributions to country-level support for the Goals, and through multi-stakeholder processes such as the United Nations Sustainable Development Cooperation Framework and national plans.

**672. In paragraph 109 of its report, the Board recommended that UNHCR identify data sources and establish baselines for measuring its contribution to the Sustainable Development Goals so as to be able to prepare data processing as soon as the new results-based management system had been launched.**

<i>Department responsible:</i>	Division of Programme Support and Management
<i>Status:</i>	Under implementation
<i>Priority:</i>	Medium
<i>Target date:</i>	First quarter of 2021

673. As of July 2019, the future results framework structure, which has been submitted to senior management for endorsement, proposes to incorporate the Sustainable Development Goals mainly into three aspects, as outlined above. Once the results framework design is approved by senior management, the results-based management project will commence the selection of corporate core indicators, some of which will be Sustainable Development Goal indicators.

**674. In paragraph 113 of its report, the Board recommended that UNHCR conduct an analysis of the human resources requirements for operationalizing the newly developed corporate position on the Sustainable Development Goals and develop or refine its training to cover identified needs, if any.**

<i>Department responsible:</i>	Division of Human Resources
<i>Status:</i>	Under implementation
<i>Priority:</i>	Medium
<i>Target date:</i>	Fourth quarter of 2020

675. The corporate position on Sustainable Development Goals was issued on 28 June 2019. UNHCR is currently drafting a survey on Goals-related activities, which will inform future guidelines. Once the guidelines are complete, UNHCR will develop and implement an analysis of specific training needs to identify existing learning needs, the staff grades to be targeted and, in particular, the content areas of potential learning activities.

**676. In paragraph 114 of its report, the Board recommended that, based on the corporate position and the identified human resources needs, UNHCR refine job profiles and recruit or post staff accordingly.**

<i>Department responsible:</i>	Division of Human Resources
<i>Status:</i>	Under implementation
<i>Priority:</i>	Medium
<i>Target date:</i>	First quarter of 2020

677. As part of the project entitled “Knowing our jobs and our people”, all UNHCR standardized job descriptions are being updated on an ongoing basis and uploaded on the Intranet portal to be used across the organization for the recruitment, appointment and management of staff. Updating the job descriptions will remove redundancies and add detail in key areas, including UNHCR engagement with United Nations country teams and the pursuit of the Sustainable Development Goals, where relevant.

**678. In paragraph 119 of its report, the Board recommended that UNHCR develop more specific guidance on how to implement the corporate position on the Sustainable Development Goals.**



<i>Department responsible:</i>	Division of Programme Support and Management
<i>Status:</i>	Under implementation
<i>Priority:</i>	Medium
<i>Target date:</i>	First quarter of 2020

679. Coordination mechanisms, an overview of steps and an annotated table of contents for the Sustainable Development Goals guidance have been developed in close collaboration with key divisions and other internal stakeholders.

**680. In paragraph 120 of its report, the Board recommended that UNHCR define reasonable targets for developing, implementing and managing the engagement of country operations in the Sustainable Development Goals so as to support an effective and coherent approach for UNHCR engagement in the Goals in the field.**

<i>Department responsible:</i>	Division of Programme Support and Management
<i>Status:</i>	Under implementation
<i>Priority:</i>	Medium
<i>Target date:</i>	First quarter of 2020

681. The annotated table of contents for the Sustainable Development Goals guidance has been developed and includes issues relating to parameters of the Office's engagement with the Goals in diverse operational contexts.

**682. In paragraph 126 of its report, the Board recommended that, based on the corporate position and guidance to operationalize that position, country operations map and align current approaches so as to develop a plan on how they intended to support the national Governments in implementing the Sustainable Development Goals through support, where applicable, of the comprehensive refugee response framework, the United Nations country teams and the implementation of the United Nations Development Assistance Framework.**

<i>Departments responsible:</i>	Regional bureaux
<i>Status:</i>	Under implementation
<i>Priority:</i>	High
<i>Target date:</i>	Fourth quarter of 2019

683. As part of the regionalization of UNHCR, new positions such as Senior Partnership Officer, Development Officer and Senior Inter-Agency Officer will be in place by December 2019 to assist operations in forging new partnerships and strengthening existing ones.

**684. In paragraph 130 of its report, the Board recommended that country operations further refine the risk registers in place to better capture risks deriving from Sustainable Development Goals engagement, the multi-year, multi-partner planning process, where applicable, and the engagement for the comprehensive refugee response framework.**

*Departments responsible:* Regional bureaux  
*Status:* Under implementation  
*Priority:* Medium  
*Target date:* First quarter of 2020

685. For the 2020 risk review, UNHCR is considering providing a functionality in the online risk register tool to specifically tag Sustainable Development Goals and risks related to engagement with the global compact on refugees and the comprehensive refugee response framework. In addition, the instructions for the 2020 risk review, as well as the quality assurance conducted by UNHCR, will pay specific attention to these areas. The newly published position paper on the Office's involvement in the Sustainable Development Goals will also assist in the review of Goals-related risks.

**686. In paragraph 134 of its report, the Board recommended that UNHCR systematically collect country-level case examples of engagement in support of the Sustainable Development Goals so as to ensure knowledge transfer and provide adequate management responses.**

*Department responsible:* Division of Programme Support and Management  
*Status:* Under implementation  
*Priority:* Medium  
*Target date:* First quarter of 2020

687. As part of the plan to operationalize its engagement with the Sustainable Development Goals, UNHCR is designing a survey to collect lessons learned to enable the sharing of existing good practices. The survey is expected to be undertaken by the end of 2019.

**688. In paragraph 172 of its report, the Board recommended that UNHCR enhance compliance with its policy and standard operating procedures on individual consultants, ensure effective consultant contract management and consider centralizing some tasks of the hiring units to obtain a higher level of specialization.**

*Department responsible:* Division of Human Resources  
*Status:* Under implementation  
*Priority:* High  
*Target date:* Fourth quarter of 2020

689. Senior human resources business partners will be appointed in each of the new regional bureaux. These senior staff members will provide support with regard to enhancing compliance with the policy and ensuring effective contract management.

**690. In paragraph 173 of its report, the Board recommended that UNHCR assess whether an automated system control in the UNHCR MSRP platform could be established for cases exceeding the threshold of \$150,000.**

<i>Department responsible:</i>	Division of Human Resources
<i>Status:</i>	Closure requested
<i>Priority:</i>	Medium
<i>Target date:</i>	Not applicable

691. At the time of rehiring an individual for a new consultancy, UNHCR consistently checks the past payments, in accordance with policy requirements. If the requested new consultancy contract exceeds the financial limitation, the requesting entity is notified that the contract has not been approved. At the same time, hiring entities may submit requests to waive this limit. Such requests are reviewed and denied or approved at the appropriate level in the Division of Human Resources. UNHCR considers this recommendation to have been implemented and requests its closure by the Board.

**692. In paragraph 174 of its report, the Board recommended that UNHCR establish a UNHCR-wide control to prevent duplicate payments of consultant fees from headquarters bank accounts in parallel with payments from an operation's bank account.**

<i>Department responsible:</i>	Division of Human Resources
<i>Status:</i>	Under implementation
<i>Priority:</i>	High
<i>Target date:</i>	Fourth quarter of 2019

693. UNHCR uses existing queries to identify any duplicate payments to consultants and has launched the development of specialized queries that will serve the specific purpose of checking for any such duplicate payments.

**694. In paragraph 181 of its report, the Board recommended that UNHCR review its policy and the standard operating procedures for the use of individual consultants. During this process, UNHCR should enhance the guidance on advertising requirements, the segregation of duties, waiver processes, processes to determine and negotiate consultant fees, documents supporting the payment reconciliation and the file management process.**

<i>Department responsible:</i>	Division of Human Resources
<i>Status:</i>	Under implementation
<i>Priority:</i>	High
<i>Target date:</i>	Fourth quarter of 2019

695. Work on the revision of the respective policies is ongoing. While the administrative instruction on the use of affiliate workforce arrangements will address overarching issues relevant to all categories of affiliate workforce, an administrative instruction specific to the use of individual contracts, including with regard to consultants and individual contractors, will also be issued.

**696. In paragraph 193 of its report, the Board recommended that UNHCR review the People Strategy implementation plan and data sources so as to be able**

**to monitor progress until the new policy and corresponding monitoring framework for diversity and inclusion was established in 2019.**

*Department responsible:* Division of Human Resources  
*Status:* Closure requested  
*Priority:* Medium  
*Target date:* Not applicable

697. UNHCR has created a number of dashboards to monitor inclusion and diversity. These are visible on the UNHCR Intranet. UNHCR considers this recommendation to have been implemented and requests its closure by the Board.

**698. In paragraph 198 of its report, the Board recommended that UNHCR assess whether the global warehouse in Copenhagen provided a cost-effective solution for UNHCR. Alternative options should be considered.**

*Department responsible:* Division of Emergency, Security and Supply  
*Status:* Closure requested  
*Priority:* Medium  
*Target date:* Not applicable

699. A commercial logistics company has completed the supply network optimization analysis, assessing the warehouse in Copenhagen against three alternative locations, and UNHCR management has reviewed the results of the analysis. UNHCR considers this recommendation to have been implemented and requests its closure by the Board.

**700. In paragraph 213 of its report, the Board recommended that UNHCR assess how more efficient management of core relief items in stock, which included supplies of country operations, could be put in place. The assessment should address the question as to whether UNHCR might be seen as one organization with regard to “ownership” of its inventories.**

*Department responsible:* Division of Emergency, Security and Supply  
*Status:* Under implementation  
*Priority:* High  
*Target date:* Second quarter of 2020

701. A decision on the preferred approach regarding the management and “ownership” of core relief items will be made by UNHCR management once the regionalization and decentralization process is completed.

**702. In paragraph 214 of its report, the Board recommended that the Division of Emergency, Security and Supply review all UNHCR inventories on a periodic basis and, if the observations from these reviews permitted it, advise regional bureaux and country operations on opportunities for efficient stockpile management at the country level.**

*Department responsible:* Division of Emergency, Security and Supply  
*Status:* Under implementation  
*Priority:* Medium  
*Target date:* Second quarter of 2020

703. The comments of UNHCR relating to the recommendation in paragraph 213 of the Board's report (see para. 701 above) also apply to the recommendation in paragraph 214 of the report. The resource requirements to implement this recommendation will be subject to further deliberations.

**704. In paragraph 222 of its report, the Board recommended that UNHCR initiate an internal stakeholder process to assess how more efficient order placement and purchase planning could be put in place.**

*Department responsible:* Division of Emergency, Security and Supply  
*Status:* Under implementation  
*Priority:* Medium  
*Target date:* Fourth quarter of 2019

705. The implementation of a more efficient order placement and purchase planning is under review. The finalization is dependent upon the ongoing regionalization and decentralization process.

**706. In paragraph 226 of its report, the Board recommended that UNHCR identify further opportunities for the consolidation of requirements, either at the regional or even the global level.**

*Department responsible:* Division of Emergency, Security and Supply  
*Status:* Under implementation  
*Priority:* Medium  
*Target date:* First quarter of 2020

707. Further opportunities for the consolidation of requirements will be clarified in the upcoming policy and administrative instruction on procurement.

**708. In paragraph 229 of its report, the Board recommended that UNHCR expedite its revision of chapter 8 of the UNHCR Manual in order to ensure that staff gained access to consistent and reliable guidance on procurement procedures.**

*Department responsible:* Division of Emergency, Security and Supply  
*Status:* Under implementation  
*Priority:* Medium  
*Target date:* Fourth quarter of 2019

709. UNHCR has developed the final drafts of the procurement policy and the administrative instruction on procurement, which are now under review by its senior

management. These documents will replace the current chapter 8 of the UNHCR Manual as mandatory guidance; however, chapter 8 will be retained and enhanced to become “soft” guidance.

**710. In paragraph 234 of its report, the Board recommended that UNHCR include the remaining applications in the disaster recovery plan to increase their data security.**

<i>Department responsible:</i>	Division of Information Systems and Telecommunications
<i>Status:</i>	Under implementation
<i>Priority:</i>	High
<i>Target date:</i>	Second quarter of 2020

711. UNHCR has identified a specific action plan and established timelines for the remaining applications to be included in the disaster recovery plan by the end of 2020.

**712. In paragraph 235 of its report, the Board recommended that UNHCR establish an ICT disaster recovery guideline as part of overall business continuity management.**

<i>Department responsible:</i>	Division of Information Systems and Telecommunications
<i>Status:</i>	Under implementation
<i>Priority:</i>	Medium
<i>Target date:</i>	First quarter of 2020

713. UNHCR will finalize the information and communications technology disaster recovery guidelines.

**714. In paragraph 240 of its report, the Board recommended that UNHCR implement comprehensive backup and disaster recovery guidelines in every country operation. The guidelines should be embedded in the local business continuity management.**

<i>Department responsible:</i>	Division of Information Systems and Telecommunications
<i>Status:</i>	Under implementation
<i>Priority:</i>	High
<i>Target date:</i>	Fourth quarter of 2019

715. UNHCR will incorporate backup and disaster recovery guidelines in the information and communications technology field operations manual, which is currently under development. Once the guidelines are issued, it will be up to each operation to include them in their business continuity plans.

**716. In paragraph 244 of its report, the Board recommended that UNHCR review responses from the field to the checklist on ICT general computer controls for UNHCR field operations and that country operations take timely steps to address any significant weaknesses.**

<i>Department responsible:</i>	Division of Information Systems and Telecommunications
<i>Status:</i>	Under implementation
<i>Priority:</i>	Medium
<i>Target date:</i>	First quarter of 2020

717. UNHCR is incorporating the field information and communications technology assessment checklist into a self-assessment questionnaire for internal controls. Completion of the questionnaire will be a mandatory part of year-end closure, and as such, field responses will be reviewed and followed up regularly.

**718. In paragraph 249 of its report, the Board recommended that UNHCR use the newly introduced travel module in its enterprise resource planning to analyse why the compliance with the policy on travel for official purposes was low and, based on this analysis, that UNHCR assess how cost-effective prices for flight bookings can be achieved.**

<i>Department responsible:</i>	Division of Financial and Administrative Management
<i>Status:</i>	Closure requested
<i>Priority:</i>	Medium
<i>Target date:</i>	Not applicable

719. The analysis of the reasons for the low compliance rate with the policy on travel for official purposes has been completed and the resulting data has been shared with all directors of divisions and bureaux so they may take appropriate action. In addition, the revised country financial reports that are issued monthly to operations now include new information on two travel-related key performance indicators, including non-compliance with the 16-day rule. UNHCR considers this recommendation to have been implemented and requests its closure by the Board.

#### **Report of the Board for the year ended 31 December 2016<sup>27</sup>**

**720. In paragraph 39 of its report, the Board recommended that country operations determine the numbers and types of vehicles needed to meet operational needs and document the underlying assumptions and how country operations arrived at their estimates. In case country operations needed assistance with respect to an accepted methodology to estimate the number and types of vehicles needed for the operation, the Board encouraged them to liaise with the Assets and Fleet Management Section at headquarters for advice or additional guidance.**

<i>Department responsible:</i>	Division of Emergency, Security and Supply
<i>Status:</i>	Closure requested
<i>Priority:</i>	High
<i>Target date:</i>	Not applicable

<sup>27</sup> A/72/5/Add.6, chap. II.

721. UNHCR has shared a guidance note with the operations on the criteria to be considered for the determination of the size and composition of their fleets. The criteria take into account country-specific factors (e.g. emergencies, import restrictions, etc.), staff size, the requirements of implementing partners, maintenance and repair facilities, the utilization of existing vehicles and the average age of the fleet, among other things. UNHCR is also in regular contact with all operations that have vehicles that meet the criteria to be sold, so that the number of such vehicles is kept to a minimum. UNHCR considers this recommendation to have been implemented and requests its closure by the Board.

**722. In paragraph 88 of its report, the Board recommended that management in country operations and the regional bureaux regularly review the quality of the financial and performance monitoring for projects implemented with partners.**

<i>Department responsible:</i>	Regional bureaux
<i>Status:</i>	Under implementation
<i>Priority:</i>	High
<i>Target date:</i>	Second quarter of 2020

723. UNHCR headquarters performs an annual quality review of the monitoring reports of a sample number of agreements. In addition, with the establishment of the new Programme Coordination Units in the bureaux, which include the functions of project control, programme monitoring and budgeting, the Regional Project Control Officers will assume quality control functions for the financial and performance monitoring reports.

**724. In paragraph 113 of its report, the Board recommended that country operations monitor non-purchase-order purchases on a regular basis and assess whether further efficiency gains could be realized by compiling individual nonpurchase-order purchases into framework agreements. The Board also advised that headquarters divisions liaise with country operations to explore how the monitoring and oversight of non-purchase-order purchases could be facilitated.**

<i>Department responsible:</i>	Division of Emergency, Security and Supply
<i>Status:</i>	Under implementation
<i>Priority:</i>	High
<i>Target date:</i>	First quarter of 2020

725. UNHCR will monitor non-purchase-order purchases through the revamped country administrative report, which is currently under development and is expected to be completed during the first quarter of 2020.

#### **Report of the Board for the year ended 31 December 2015<sup>28</sup>**

**726. In paragraph 65 of its report, the Board recommended that UNHCR headquarters develop a formal reporting mechanism on the frequency and comprehensiveness of verification exercises, enabling it to obtain assurance as to**

<sup>28</sup> A/71/5/Add.6, chap. II.



**the accuracy of the data regarding its existing population of concern and provide a stronger link between the results and the deployment of resources.**

*Department responsible:* Division of Programme Support and Management  
*Status:* Closure requested  
*Priority:* High  
*Target date:* Not applicable

727. The Board kept this recommendation open on the grounds that UNHCR had to complete a few more verification exercises in progress at the time of audit, in addition to those already completed. UNHCR notes that, based on the repetitive nature of the verification exercises and that following UNHCR guidance requires a verification exercise to be conducted at least every 24 months in certain operational scenarios, there will always be verification activities in progress each year. For this reason, and recalling that the recommendation was to “develop a formal reporting mechanism”, UNHCR confirms that it has implemented a regular reporting mechanism on verification exercises in the field through its network of Senior Regional Registration Officers. In addition, in June 2019, guidance on continuous registration and verification was published as part of the guidance on identity management and registration. UNHCR considers this recommendation to have been implemented and requests its closure by the Board.

#### **Report of the Board for the year ended 31 December 2014<sup>29</sup>**

**728. In paragraph 82 of its report, the Board supported the plans of UNHCR to use its Focus system to better link costs and outcomes in each of its business sectors. It indicated that UNHCR needed to take a tougher, clearer stance on the importance of information on costs and service performance, particularly on linkages between enrolment in education, delivery and retention, and the impact of achieving good-quality education qualifications. Without such information, fully informed judgments on the value for money achieved, or the cost-effective targeting of assistance, were not possible.**

*Department responsible:* Division of Programme Support and Management  
*Status:* Under implementation  
*Priority:* Medium  
*Target date:* Fourth quarter of 2021

729. As of July 2019, the results-based management project had developed a new results framework structure, high-level future business processes that incorporate multi-year and multi-partner approaches, and a high-level data model that will support the new framework and processes. The project’s next deliverables are to further refine these areas, including the linkages between contributions (grants), deliverables (outputs) and further results (outcomes and impact).

<sup>29</sup> A/70/5/Add.6, chap. II.

## X. Fund of the United Nations Environment Programme

### A. Implementation of the recommendations contained in the report of the Board of Auditors for the year ended 31 December 2018<sup>30</sup>

730. Table 25 summarizes the status of implementation of the main recommendations of the Board as of August 2019.

Table 25

#### Status of implementation of the main recommendations

(Number of recommendations)

<i>Department responsible</i>	<i>Total</i>	<i>Not accepted</i>	<i>Closure requested</i>	<i>Under implementation</i>	<i>Target date set</i>	<i>No target date</i>
Corporate Services Division	3	—	—	3	1	2
Policy and Programme Division	1	—	—	1	—	1
Secretariat of the Basel, Rotterdam and Stockholm Conventions	2	—	2	—	—	—
Multiple offices	2	—	—	2	—	2
<b>Total</b>	<b>8</b>	<b>—</b>	<b>2</b>	<b>6</b>	<b>1</b>	<b>5</b>

731. Table 26 summarizes the status of implementation of all recommendations of the Board as of August 2019.

Table 26

#### Status of implementation of all recommendations

(Number of recommendations)

<i>Department responsible</i>	<i>Total</i>	<i>Not accepted</i>	<i>Closure requested</i>	<i>Under implementation</i>	<i>Target date set</i>	<i>No target date</i>
Corporate Services Division	13	1	6	6	3	3
Policy and Programme Division	4	—	1	3	2	1
Regional Office for Europe	1	—	—	1	1	—
Secretariat of the Basel, Rotterdam and Stockholm Conventions	2	—	2	—	—	—
Multiple offices	2	—	—	2	—	2
<b>Total</b>	<b>22</b>	<b>1</b>	<b>9</b>	<b>12</b>	<b>6</b>	<b>6</b>

732. In paragraph 29 of its report, the Board recommended that the United Nations Environment Programme (UNEP) update the Programme Information and Management System with complete and up-to-date project information to ensure appropriate management and an integral future migration to Umoja, establishing control mechanisms that secured results-based management.

<sup>30</sup> A/74/5/Add.7, chap. II.

<i>Department responsible:</i>	Policy and Programme Division
<i>Status:</i>	Under implementation
<i>Priority:</i>	High
<i>Target date:</i>	Ongoing

733. UNEP has established a business intelligence steering committee to ensure that consistent, clear, accurate and reliable data are available to decision makers. UNEP has also initiated a data clean-up process in the system to establish the correct status of the projects, and it continues to use other data aggregation tools such as Power Business Intelligence dashboards to support decision-making processes. UNEP will continue to engage with United Nations Headquarters on the deployment of Umoja Extension 2 modules to include features that guarantee the accuracy and reliability of project information.

**734. In paragraph 41 of its report, the Board recommended that UNEP conduct a staffing assessment related to the positions of project manager and supervisor. This assessment could be related to work distribution, recruitment needs, employee redeployment and training, or any other evaluation suitable to determine the measures needed to ensure adequate performance monitoring and reporting.**

<i>Department responsible:</i>	Policy and Programme Division
<i>Status:</i>	Closure requested
<i>Priority:</i>	Medium
<i>Target date:</i>	Not applicable

735. UNEP undertakes monitoring and reporting on performance as one of the key steps of the projects cycle in accordance with its project manual. As part of the United Nations Secretariat, staff performance and appraisal, including the project manager/supervisor relationship, is governed at UNEP by the administrative instruction on the Performance Management and Development System (ST/AI/2010/5), which sets out clear roles, responsibilities and criteria for staff members and supervisors with regard to performance evaluations. In addition, UNEP undertakes rigorous procedures when assessing staff to determine their suitability in terms of the competencies, experience and qualifications needed to meet the requirements of any position. UNEP considers this recommendation to have been implemented and requests its closure by the Board.

**736. In paragraph 43 of its report, the Board recommended that UNEP regulate the supervisor position, setting out its obligations and responsibilities in the UNEP programme manual, in accordance with what the agency had indicated.**

<i>Department responsible:</i>	Policy and Programme Division
<i>Status:</i>	Under implementation
<i>Priority:</i>	Medium
<i>Target date:</i>	First quarter of 2020

737. The programme manual will be edited to clearly define the obligations and responsibilities of the supervisor position.

**738. In paragraph 45 of its report, the Board recommended that, despite actions that had already been taken, UNEP establish an appropriate training course for both positions as well as complete guidelines regulating the accountability process for their obligations set out in the UNEP programme manual.**

*Department responsible:* Policy and Programme Division

*Status:* Under implementation

*Priority:* Medium

*Target date:* Second quarter of 2020

739. The capacity for results-based management is now fully embedded in the organization and the relevant training courses on results-based management have been completed. However, UNEP is considering ways to mobilize the resources necessary to augment the existing training.

**740. In paragraph 60 of its report, the Board recommended that UNEP establish measures to guarantee that the digital folders contained all the files that supported the implementation of the projects and the performance of the implementing partners.**

*Department responsible:* Corporate Services Division

*Status:* Closure requested

*Priority:* Medium

*Target date:* Not applicable

741. The documents necessary for the implementation of projects with implementing partners are now included in the appropriate sections of the grantor management module in Umoja. UNEP considers this recommendation to have been implemented and requests its closure by the Board.

**742. In paragraph 61 of its report, the Board recommended that UNEP improve its project planning process in order to avoid significant variations in terms of deadlines and allocated funds.**

*Department responsible:* Corporate Services Division

*Status:* Closure requested

*Priority:* Medium

*Target date:* Not applicable

743. The deadlines for the implementation of the agreements with implementing partners are captured in the grantor management module of Umoja. The system controls do not allow commitment of the allocated funds beyond the approved budgets and the set deadlines. In addition, the extension of the deadlines for agreements in Umoja is managed centrally at the United Nations Office at Nairobi. UNEP considers this recommendation to have been implemented and requests its closure by the Board.

**744. In paragraph 62 of its report, the Board recommended that UNEP establish a control system on unused funds in order to periodically report and take collection action when appropriate.**

<i>Department responsible:</i>	Corporate Services Division
<i>Status:</i>	Closure requested
<i>Priority:</i>	Medium
<i>Target date:</i>	Not applicable

745. UNEP, in collaboration with the United Nations Office at Nairobi, has deployed dashboard monitoring reports on the status of the funds issued to implementing partners. These reports are used to enhance collection efforts and improve reporting by the implementing partners. UNEP considers this recommendation to have been implemented and requests its closure by the Board.

**746. In paragraph 63 of its report, the Board recommended that UNEP take the necessary steps to obtain the current unused funds under its agreements.**

<i>Department responsible:</i>	Corporate Services Division
<i>Status:</i>	Closure requested
<i>Priority:</i>	Medium
<i>Target date:</i>	Not applicable

747. The amounts and ageing of the unused funds under the agreements with implementing partners are now captured in the dashboard monitoring reports mentioned above. These reports are used to take management decisions with regard to cases of non-compliance with the reporting requirements of the signed agreements. UNEP, in collaboration with the United Nations Office at Nairobi, issues regular reports and guidance to all substantive offices on the handling of cases of unused funds under its agreements. UNEP considers this recommendation to have been implemented and requests its closure by the Board.

**748. In paragraph 79 of its report, the Board recommended that UNEP carry out a review and consolidation of all current UNEP-Global Environment Facility (UNEP-GEF) projects, with the necessary information to ensure adequate accountability and programme management.**

<i>Department responsible:</i>	Corporate Services Division
<i>Status:</i>	Under implementation
<i>Priority:</i>	High
<i>Target date:</i>	Ongoing

749. UNEP is relying on the implementation of the planned modules of Umoja Extension 2, which incorporate programme and project management, budgeting, implementing partners and resource mobilization, and will facilitate the consolidation and better management of financial information.

**750. In paragraph 80 of its report, the Board recommended that UNEP take measures to integrate and to improve the management of information in order to ensure compliance with the objectives of the programme.**

<i>Department responsible:</i>	Corporate Services Division
<i>Status:</i>	Under implementation
<i>Priority:</i>	High
<i>Target date:</i>	Ongoing

751. The comments of UNEP relating to the recommendation in paragraph 79 of the Board's report (see para. 749 above) also apply to the recommendation in paragraph 80 of the report.

**752. In paragraph 88 of its report, the Board recommended that UNEP establish the proper coordination with its Regional Office for Europe and the secretariat of the Basel, Rotterdam and Stockholm Conventions in order to ensure that they systematically managed risks and facilitated effective implementation of its mandated activities under the United Nations enterprise risk management and internal control policy.**

<i>Departments responsible:</i>	Regional Office for Europe and secretariat of the Basel, Rotterdam and Stockholm Conventions
<i>Status:</i>	Under implementation
<i>Priority:</i>	High
<i>Target date:</i>	Ongoing

753. UNEP is represented in the enterprise risk management task force of the United Nations Secretariat, which is developing a model to be used as both an implementation road map and a benchmarking tool for risk management. In addition, UNEP has identified additional staff to support the implementation of the enterprise risk management and internal control policy of the United Nations.

**754. In paragraph 89 of its report, the Board recommended that the UNEP Regional Office for Europe and the secretariat of the Basel, Rotterdam and Stockholm Conventions maintain an updated risk log, in accordance with the UNEP programme manual.**

<i>Departments responsible:</i>	Regional Office for Europe and secretariat of the Basel, Rotterdam and Stockholm Conventions
<i>Status:</i>	Under implementation
<i>Priority:</i>	High
<i>Target date:</i>	Ongoing

755. As an interim measure, the secretariat of the Basel, Rotterdam and Stockholm Conventions has taken the initiative to identify risk areas, using risk logs adapted to its context and a strategic approach to evaluate and address risks related to its operations, and categorize them according to the following clusters: funding and resource mobilization; human resources; and cross-functional aspects of business continuity. The UNEP Regional Office for Europe is also expected to adopt this approach in due course.

**756. In paragraph 104 of its report, the Board recommended that UNEP establish the proper liaison between its headquarters and the secretariat of the**

**Basel, Rotterdam and Stockholm Conventions in order to agree on the indirect costs that would be covered by their share of programme support costs and the services to be provided to the Conferences of the Parties to the Conventions.**

*Department responsible:* Secretariat of the Basel, Rotterdam and Stockholm Conventions

*Status:* Closure requested

*Priority:* High

*Target date:* Not applicable

757. UNEP and the secretariat of the Basel, Rotterdam and Stockholm Conventions have agreed on the indirect costs to be covered by the secretariat's share of programme support costs through a signed memorandum of understanding. UNEP considers this recommendation to have been implemented and requests its closure by the Board.

**758. In paragraph 105 of its report, the Board recommended that the secretariat of the Basel, Rotterdam and Stockholm Conventions liaise with UNEP headquarters and the Conferences of the Parties to the Conventions in order to finalize and enact a memorandum of understanding. This instrument shall include the arrangements for the provision of secretariat functions by UNEP to each of the Conventions, aiming to establish a regulatory framework that sets out clear responsibilities, transparency, guidance and accountability between the parties and the member States.**

*Department responsible:* Secretariat of the Basel, Rotterdam and Stockholm Conventions

*Status:* Closure requested

*Priority:* High

*Target date:* Not applicable

759. Three memorandums of understanding between UNEP and the respective Conferences of the Parties to the Conventions were formally adopted and signed in April 2019. UNEP considers this recommendation to have been implemented and requests its closure by the Board.

**760. In paragraph 114 of its report, the Board recommended that the UNEP Regional Office for Europe consider, in its next annual workplans, performance indicators for monitoring, reporting and measuring the impact of its activities in the region, so as to implement the UNEP operating principle of results-based management.**

*Department responsible:* Regional Office for Europe

*Status:* Under implementation

*Priority:* Medium

*Target date:* Second quarter of 2020

761. The UNEP Regional Office for Europe is making arrangements to ensure that its next workplan will include measurable performance indicators in line with the UNEP operating principle of results-based management.

**762. In paragraph 123 of its report, the Board recommended that UNEP review and enhance its deposit records by standardizing the names and/or sponsor codes, recording mandatory information that accounts for the purpose of the funds and ensuring that the information in weekly reports was traceable enough to compare it with Umoja records.**

*Department responsible:* Corporate Services Division

*Status:* Not accepted

*Priority:* Medium

*Target date:* Not applicable

763. UNEP did not accept this recommendation. The weekly report of deposits is a working document in which information is continually updated on the basis of additional information received during its review, whereas the information in Umoja is the final product, resulting from several updates. Posting to Umoja takes place only after several iterations and confirmation of the completeness and correctness of the data.

764. UNEP took note of the Board's additional comments in paragraph 125 of its report. In this regard, UNEP wishes to note that the information in the weekly reports is dynamic and is updated once new or additional information is received. UNEP management ensures that the weekly report of deposits is reconciled to the bank records. In some cases, lump sum amounts received from donors are split into several different amounts, as they relate to different receivables. In such cases, documents and explanations are provided on case-by-case basis, but it is not possible to amend the weekly reports in order to maintain linkage to the actual amounts received by the bank.

**765. In paragraph 135 of its report, the Board recommended that UNEP strengthen its controls to comply with the unidentified deposits identification process in order to reduce the amounts not allocated to programmes/projects, guaranteeing compliance with the policy and procedures on unidentified deposits and the standard operating procedure on the matter.**

*Department responsible:* Corporate Services Division

*Status:* Under implementation

*Priority:* High

*Target date:* First quarter of 2020

766. UNEP has implemented a step-by-step review and follow-up process on unapplied deposits to ensure compliance with the policy and procedures on unidentified deposits and the standard operating procedure. In addition, a review of the resources allocated to the processing of unapplied deposits will be undertaken to ensure that the policy is implemented without hindrance.

**767. In paragraph 143 of its report, the Board recommended that UNEP improve its monitoring of staff annual leave to ensure that all leave was requested and**



**approved through supervisors in a timely manner in accordance with the Staff Regulations and Rules of the United Nations.**

*Department responsible:* Corporate Services Division  
*Status:* Under implementation  
*Priority:* Medium  
*Target date:* First quarter of 2020

768. The leave monitors have undertaken the relevant training on monitoring and reporting annual leave. It is expected that the collaboration between leave monitors and supervisors will enhance the timely follow-up of any cases that are submitted to but not processed in the system. UNEP will continue to raise awareness among staff members and managers with regard to compliance with the requirements for recording and approving annual leave.

**769. In paragraph 144 of its report, the Board recommended that UNEP perform a periodic and timely review of the leave system to identify the absences and, if relevant, apply the charges in the monthly salary of the staff.**

*Department responsible:* Corporate Services Division  
*Status:* Closure requested  
*Priority:* Medium  
*Target date:* Not applicable

770. UNEP follows the United Nations Secretariat's procedure of recording such absences as special leave without pay. UNEP considers this recommendation to have been implemented and requests its closure by the Board.

**771. In paragraph 152 of its report, the Board recommended that UNEP ensure the accuracy of ICT data and preserve and protect ICT resources, related to the consolidation of the management information on projects into one system, considering in this process historical project data, pursuant to bulletin [ST/SGB/2004/15](#).**

*Department responsible:* Corporate Services Division  
*Status:* Under implementation  
*Priority:* Medium  
*Target date:* Ongoing

772. The implementation of this recommendation depends on the outcome of the implementation of the planned modules of Umoja Extension 2, which are expected to lead to the consolidation of management information into one system.

**773. In paragraph 159 of its report, the Board recommended that UNEP strengthen its controls in order to comply with the deadline of 21 days in advance for submission of travel requests, providing the proper justification in the cases when the mentioned rule had not been complied with.**

<i>Department responsible:</i>	Corporate Services Division
<i>Status:</i>	Closure requested
<i>Priority:</i>	Medium
<i>Target date:</i>	Not applicable

774. A review of the data in Umoja shows an overall compliance rate of 62 per cent for over 1,649 official missions undertaken so far in 2019, compared with the compliance rates of 50 per cent in 2018 and 47 per cent in 2017. In addition, UNEP is monitoring average days for travel certification and approval against service targets. UNEP considers this recommendation to have been implemented and requests its closure by the Board.

**775. In paragraph 165 of its report, the Board recommended that UNEP management devise a suitable mechanism to ensure better coordination between the entity and the Office of Internal Oversight Services for a complete and comprehensive reporting of cases of fraud and presumptive fraud.**

<i>Department responsible:</i>	Corporate Services Division
<i>Status:</i>	Under implementation
<i>Priority:</i>	Medium
<i>Target date:</i>	First quarter of 2020

776. UNEP has initiated consultations with the Office of Internal Oversight Services and the United Nations Office at Nairobi to agree on a mechanism that will allow better management and reporting of cases of fraud and presumptive fraud.

## **B. Implementation of the recommendations contained in the report of the Board of Auditors for prior financial periods**

777. In the annex to its report for the year ended 31 December 2018 (A/74/5/Add.7, chap. II), the Board provided a summary of the status of implementation of recommendations for previous financial periods. Information is provided below on the 13 recommendations that have been determined by the Board to be under implementation. The information is set out below in the order in which the recommendations are presented in the annex.

778. Table 27 summarizes the overall situation as of August 2019.

Table 27

### **Status of implementation of recommendations from prior periods considered not fully implemented**

(Number of recommendations)

<i>Department responsible</i>	<i>Total</i>	<i>Not accepted</i>	<i>Closure requested</i>	<i>Under implementation</i>	<i>Target date set</i>	<i>No target date</i>
Corporate Services Division	12	—	3	9	2	7
Programme and Policy Division	1	—	—	1	—	1
<b>Total</b>	<b>13</b>	<b>—</b>	<b>3</b>	<b>10</b>	<b>2</b>	<b>8</b>

**Report of the Board for the year ended 31 December 2017<sup>31</sup>**

**779. In paragraph 30 of its report, the Board recommended that UNEP: (a) introduce a mechanism to enforce prompt recording of all project financial information in Umoja and regularly update the project financial data in the system; (b) introduce a regular review of project information in Umoja to verify the correctness and completeness of project data; and (c) ensure that all transactions in Umoja were linked to a valid and approved project in support of the programme of work.**

*Department responsible:* Programme and Policy Division  
*Status:* Under implementation  
*Priority:* High  
*Target date:* Ongoing

780. UNEP is relying on the planned implementation of the project management module under Umoja Extension 2 to resolve the lack of linkage of the transactions in Umoja to the project management system. However, as the timeline for the implementation of the module under Umoja Extension 2 is not certain, UNEP continues to enhance controls and processes under its current project management information system. UNEP has established a business intelligence steering committee to ensure that consistent, clear, accurate and reliable data is available to decision makers. UNEP has also initiated data clean-up in the system to establish the correct status of the projects.

**781. In paragraph 35 of its report, the Board recommended that UNEP establish guidelines for field offices on how to assess and select implementing partners that are not-for-profit public-sector organizations.**

*Department responsible:* Corporate Services Division  
*Status:* Under implementation  
*Priority:* Medium  
*Target date:* Fourth quarter of 2020

782. UNEP is waiting for the United Nations Secretariat to finish establishing a system-wide policy on the management of implementing partners and end beneficiaries. In the meantime, UNEP continues to use its current partnership policy and procedures on the assessment and selection of implementing partners. These procedures include a central role for the entity's Partnership Committee and are executed through its partnership portal and the grantor management module of Umoja Extension 2.

**783. In paragraph 40 of its report, the Board recommended that UNEP: (a) in collaboration with the United Nations Office at Nairobi, review on a regular basis all the roles that had been granted in Umoja and eliminate all conflicting roles granted to users; and (b) establish procedures to ensure that user roles were reviewed regularly by process owners to ensure that they were commensurate with job descriptions and were not conflicting.**

<sup>31</sup> [A/73/5/Add.7](#), chap. II.

*Department responsible:* Corporate Services Division  
*Status:* Under implementation  
*Priority:* High  
*Target date:* Second quarter of 2020

784. UNEP has resolved the conflicting roles in Umoja, with the exception of a few cases in small offices that do not have enough staff to undertake different roles and where exceptions have been granted by the process owners. In addition, UNEP has implemented a dashboard solution whereby a weekly review of the compatibility of the roles of the user accounts is carried out. UNEP will continue to seek a solution to the few remaining cases in those offices that do not have enough staff members to undertake different roles.

**785. In paragraph 49 of its report, the Board recommended that UNEP ensure that: (a) assets information in Umoja was updated in a timely manner; and (b) unserviceable or obsolete assets were promptly identified, written off and disposed of.**

*Department responsible:* Corporate Services Division  
*Status:* Closure requested  
*Priority:* Medium  
*Target date:* Not applicable

786. UNEP, in collaboration with the United Nations Office at Nairobi, has updated the relevant records in Umoja on the items that were found to be operational and in use. The four items that were identified for disposal were approved for disposal by the Local Property Survey Board in July 2019 and removed from the records in Umoja. UNEP considers this recommendation to have been implemented and requests its closure by the Board.

**787. In paragraph 53 of the report, UNEP agreed with the Board's recommendation that it issue a policy document based on the Anti-Fraud and Anti-Corruption Framework of the United Nations Secretariat.**

*Department responsible:* Corporate Services Division  
*Status:* Under implementation  
*Priority:* Medium  
*Target date:* Ongoing

788. UNEP issued an interim anti-fraud and anti-corruption policy in May 2019. The policy is intended to be effective for a limited period on a pilot basis to allow for the assessment and adjustment of the definitive text and the incorporation of significant additional measures after internal consultation on the practices, tools and methodologies to be applied.

## Report of the Board for the year ended 31 December 2016<sup>32</sup>

**789. In paragraph 24 of its report, the Board recommended that UNEP enhance its follow-up efforts with implementing partners to submit the required reports on time so as to expedite financial closure of operationally closed projects.**

*Department responsible:* Corporate Services Division  
*Status:* Under implementation  
*Priority:* High  
*Target date:* Ongoing

790. UNEP has implemented the grantor management module of Umoja Extension 2 and is actively involved in the improvement of the new system to include features aimed at enhancing monitoring and reporting of the activities of implementing partners. It is expected that once the system is fully operational, UNEP will be able to address the challenge of timely reporting and closure of the projects and activities executed by the implementing partners.

**791. In paragraph 33 of its report, the Board recommended that UNEP conduct a regular follow-up with implementing partners to ensure that they complied with the UNEP programme manual by submitting consolidated audited financial statements on completed projects to provide assurance over the expenditure incurred during the implementation of the projects.**

*Department responsible:* Corporate Services Division  
*Status:* Under implementation  
*Priority:* High  
*Target date:* Ongoing

792. As indicated above, UNEP has implemented the grantor management module of Umoja Extension 2. It is expected that once the module is fully operational, UNEP will be able to address the challenge of timely reporting and closure of the projects and activities executed by the implementing partners. Owing to the large number of agreements UNEP has signed with implementing partners, the module needs automated features to monitor submissions of audited financial statements on completed projects in order to provide assurance over the incurred expenditures.

**793. In paragraph 39 of the report, UNEP agreed with the Board's recommendation to develop an anti-fraud policy to ensure that a consistent approach to fraud detection, measurement and reporting was in place across all implementing partners.**

*Department responsible:* Corporate Services Division  
*Status:* Under implementation  
*Priority:* High  
*Target date:* Ongoing

<sup>32</sup> A/72/5/Add.7, chap. II.

794. The comments of UNEP relating to the recommendation in paragraph 53 of the Board's report for the year ended 31 December 2017 (see para. 788 above) also apply to the recommendation in paragraph 39 of the Board's report for the year ended 31 December 2016.

**795. In paragraph 68 of its report, the Board recommended that UNEP expedite the implementation of enterprise risk management to ensure an effective and efficient risk management process.**

*Department responsible:* Corporate Services Division  
*Status:* Under implementation  
*Priority:* Medium  
*Target date:* Ongoing

796. UNEP is in the process of implementing this recommendation and has identified additional resources to support the implementation of the enterprise risk management policy.

#### **Report of the Board for the year ended 31 December 2015<sup>33</sup>**

**797. In paragraph 52 of its report, the Board recommended that UNEP ensure sufficient controls over the preparation and submission of required project reports by implementing agencies in compliance with the project cooperation agreements.**

*Department responsible:* Corporate Services Division  
*Status:* Under implementation  
*Priority:* High  
*Target date:* Ongoing

798. The comments of UNEP relating to the recommendation in paragraph 24 of the Board's report for the year ended 31 December 2016 (see para. 790 above) also apply to the recommendation in paragraph 52 of the Board's report for the year ended 31 December 2015.

**799. In paragraph 56 of its report, the Board recommended that UNEP-GEF: (a) make more effort and follow-up to ensure that expenditure reports were submitted within the agreed time frames under the signed agreements; and (b) consider the write-off of receivables in respect of which expenditure reports could not be retrieved and the recoverability of advances had proved to be uncertain.**

*Department responsible:* Corporate Services Division  
*Status:* Under implementation  
*Priority:* High  
*Target date:* Ongoing

<sup>33</sup> A/71/5/Add.7, chap. II.

800. The comments of UNEP relating to the recommendation in paragraph 24 of the Board's report for the year ended 31 December 2016 (see para. 790 above) also apply to the recommendation in paragraph 56 of the Board's report for the year ended 31 December 2015. UNEP is also in the process of cleaning up old balances related to advances before they are moved to Umoja.

**801. In paragraph 67 of the report, UNEP agreed with the Board's recommendation that it review the residual value and the useful lives of all assets and ensure that the asset register was updated to reflect the restated figures after Headquarters had completed the analysis of property, plant and equipment.**

*Department responsible:* Corporate Services Division

*Status:* Closure requested

*Priority:* Medium

*Target date:* Not applicable

802. UNEP completed the required review, processed the appropriate write-offs and made the appropriate entries in Umoja for reinstated assets before the preparation of the financial reports as at 31 December 2018. UNEP considers this recommendation to have been implemented and requests its closure by the Board.

#### **Report of the Board for the year ended 31 December 2014<sup>34</sup>**

**803. In paragraph 45 of the report, UNEP agreed with the Board's recommendation that it look at ways of ensuring that the Evaluation Office was provided with adequate resources to initiate and manage independent project-level evaluations to the required level, and that project closure time frames were adhered to.**

*Department responsible:* Corporate Services Division

*Status:* Closure requested

*Priority:* High

*Target date:* Not applicable

804. UNEP has provided evidence to the Board with regard to the approval of the deployment of a position at the Professional level (P-4) to the Evaluation Office with the aim of strengthening the capacity of the Office. UNEP considers this recommendation to have been implemented and requests its closure by the Board.

## **XI. United Nations Population Fund**

### **A. Implementation of the recommendations contained in the report of the Board of Auditors for the year ended 31 December 2018<sup>35</sup>**

805. Table 28 summarizes the status of implementation of the main recommendations of the Board as of August 2019.

<sup>34</sup> A/70/5/Add.7, chap. II.

<sup>35</sup> A/74/5/Add.8, chap. II.

Table 28  
**Status of implementation of the main recommendations**

(Number of recommendations)

<i>Department responsible</i>	<i>Total</i>	<i>Not accepted</i>	<i>Closure requested</i>	<i>Under implementation</i>	<i>Target date set</i>	<i>No target date</i>
Division for Human Resources	1	—	—	1	1	—
Division for Management Services	1	—	—	1	1	—
Procurement Services Branch	2	—	1	1	1	—
Multiple offices	2	—	—	2	2	—
<b>Total</b>	<b>6</b>	<b>—</b>	<b>1</b>	<b>5</b>	<b>5</b>	<b>—</b>

806. Table 29 summarizes the status of implementation of all recommendations of the Board as of August 2019.

Table 29  
**Status of implementation of all recommendations**

(Number of recommendations)

<i>Department responsible</i>	<i>Total</i>	<i>Not accepted</i>	<i>Closure requested</i>	<i>Under implementation</i>	<i>Target date set</i>	<i>No target date</i>
Division for Human Resources	1	—	—	1	1	—
Division for Management Services	3	—	—	3	3	—
Information Technology Solutions Office	1	—	1	—	—	—
Regional Office for Latin America and the Caribbean	1	—	—	1	1	—
Policy and Strategy Division	2	—	—	2	2	—
Procurement Services Branch	2	—	1	1	1	—
Multiple offices	5	—	2	3	3	—
<b>Total</b>	<b>15</b>	<b>—</b>	<b>4</b>	<b>11</b>	<b>11</b>	<b>—</b>

807. In paragraph 17 of its report, the Board recommended that the United Nations Population Fund (UNFPA) strengthen, document and standardize clear guidelines of revision, including a timely revision of procedures in accordance with the internal control framework policy, while also making efforts to improve the supervision of the procedures and their documentation.

*Department responsible:* Division for Management Services

*Status:* Under implementation

*Priority:* Medium

*Target date:* Fourth quarter of 2019

808. The review and approval requirements for the different business processes are stipulated in the corresponding policies and procedures. For the specific issue identified by the Board regarding the local approval of journal entries, UNFPA will modify the workflow within AODocs, the platform used for the review, approval and



processing of journal entries, to include approval of the journal entry submissions by the respective country office's operations manager or, if a country office does not have an operations manager, the head of the office. In addition, UNFPA country offices have been requested to attach signed accounts payable authorization forms to journal entries created and submitted for payments to other United Nations organizations, which are undertaken by the Finance Branch at Headquarters through the inter-agency settlement process.

**809. In paragraph 22 of its report, the Board recommended that UNFPA perform a timely review of the assigned profiles in the Atlas enterprise resource planning system and modify the privileges in the cases that were not in line with the segregation of duties established in the policy, and strengthen periodic monitoring of user access and the exception profiles in the Atlas system, documenting such cases in accordance with the Policies and Procedures Manual.**

<i>Department responsible:</i>	Division for Management Services
<i>Status:</i>	Under implementation
<i>Priority:</i>	Medium
<i>Target date:</i>	Fourth quarter of 2019

810. UNFPA immediately addressed the audit observation by correcting the user profile in question while the Board of Auditors team was still at the Regional Office for Latin America and the Caribbean. The Division for Management Services continues to perform a review of Atlas requests from country offices, in compliance with the segregation of duties requirements, by means of an "exceptions" report. This report is periodically reviewed by the Division to determine whether an exception granted to an office is still required.

**811. In paragraph 29 of its report, the Board recommended that UNFPA make efforts to improve the proactive, effective and timely performance of spot checks of the programmes of the implementing partners, as established in the assurance plan.**

<i>Department responsible:</i>	Division for Management Services
<i>Status:</i>	Under implementation
<i>Priority:</i>	High
<i>Target date:</i>	Fourth quarter of 2019

812. UNFPA took note of the observation and reviewed the spot checks in the regional offices, which have since been completed. The planning of spot checks allows flexibility in adjusting programme implementation and postponing spot checks, if necessary, to ensure sufficient expenditures are available for review. The Regional Office for Latin America and the Caribbean operates in a low-risk context and there were no other risk factors that would have required spot checks before the time of optimal cost-efficiency. UNFPA continues to improve the implementation of spot checks.

**813. In paragraph 36 of its report, the Board recommended that UNFPA strengthen the capacity-building of its personnel for the effective application of global programming system principles.**

*Department responsible:* Policy and Strategy Division  
*Status:* Under implementation  
*Priority:* Medium  
*Target date:* Fourth quarter of 2019

814. UNFPA has conducted regional training sessions on the global programming system for all regions. In addition, country-specific training is being facilitated on a case-by-case basis, and an updated global programming system user guide, for the personnel of both UNFPA and its implementing partners, will be issued by the end of 2019.

**815. In paragraph 37 of its report, the Board recommended that UNFPA supervise the correct modification of the workplan carried out by the field offices in accordance with the policy and procedures for the preparation, management and monitoring of workplans.**

*Department responsible:* Policy and Strategy Division  
*Status:* Under implementation  
*Priority:* Medium  
*Target date:* Fourth quarter of 2019

816. UNFPA agrees with the spirit of this recommendation to strengthen financial monitoring of workplans during programme implementation, and has taken steps that include the integration of workplan monitoring into its workplan policy.

**817. In paragraph 43 of its report, the Board recommended that UNFPA take actions to strengthen order, cleanliness and security in the warehouse, monitoring the condition of the warehouse on a recurring basis, in order to guarantee compliance with the policy.**

*Department responsible:* Regional Office for Latin America and the Caribbean  
*Status:* Under implementation  
*Priority:* Medium  
*Target date:* Fourth quarter of 2019

818. The policy requirements in terms of warehouse conditions and insurance are clear, and the issues noted in Panama are primarily of a compliance nature. UNFPA will inform the United Nations Humanitarian Response Depot of the concerns related to order, cleanliness and security in the warehouse area assigned to UNFPA and will follow up to ensure that UNFPA supplies are stored in good condition and in full compliance with its policy and procedures for the management of programme supplies.

**819. In paragraph 49 of its report, the Board recommended that UNFPA insure its commodities, by either establishing a written agreement with the United Nations Humanitarian Response Depot or signing an insurance agreement to comply with the supply policy, reducing the risk of loss or damage in case of catastrophe.**

<i>Departments responsible:</i>	Procurement Services Branch and Regional Office for Latin America and the Caribbean
<i>Status:</i>	Under implementation
<i>Priority:</i>	High
<i>Target date:</i>	First quarter of 2020

820. UNFPA notes that the Regional Office for Latin America and the Caribbean provided evidence of the United Nations Humanitarian Response Depot's response regarding the warehouse insurance policy. The Procurement Services Branch will review the arrangements between UNFPA and the United Nations Humanitarian Response Depot to ensure that the global insurance requirements are appropriately met.

**821. In paragraph 50 of its report, the Board recommended that UNFPA issue instructions to the heads of offices in order to create awareness of the insurance policy uses and standard procedures.**

<i>Department responsible:</i>	Procurement Services Branch
<i>Status:</i>	Under implementation
<i>Priority:</i>	High
<i>Target date:</i>	Fourth quarter of 2019

822. UNFPA will issue instructions to the heads of offices on the usage of the insurance policy and related standard procedures.

**823. In paragraph 60 of its report, the Board recommended that UNFPA strengthen its purchasing planning process with the purpose of considering defined needs when selecting the purchasing method in the project.**

<i>Department responsible:</i>	Procurement Services Branch
<i>Status:</i>	Closure requested
<i>Priority:</i>	High
<i>Target date:</i>	Not applicable

824. UNFPA notes that paragraph 4.3.1 of the revised procurement procedures, which were launched in June 2019, instructs business units to prepare annual procurement plans and to review the annual procurement plans quarterly in order to align the procurement plans with the programme and with funding availability. UNFPA considers this recommendation to have been implemented and requests its closure by the Board.

**825. In paragraph 61 of its report, the Board recommended that purchases made by UNFPA comply with established thresholds in accordance with the policy on purchases made by the country offices and conduct periodic monitoring of the purchasing process implemented.**

<i>Departments responsible:</i>	Procurement Services Branch and Information Technology Solutions Office
<i>Status:</i>	Under implementation
<i>Priority:</i>	High
<i>Target date:</i>	Fourth quarter of 2022

826. UNFPA takes note of the recommendation and will ensure that the new enterprise resource planning system provides the required controls over the procurement thresholds. UNFPA will provide clear guidance to all its country offices regarding the established thresholds for the appropriate procurement process review committee and the appropriate procurement contract award authority. UNFPA will also conduct oversight over the purchasing process through periodic monitoring and spot checks.

**827. In paragraph 66 of its report, the Board recommended that UNFPA field offices request, in a timely manner, pre-approval by the Procurement Services Branch for the purchase of medical supplies in future purchases and provide evidence of the approval received from the Procurement Services Branch.**

<i>Departments responsible:</i>	Country office in Mexico and Procurement Services Branch
<i>Status:</i>	Closure requested
<i>Priority:</i>	Medium
<i>Target date:</i>	Not applicable

828. UNFPA agrees that its country offices should obtain written pre-approval from the Procurement Services Branch before they purchase any medical supplies. UNFPA management will send periodic reminders to country offices in this regard. UNFPA considers this recommendation to have been implemented and requests its closure by the Board.

**829. In paragraph 76 of its report, the Board recommended that UNFPA country offices report, as a preventive mechanism, to the Office of Audit and Investigation Services on the conduct of any further situations that may be noticed in the future, in order to comply with the UNFPA vendor review and sanctions policy.**

<i>Departments responsible:</i>	Procurement Services Branch and Division for Management Services
<i>Status:</i>	Closure requested
<i>Priority:</i>	Medium
<i>Target date:</i>	Not applicable

830. UNFPA is of the view that proper actions were taken to prevent any type of proscribed practice, although a consultation with the UNFPA Office of Audit and Investigation Services or the Regional Office for Latin America and the Caribbean might have provided additional support to the decision taken. Following the recommendation made by the Board, the country office informed the Office of Audit and Investigation Services of this particular case, and refrained from submitting the

procurement to the Contracts Review Committee pending its advice. After careful review of the case, the Office of Audit and Investigation Services advised the country office in April 2019 that there was no indication that the concerned company intentionally, knowingly or with gross negligence or recklessness engaged in, or attempted to engage in, proscribed practices as defined in UNFPA procurement policies, and that as a consequence the country office's decision not to refer the matter to the Office at that stage, though perhaps it would have been prudent to seek its advice, did not amount to the country office not following policy or seeking to conceal any wrongdoing. The Office also stated that, with the information at hand and available to it at the time, its opinion, without prejudice, was that the country office's decision to include the concerned company in the procurement exercise in December 2018 was not inappropriate and that the Office considered the case closed. However, the Board's recommendation that country offices report as a preventive mechanism to the Office of Audit and Investigation Services is well taken. UNFPA considers this recommendation to have been implemented and requests its closure by the Board.

**831. In paragraph 81 of its report, the Board recommended that UNFPA comprehensively review and update the policy on the delegations of authority, defining, especially, specific guidelines for senior positions at regional offices.**

*Department responsible:* Division for Human Resources

*Status:* Under implementation

*Priority:* High

*Target date:* Fourth quarter of 2019

832. The policy referred to by the Board relates solely to an existing delegation of authority policy for human resources management. Authority delegated to heads of office, and other management roles, are specified in various policies and procedures, such as those on procurement; the management of cash transfers to implementing partners; programme supplies and cash disbursements; and accounts payable. For greater clarity, however, UNFPA will develop a comprehensive context-specific matrix outlining delegations of authority.

**833. In paragraph 87 of its report, the Board recommended that UNFPA keep sight of efficiencies when restructuring its administrative support to the Panama country office and within the upcoming reform initiatives of the Secretary-General.**

*Departments responsible:* Division for Management Services and Office of the Executive Director

*Status:* Under implementation

*Priority:* Medium

*Target date:* Fourth quarter of 2019

834. UNFPA notes that the Executive Office of the Secretary-General, as part of the United Nations reform, is currently examining the functions and capacity of the entire regional architecture of the United Nations development system. This may include the co-location of various agencies in order to strengthen policy and other support to the United Nations country teams in assisting countries in accelerating sustainable development. Furthermore, UNFPA has launched new change initiatives to review and align the functions, roles and responsibilities of its headquarters, regional and

subregional offices, respectively, to provide harmonized and integrated support to the country offices. The review will be finalized by the end of 2019. UNFPA is committed to ensuring the efficient use of resources, and will, in due course, take an appropriate decision in the broader context of the above two processes.

**835. In paragraph 91 of its report, the Board recommended that UNFPA take measures to prevent electrical risks inside and around the equipment rooms, with the purpose of protecting the facilities against threats, including natural or human-made disasters.**

*Department responsible:* Information Technology Solutions Office

*Status:* Closure requested

*Priority:* Medium

*Target date:* Not applicable

836. UNFPA has taken appropriate actions to address the recommendation by reviewing the equipment rooms' cabling and protections, as well as shutting down and decommissioning all equipment made redundant by the migration of applications to cloud computing. UNFPA considers this recommendation to have been implemented and requests its closure by the Board.

## **B. Implementation of the recommendations contained in the report of the Board of Auditors for prior financial periods**

837. In annex I to its report for the year ended 31 December 2018 ([A/74/5/Add.8](#), chap. II), the Board provided a summary of the status of implementation of recommendations for previous financial periods. Information is provided below on the 12 recommendations that have been determined by the Board to be under implementation. The information is set out below in the order in which the recommendations are presented in the annex.

838. Table 30 summarizes the overall situation as of August 2019.

Table 30

### **Status of implementation of recommendations from prior periods considered not fully implemented**

(Number of recommendations)

<i>Department responsible</i>	<i>Total</i>	<i>Not accepted</i>	<i>Closure requested</i>	<i>Under implementation</i>	<i>Target date set</i>	<i>No target date</i>
Division for Communications and Strategic Partnerships	1	—	—	1	1	—
Division for Human Resources	4	—	1	3	3	—
Division for Management Services	1	—	—	1	1	—
Information Technology Solutions Office	3	—	—	3	3	—
Procurement Services Branch	1	—	1	—	—	—
Multiple offices	2	—	—	2	2	—
<b>Total</b>	<b>12</b>	<b>—</b>	<b>2</b>	<b>10</b>	<b>10</b>	<b>—</b>

### Report of the Board for the year ended 31 December 2016<sup>36</sup>

839. In paragraph 85 of its report, the Board recommended that UNFPA: (a) ensure compliance with the salary advance policy and strengthen conditions for the recovery of advances from staff, especially in situations where the staff member with outstanding advances separated from UNFPA; and (b) continue the review of the outstanding advances to establish the respective causes and recovery mechanisms to ensure that the advances were recovered and cleared from active and separated staff.

*Department responsible:* Division for Human Resources

*Status:* Under implementation

*Priority:* Medium

*Target date:* Fourth quarter of 2019

840. With regard to part (a) of the recommendation, UNFPA has improved compliance with the salary advance policy, including strengthening the conditions for the recovery of advances. UNFPA has addressed part (b) of the recommendation, and the Board has determined it to have been implemented.

841. In paragraph 100 of its report, the Board recommended that UNFPA put in place a mechanism for monitoring the adoption of software policies and procedures and ensure their compliance across the entity.

*Department responsible:* Information Technology Solutions Office

*Status:* Under implementation

*Priority:* Medium

*Target date:* Fourth quarter of 2019

842. The mechanism for monitoring the adoption of software policies is being addressed in the software life cycle development policy, which is in the final stages of completion. UNFPA is also reviewing its entire information and communications technology policy.

### Report of the Board for the year ended 31 December 2017<sup>37</sup>

843. In paragraph 16 of the report, UNFPA agreed with the Board's recommendation to formalize the enterprise risk management policy to guide staff at country offices and supplement the guidance in place for managing the enterprise risks.

*Departments responsible:* Division for Management Services and Office of the Executive Director

*Status:* Under implementation

*Priority:* High

*Target date:* Fourth quarter of 2019

<sup>36</sup> A/72/5/Add.8, chap II.

<sup>37</sup> A/73/5/Add.8, chap. II.

844. UNFPA held discussions with all stakeholders on the structure of its enterprise risk management policy and is now in the process of finalizing the policy, which will supplement the existing guidance notes for effective risk management in UNFPA.

**845. In paragraph 40 of its report, the Board recommended that UNFPA ensure that country offices: (a) build the capacity of their staff in resource mobilization to enhance the effectiveness of their resource mobilization function; and (b) develop donor mapping and donor management profiles in accordance with their strategies to enhance and encourage donor contributions.**

<i>Department responsible:</i>	Division for Communications and Strategic Partnerships
<i>Status:</i>	Under implementation
<i>Priority:</i>	Medium
<i>Target date:</i>	Fourth quarter of 2019

846. Regarding part (a) of the recommendation, UNFPA efforts are in line with the corporate strategy for resource mobilization that supports an organization-wide approach. The Resource Mobilization Branch has taken a series of measures to support the capacity of country offices.

847. Regarding part (b) of the recommendation, UNFPA has established an intelligence and projections unit to map the pipeline of potential donors and a business development unit to optimize new and emerging opportunities. It has also completed donor-specific web pages for key contributors regarding their priorities and opportunities. More broadly, in the light of the required institutional investment to strengthen resource mobilization capacity beyond its current status, the Division for Communications and Strategic Partnerships has submitted a position paper to the Executive Director on the mobilization structure of resources for UNFPA. The position paper also provides information on an ongoing change management process with regard to the partnership function, which is due to be completed by the end of 2019.

**848. In paragraph 45 of its report, the Board recommended that UNFPA consider developing an integrated contract management application to enable country offices and units to register and maintain contract files and related documents for effective contract management and administration.**

<i>Department responsible:</i>	Procurement Services Branch
<i>Status:</i>	Closure requested
<i>Priority:</i>	Medium
<i>Target date:</i>	Not applicable

849. UNFPA has implemented the iDocs solution, which offers a worldwide contract management solution to all UNFPA country offices. UNFPA considers this recommendation to have been implemented and requests its closure by the Board.

**850. In paragraph 59 of its report, the Board recommended that UNFPA monitor the distribution process to ensure that inventory was handed over to the intended beneficiaries by the implementing partners and get assurance on whether inventory had been utilized as intended.**



*Departments responsible:* Technical Division and Division for Management Services

*Status:* Under implementation

*Priority:* Medium

*Target date:* Fourth quarter of 2019

851. The policy and procedures for the management of programme supplies establishes a robust framework of procedures and control activities that collectively provide UNFPA with assurances regarding the proper utilization of programme supplies. Such procedures and control activities include supply chain management capacity assessments, periodic reporting, monitoring, spot checks and audits of implementing partners.

852. Inventory audits of the 16 largest implementing partners, which received some 35 per cent of total inventories donated by UNFPA during the period from January 2017 to June 2018, are in the process of being finalized. The key audit findings will be integrated into the detailed guidelines for the performance of assurance activities that are currently being developed and will be rolled out by the end of 2019.

**853. In paragraph 69 of its report, the Board recommended that UNFPA establish a policy on handling staff with disabilities to demonstrate a non-discriminatory and inclusive working environment for staff members.**

*Department responsible:* Division for Human Resources

*Status:* Under implementation

*Priority:* Medium

*Target date:* Fourth quarter of 2019

854. UNFPA is in the process of developing a policy related to the employment of persons with disabilities, in accordance with the best practices within the United Nations system. The new policy is expected to be promulgated by the end of 2019.

**855. In paragraph 75 of its report, the Board recommended that UNFPA: (a) strengthen controls over country offices to ensure effective utilization of the launched Consultant Monitoring Tool by uploading all required individual consultants' information in the Tool on time and prior to the issuance of an individual consultant contract; (b) ensure that final payments to individual consultants were made at the end of the contract period and after the assessment of the performance of the individual consultants; and (c) include a field in the Tool's system which allowed the distinction of individual consultant fees based on either output delivery or working days.**

*Department responsible:* Division for Human Resources

*Status:* Closure requested

*Priority:* Medium

*Target date:* Not applicable

856. UNFPA has implemented strategies to increase compliance with the Consultant Monitoring Tool, including close monitoring of the usage of the Tool with a focus on

country offices with apparent deficiencies. Country offices are also regularly reminded to ensure that final payment should only be made in accordance with the applicable policies. UNFPA has incorporated an enhancement to the Consultant Monitoring Tool that allows the distinction of individual contract fees based on either output delivery or working days. UNFPA considers this recommendation to have been implemented and requests its closure by the Board.

**857. In paragraph 81 of its report, the Board recommended that UNFPA: (a) ensure that all salary advances were requested and approved through the e-service application for easy monitoring and follow-up by the head office; (b) issue instructions to the heads of office to create awareness on the use of the salary advance e-service application and to ensure that all staff used the e-service application; and (c) establish a guidance note to govern the procedures for granting salary advances to service contract holders.**

*Department responsible:* Division for Human Resources

*Status:* Under implementation

*Priority:* Medium

*Target date:* Fourth quarter of 2019

858. Regarding parts (a) and (b) of the recommendation, the respective guidance notes have been uploaded to the Policies and Procedures Manual. Regarding part (c) of the recommendation, a draft of the guidance document has been created that incorporates comments from various stakeholders. UNFPA is planning to include the new salary advance modality in the current enterprise resource planning system, which will allow it to use an already existing workflow to manage such salary advances. This will assist in strengthening awareness of and compliance with guidance for granting salary advances to service contract holders. To support the new process, a guidance note to govern the procedures for granting salary advances to service contract holders will be issued and webinars will be held to sensitize staff to the change. UNFPA will also be conducting necessary spot checks to monitor any exceptions.

**859. In paragraph 87 of its report, the Board recommended that UNFPA establish an enterprise resource planning solution which would have a global travel and expenses module at all country offices to facilitate the travel management activities and reporting, including reporting of travel data globally in real time.**

*Department responsible:* Division for Management Services

*Status:* Under implementation

*Priority:* Medium

*Target date:* First quarter of 2021

860. UNFPA is currently piloting the Atlas travel and expense module in its Regional Office for Asia and the Pacific in Bangkok. It is anticipated that some lessons will be learned from the pilot to inform the design and set-up of a new enterprise resource planning solution incorporating a global travel and expense module.

**861. In paragraph 93 of its report, the Board recommended that UNFPA: (a) conduct a review and configure the Active Directory regularly to remove all separated staff; (b) enforce the domain password policy in accordance with the**

**ICT security policy and add all computers that were not in the Active Directory; (c) establish a mechanism to ensure that the Management Information Services unit conducted periodic surveys of the country offices to review the adequacy of outsourced ICT support services; and (d) establish procedures for the governance of the Active Directory infrastructure, its security and design.**

*Department responsible:* Information Technology Solutions Office  
*Status:* Under implementation  
*Priority:* High  
*Target date:* Fourth quarter of 2019

862. Regarding parts (a) and (b) of the recommendation, the country office in Cambodia has removed the accounts of all separated staff from the Active Directory and is enforcing the new domain password policy. Regarding part (c) of the recommendation, UNFPA has planned a policy review of the conduct of periodic surveys of outsourced services. Regarding part (d) of the recommendation, governance procedures are being established for the Active Directory infrastructure, its security and design. These procedures will be monitored with the help of regional information and communications technology specialists.

**863. In paragraph 98 of its report, the Board recommended that UNFPA: (a) incorporate the requirements for ICT security awareness training in the existing policies; and (b) make it mandatory and establish an enforcement mechanism for all staff members to complete information security awareness training.**

*Department responsible:* Information Technology Solutions Office  
*Status:* Under implementation  
*Priority:* Medium  
*Target date:* Fourth quarter of 2019

864. UNFPA is in the process of incorporating information and communications technology security awareness training requirements into the existing policies and making it mandatory for all staff to complete the training.

## **XII. United Nations Human Settlements Programme**

### **A. Implementation of the recommendations contained in the report of the Board of Auditors for the year ended 31 December 2018<sup>38</sup>**

865. Table 31 summarizes the status of implementation of the main recommendations of the Board as of August 2019.

<sup>38</sup> [A/74/5/Add.9](#), chap. II.

Table 31  
**Status of implementation of the main recommendations**

(Number of recommendations)

<i>Department responsible</i>	<i>Total</i>	<i>Not accepted</i>	<i>Closure requested</i>	<i>Under implementation</i>	<i>Target date set</i>	<i>No target date</i>
Management and Operations Division	4	—	—	4	4	—
Programme Division	2	—	—	2	2	—
<b>Total</b>	<b>6</b>	<b>—</b>	<b>—</b>	<b>6</b>	<b>6</b>	<b>—</b>

866. Table 32 summarizes the status of implementation of all recommendations of the Board as of August 2019.

Table 32  
**Status of implementation of all recommendations**

(Number of recommendations)

<i>Department responsible</i>	<i>Total</i>	<i>Not accepted</i>	<i>Closure requested</i>	<i>Under implementation</i>	<i>Target date set</i>	<i>No target date</i>
Evaluation Unit	2	—	—	2	2	—
Management and Operations Division	13	—	3	10	10	—
Office of the Executive Director	1	—	—	1	1	—
Programme Division	3	—	—	3	3	—
Regional Office for Latin America and the Caribbean	3	—	—	3	3	—
<b>Total</b>	<b>22</b>	<b>—</b>	<b>3</b>	<b>19</b>	<b>19</b>	<b>—</b>

867. In paragraph 21 of its report, the Board recommended that the United Nations Human Settlements Programme (UN-Habitat) conduct a complete analysis of the registers associated with the grants, specifically for the cases observed by the Board. As part of the analysis, UN-Habitat should identify the current status of the amounts delivered to implementing partners and received from conditional agreements, conduct a compliance review of the signed agreements and, if applicable, request reimbursement of the resources provided under them and correct the accounting transactions records.

*Department responsible:* Management and Operations Division

*Status:* Under implementation

*Priority:* High

*Target date:* Fourth quarter of 2019

868. UN-Habitat has started a review of the old balances relating to implementing partners and conditional liabilities and plans to complete the review by December 2019.

869. In paragraph 22 of its report, the Board recommended that UN-Habitat evaluate the application of impairment provisions to advances accounts.

*Department responsible:* Management and Operations Division  
*Status:* Under implementation  
*Priority:* High  
*Target date:* Fourth quarter of 2019

870. UN-Habitat, in coordination with the United Nations Office at Nairobi, is reviewing its advances accounts and will consider the need for impairment provisions against them.

**871. In paragraph 23 of its report, the Board recommended that UN-Habitat enhance project supervision and internal control in the UN-Habitat policy for implementing partners to prevent grants under which no accounting transactions had been made for an extended period from remaining in force.**

*Department responsible:* Management and Operations Division  
*Status:* Under implementation  
*Priority:* High  
*Target date:* Fourth quarter of 2019

872. UN-Habitat is establishing mechanisms to monitor advances to implementing partners under which no accounting transactions have been made for an extended period.

**873. In paragraph 35 of its report, the Board recommended that UN-Habitat develop a guidance that allowed the identification, in a coherent form, of the roles of personnel, from both UN-Habitat and the United Nations Office at Nairobi, who were involved in the workflow of the creation and approval of grants for funding projects.**

*Department responsible:* Management and Operations Division  
*Status:* Closure requested  
*Priority:* Medium  
*Target date:* Not applicable

874. UN-Habitat launched a new implementing partner management module as part of Umoja Extension 2. In this regard, the creation, review and approval of a grant is performed by the project assistant, the project officer and the certifying officer, respectively, before a grant is activated in the system, thereby ensuring appropriate segregation of duties. UN-Habitat considers this recommendation to have been implemented and requests its closure by the Board.

**875. In paragraph 42 of its report, the Board recommended that UN-Habitat establish a framework and methodology for full cost recovery in accordance with General Assembly resolution [67/226](#) applicable in all units of the entity, and inform its hubs and offices of its application.**

*Department responsible:* Management and Operations Division  
*Status:* Under implementation  
*Priority:* High  
*Target date:* Fourth quarter of 2019

876. UN-Habitat will review and update its corporate cost allocation and cost recovery policy to ensure that direct and indirect costs are appropriately attributed to projects across the organization in the future.

**877. In paragraph 53 of its report, the Board recommended that UN-Habitat include detailed documentation of each of the projects in the project accrual and accountability system in order to support their execution and corresponding progress.**

*Department responsible:* Programme Division  
*Status:* Under implementation  
*Priority:* High  
*Target date:* Fourth quarter of 2019

878. UN-Habitat is upgrading the project accrual and accountability system by integrating the full project cycle into the system, including functionalities that support the implementation, monitoring, closing and reporting stages of projects.

**879. In paragraph 54 of its report, considering that UN-Habitat manages projects worldwide, the Board recommended that UN-Habitat improve the controls related to the verification of updating information, established in paragraph 36 of the project-based management policy.**

*Department responsible:* Programme Division  
*Status:* Under implementation  
*Priority:* High  
*Target date:* Fourth quarter of 2019

880. The comments of UN-Habitat relating to the recommendation in paragraph 53 of the Board's report (see para. 878 above) also apply to the recommendation in paragraph 54 of the report.

**881. In paragraph 62 of its report, the Board recommended that UN-Habitat incorporate in the project accrual and accountability system the midterm and/or end-of-project evaluations for all its projects.**

*Department responsible:* Evaluation Unit  
*Status:* Under implementation  
*Priority:* Medium  
*Target date:* Fourth quarter of 2019

882. UN-Habitat is in the process of upgrading and enhancing the project accrual and accountability system. This process includes incorporating an evaluation module into the system.

**883. In paragraph 63 of its report, considering that UN-Habitat manages projects worldwide, the Board recommended that UN-Habitat improve the controls related to the evaluation reports, established in paragraph 19 of the project-based management policy.**

*Department responsible:* Evaluation Unit  
*Status:* Under implementation  
*Priority:* Medium  
*Target date:* Fourth quarter of 2019

884. UN-Habitat will establish control mechanisms to ensure its projects comply with the requirements of its evaluation policy.

**885. In paragraph 67 of its report, the Board recommended that UN-Habitat update its internal manuals, such as the project-based management policy and the project accrual and accountability system guidelines and manual, to clearly establish Umoja and its extensions as the system that gives support to the different duties performed by the entity.**

*Department responsible:* Programme Division  
*Status:* Under implementation  
*Priority:* Medium  
*Target date:* Fourth quarter of 2019

886. UN-Habitat is in the preparation phase of implementing the portfolio and project management module of Umoja Extension 2. As part of this process, UN-Habitat will review and update the project-based management policy.

**887. In paragraph 77 of its report, the Board recommended that UN-Habitat conduct a review of the expenses relating to projects that were led or supported by consultants.**

*Department responsible:* Management and Operations Division  
*Status:* Under implementation  
*Priority:* Medium  
*Target date:* Fourth quarter of 2019

888. UN-Habitat is conducting a review of expenditures related to consultants.

**889. In paragraph 78 of its report, the Board recommended that, as part of the review, UN-Habitat should request reclassification of the travel expenses and correct the accounting transactions records.**

*Department responsible:* Management and Operations Division  
*Status:* Under implementation  
*Priority:* Medium  
*Target date:* Fourth quarter of 2019

890. As part of its review of expenditures relating to consultants, UN-Habitat will reclassify travel expenses and correct the accounting transactions records.

**891. In paragraph 79 of its report, the Board recommended that the entity strengthen measures to identify and reclassify expenses and clearly set out the scope and frequency of controls.**

*Department responsible:* Management and Operations Division  
*Status:* Under implementation  
*Priority:* Medium  
*Target date:* Fourth quarter of 2019

892. As part of its review of expenditures relating to consultants, UN-Habitat will establish a regular monitoring mechanism to identify and reclassify travel expenses relating to consultants.

**893. In paragraph 87 of its report, the Board recommended that the Regional Office for Latin America and the Caribbean align the preparation of the quarterly travel plans for the Mexico City hub with the provisions established in the project cycle procedures manual of 2017 to ensure appropriate authorization of travel.**

*Department responsible:* Regional Office for Latin America and the Caribbean  
*Status:* Under implementation  
*Priority:* Medium  
*Target date:* Fourth quarter of 2019

894. UN-Habitat will update the project cycle procedures manual to ensure travel is adequately approved.

**895. In paragraph 95 of its report, the Board recommended that UN-Habitat prepare a comprehensive annual acquisition plan for the forthcoming periods, in as timely a manner and as accurately as possible, in accordance with both the Financial Regulations and Rules of the United Nations and the United Nations Procurement Manual, taking into consideration its regional offices, country offices and hubs.**

*Department responsible:* Management and Operations Division  
*Status:* Closure requested  
*Priority:* Medium  
*Target date:* Not applicable



896. UN-Habitat has updated its 2019 procurement plan, taking into consideration the requirements specified in this recommendation. UN-Habitat considers this recommendation to have been implemented and requests its closure by the Board.

**897. In paragraph 107 of its report, the Board recommended that each administrative level of UN-Habitat develop a comprehensive risk catalogue in accordance with the enterprise risk management implementation guidelines put in place by the organization.**

*Department responsible:* Management and Operations Division  
*Status:* Under implementation  
*Priority:* Medium  
*Target date:* Fourth quarter of 2020

898. UN-Habitat will finish implementing this recommendation once the ongoing organizational realignment is completed and the administrative units are known.

**899. In paragraph 108 of its report, the Board recommended that UN-Habitat facilitate and validate the risk documentation made by each of its regional offices, thus offering a more comprehensive view of the difficulties and risk factors that affect the regions and ways to reduce local risks.**

*Department responsible:* Management and Operations Division  
*Status:* Under implementation  
*Priority:* Medium  
*Target date:* Fourth quarter of 2020

900. UN-Habitat will finish implementing this recommendation once the ongoing organizational realignment is completed and the regional offices are known.

**901. In paragraph 115 of its report, the Board recommended that, for the office of the Rio de Janeiro hub, UN-Habitat make the efforts necessary to conclude a lease agreement signed by both parties, in accordance with the required conditions.**

*Department responsible:* Regional Office for Latin America and the Caribbean  
*Status:* Under implementation  
*Priority:* Medium  
*Target date:* Fourth quarter of 2019

902. UN-Habitat is in the process of finalizing a lease agreement for the office of the Rio de Janeiro hub.

**903. In paragraph 116 of its report, the Board recommended that UN-Habitat review the disbursements related to lease payments previously made to the Instituto Pereira Passos of the municipality of Rio de Janeiro and clarify the legal basis for the payments.**

*Department responsible:* Regional Office for Latin America and the Caribbean

*Status:* Under implementation

*Priority:* Medium

*Target date:* Fourth quarter of 2019

904. UN-Habitat will ensure that all lease payments comply with the provisions of the final signed lease agreement.

**905. In paragraph 127 of its report, the Board recommended that UN-Habitat improve monitoring of staff annual leave to ensure that all leave was requested and approved by supervisors before being taken.**

*Department responsible:* Management and Operations Division

*Status:* Closure requested

*Priority:* Medium

*Target date:* Not applicable

906. UN-Habitat has started conducting periodic monitoring to ensure that staff members apply for leave days and that such requests are approved by managers before staff members proceed on leave. UN-Habitat considers this recommendation to have been implemented and requests its closure by the Board.

**907. In paragraph 128 of its report, the Board recommended that UN-Habitat perform periodic and timely reviews of the leave system to identify the absences and if relevant, apply charges on the monthly salary of the staff.**

*Department responsible:* Management and Operations Division

*Status:* Under implementation

*Priority:* Medium

*Target date:* Fourth quarter of 2019

908. UN-Habitat, in coordination with the United Nations Office at Nairobi, will conduct periodic monitoring to ensure that absences are recorded appropriately and, if relevant, charges are applied on staff salaries.

**909. In paragraph 132 of its report, the Board recommended that UN-Habitat management devise a suitable mechanism to ensure better coordination between the entity and the Office of Internal Oversight Services for the complete and comprehensive reporting of cases of fraud and presumptive fraud.**

*Department responsible:* Office of the Executive Director

*Status:* Under implementation

*Priority:* Medium

*Target date:* Fourth quarter of 2019

910. UN-Habitat, in coordination with the Office of Internal Oversight Services, will devise a suitable mechanism to ensure there is better coordination between it and the Office of Internal Oversight Services for the complete and comprehensive reporting of cases of fraud and presumptive fraud.

## **B. Implementation of the recommendations contained in the report of the Board of Auditors for prior financial periods**

911. In the annex to its report for the year ended 31 December 2018 ([A/74/5/Add.9](#), chap. II), the Board provided a summary of the status of implementation of recommendations for previous financial periods. Information is provided below on the 16 recommendations that have been determined by the Board either to be under implementation or not to have been implemented. The information is set out below in the order in which the recommendations are presented in the annex.

912. Table 33 summarizes the overall situation as of August 2019.

Table 33

### **Status of implementation of recommendations from prior periods considered not fully implemented**

(Number of recommendations)

<i>Department responsible</i>	<i>Total</i>	<i>Not accepted</i>	<i>Closure requested</i>	<i>Under implementation</i>	<i>Target date set</i>	<i>No target date</i>
Management and Operations Division	12	–	2	10	6	4
Programme Division	2	–	–	2	2	–
Regional Office for Latin America and the Caribbean	2	–	–	2	2	–
<b>Total</b>	<b>16</b>	<b>–</b>	<b>2</b>	<b>14</b>	<b>10</b>	<b>4</b>

### **Report of the Board for the year ended 31 December 2015<sup>39</sup>**

913. In paragraph 25 of the report, UN-Habitat agreed with the Board's recommendation to: (a) follow up with the housing foundation to recover the outstanding loan amount; and (b) enhance the screening and monitoring mechanisms for the loan portfolio.

<i>Department responsible:</i>	Management and Operations Division
<i>Status:</i>	Under implementation
<i>Priority:</i>	Medium
<i>Target date:</i>	Fourth quarter of 2019

914. The housing foundation is now officially liquidated and UN-Habitat is about to receive a final payment of approximately \$249,000. UN-Habitat will share with the Board the evidence supporting the liquidation of the housing foundation to facilitate the closure of this recommendation.

915. In paragraph 54 of the report, UN-Habitat agreed with the Board's recommendation that it: (a) identify the risks that might affect project

<sup>39</sup> [A/71/5/Add.9](#), chap. II.

implementation in advance of the execution phase to minimize the negative effects of delaying the intended benefits for the societies involved; and (b) plan and manage the recruitment process in the field offices to ensure that there was timely and adequate staffing for improved project performance.

*Department responsible:* Management and Operations Division  
*Status:* Closure requested  
*Priority:* Medium  
*Target date:* Not applicable

916. A new project risk management guide has been put in place which provides guidelines on how to manage risks, including risks related to the recruitment process and the performance of implementing partners. UN-Habitat considers this recommendation to have been implemented and requests its closure by the Board.

#### **Report of the Board for the year ended 31 December 2016<sup>40</sup>**

917. In paragraph 13 of the report, UN-Habitat agreed with the Board's recommendation that the organization: (a) conduct enterprise risk management awareness training to enable the country offices staff to acquire the skills and knowledge necessary for effective implementation of enterprise risk management; and (b) prepare the risk register in accordance with the UN-Habitat enterprise risk management guidelines and summarize all important risks and response strategies in order to mitigate risks in project implementation.

*Department responsible:* Management and Operations Division  
*Status:* Under implementation  
*Priority:* High  
*Target date:* Fourth quarter of 2019

918. UN-Habitat is making necessary follow-up efforts to ensure that its staff members in country offices complete the specified training. Once the ongoing organizational realignment is completed, UN-Habitat will prepare and update a new risk register with related risk mitigation controls.

919. In paragraph 23 of its report, the Board recommended that UN-Habitat: (a) formulate strategies to minimize consultancy costs in accordance with its strategic objectives for the period 2014–2019; and (b) include minimization of consultancy costs in the results framework for tracking and reporting periodically.

*Department responsible:* Management and Operations Division  
*Status:* Under implementation  
*Priority:* High  
*Target date:* Fourth quarter of 2019

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<sup>40</sup> [A/72/5/Add.9](#), chap. II.

920. UN-Habitat will reconsider the need to minimize its consultancy costs in the light of its new strategic plan for the period 2020–2023 and its work programme for 2020.

**921. In paragraph 73 of its report, the Board recommended that UN-Habitat comply with all agreed terms and conditions in contract agreements to avoid misunderstandings with donors.**

*Department responsible:* Management and Operations Division

*Status:* Under implementation

*Priority:* Medium

*Target date:* Ongoing

922. The financial report on the project for socioeconomic and urban renewal in Ondo, Nigeria, was received. The report indicated that UN-Habitat did not receive the balance of funds because of the change of government in Nigeria, and not due to non-compliance with donors' conditions. UN-Habitat will discuss the additional information required for the closure of this recommendation with the Board during the next audit.

**923. In paragraph 74 of the report, UN-Habitat agreed with the Board's recommendation that the organization strengthen the monitoring of the implementation of projects funded under conditional agreements in order to ensure that revenue was realized after the conditions were fulfilled and to reduce the amount of liability in the financial statements.**

*Department responsible:* Management and Operations Division

*Status:* Under implementation

*Priority:* Medium

*Target date:* Ongoing

924. UN-Habitat has taken measures to monitor the implementation of the projects funded under conditional agreements and will apply the corresponding adjustments to the grants without financial movements.

#### **Report of the Board for the year ended 31 December 2017<sup>41</sup>**

**925. In paragraph 15 of its report, the Board recommended that UN-Habitat: (a) ensure that capacity-building programmes were conducted for all staff who had resource mobilization responsibilities at the country and regional levels; and (b) develop policy guidelines and circulate them to the regional and country offices, as required under the results framework for the donor relations and income strategy.**

*Department responsible:* Management and Operations Division

*Status:* Under implementation

*Priority:* High

*Target date:* Fourth quarter of 2019

<sup>41</sup> [A/73/5/Add.9](#), chap. II.

926. UN-Habitat is developing capacity-building programmes for all staff members concerned. The policy on donor visibility has been finalized and circulated.

**927. In paragraph 19 of the report, UN-Habitat agreed with the Board's recommendation that it ensure that substantive and financial aspects of project documents were reviewed and approved by the Project Advisory Group prior to the signing of funding agreements, as required by the UN-Habitat project-based management policy.**

*Department responsible:* Programme Division  
*Status:* Under implementation  
*Priority:* Medium  
*Target date:* Fourth quarter of 2019

928. UN-Habitat has revised and strengthened its project approval workflow. The new workflow makes it clear that a concept note must be prepared and approval by the Project Advisory Group must be obtained before an agreement is signed. UN-Habitat is currently automating the project approval process to allow for better oversight of the process.

**929. In paragraph 22 of its report, the Board recommended that UN-Habitat ensure documentation was in place whenever there was movement of assets, in order to reduce the risk of losing assets.**

*Department responsible:* Management and Operations Division  
*Status:* Closure requested  
*Priority:* Medium  
*Target date:* Not applicable

930. A training session for asset focal points was conducted in Cairo in November 2018, and the training materials, which included the form regarding the handover of assets, were circulated to asset focal points. Further training was carried out in May 2019 through Skype. In addition, there have been regular reminders to all asset focal points of the need to ensure the proper handover of documents. UN-Habitat considers this recommendation to have been implemented and requests its closure by the Board.

**931. In paragraph 32 of the report, UN-Habitat agreed with the Board's recommendation that it: (a) ensure that funds were released to implementing partners on time so that the planned activities could be completed within the scheduled period; and (b) establish a risk-based fast-track payment process for emergency and high-priority countries, as proposed by the country office in the Syrian Arab Republic.**

*Department responsible:* Management and Operations Division  
*Status:* Under implementation  
*Priority:* High  
*Target date:* Ongoing

932. The Umoja implementing partner management solution was launched in December 2018, which included the grantor management module. The new module

will provide automatic notifications of payment due dates to the relevant UN-Habitat officials and allow the tracking of timely payments to implementing partners. UN-Habitat will establish key performance indicators and a related monitoring mechanism to ensure that payments to all implementing partners are completed within the agreed time frame.

**933. In paragraph 35 of its report, the Board recommended that UN-Habitat ensure that: (a) field offices complied with the delegation of authority as required by the memorandum of the Executive Director; and (b) the country office in China obtained appropriate office accommodations for its staff.**

*Department responsible:* Management and Operations Division  
*Status:* Under implementation  
*Priority:* High  
*Target date:* Ongoing

934. UN-Habitat has strengthened its delegation of authority and accountability framework and communicated with all staff to raise their awareness regarding the need for compliance and the consequences of non-compliance. UN-Habitat has also secured an office space in China.

**935. In paragraph 39 of the report, UN-Habitat agreed with the Board's recommendation that it ensure that the country offices in Colombia and Brazil: (a) find safer outside locations to store backups, which could be accessed by staff during disasters; and (b) develop disaster recovery and business continuity plans.**

*Department responsible:* Management and Operations Division  
*Status:* Under implementation  
*Priority:* High  
*Target date:* Fourth quarter of 2019

936. UN-Habitat will be implementing the off-site cloud system "OneDrive", which is approved by the United Nations Secretariat. UN-Habitat is also in the process of finalizing a risk mitigation plan for business continuity planning, which will address this recommendation.

**937. In paragraph 44 of its report, the Board recommended that UN-Habitat establish management structures and administrative policies and procedures for the new hub arrangement that would provide guidance on the day-to-day management of the hub operations in the Regional Office for Latin America and the Caribbean.**

*Department responsible:* Regional Office for Latin America and the Caribbean  
*Status:* Under implementation  
*Priority:* High  
*Target date:* Fourth quarter of 2019

938. Once the current organizational realignment is completed, UN-Habitat will consider the need for a management structure and for administrative policies and procedures for the new hub arrangement.

**939. In paragraph 51 of the report, UN-Habitat agreed with the Board's recommendation that the Regional Office for Latin America and the Caribbean develop an action plan to ensure that core activities were performed by staff members.**

<i>Department responsible:</i>	Regional Office for Latin America and the Caribbean
<i>Status:</i>	Under implementation
<i>Priority:</i>	Medium
<i>Target date:</i>	Fourth quarter of 2019

940. Once the ongoing organizational realignment is completed, UN-Habitat will develop an action plan ensuring that the core activities are performed by staff members.

**941. In paragraph 55 of its report, the Board recommended that UN-Habitat comply with the administrative instruction on consultants and individual contractors (ST/AI/2013/4) by utilizing the roster in the selection of consultants and individual contractors to ensure that competent and experienced consultants and individual contractors were selected.**

<i>Department responsible:</i>	Management and Operations Division
<i>Status:</i>	Under implementation
<i>Priority:</i>	Medium
<i>Target date:</i>	Fourth quarter of 2019

942. UN-Habitat communicated to its staff the need to comply with the administrative instruction on consultants and individual contractors and will develop a mechanism to monitor compliance.

**943. In paragraph 59 of the report, UN-Habitat agreed with the Board's recommendation that it ensure that field offices: (a) adhere to the results-based management policy on reporting by incorporating analyses of the logical frameworks into their progress reports; and (b) prepare annual workplans for their activities in line with the programme of work for the biennium.**

<i>Department responsible:</i>	Programme Division
<i>Status:</i>	Under implementation
<i>Priority:</i>	Medium
<i>Target date:</i>	Fourth quarter of 2019

944. UN-Habitat will develop compliance mechanisms to ensure that field offices adhere to the results-based management policy on reporting by incorporating analyses of the logical frameworks into their progress reports and prepare annual workplans for their activities in line with the approved programme of work.



### XIII. United Nations Office on Drugs and Crime

#### A. Implementation of the recommendations contained in the report of the Board of Auditors for the year ended 31 December 2018<sup>42</sup>

945. Table 34 summarizes the status of implementation of the main recommendations of the Board as of August 2019.

Table 34

##### Status of implementation of the main recommendations

(Number of recommendations)

<i>Department responsible</i>	<i>Total</i>	<i>Not accepted</i>	<i>Closure requested</i>	<i>Under implementation</i>	<i>Target date set</i>	<i>No target date</i>
Multiple offices	3	–	1	2	2	–
<b>Total</b>	<b>3</b>	<b>–</b>	<b>1</b>	<b>2</b>	<b>2</b>	<b>–</b>

946. Table 35 summarizes the status of implementation of all recommendations of the Board as of August 2019.

Table 35

##### Status of implementation of all recommendations

(Number of recommendations)

<i>Department responsible</i>	<i>Total</i>	<i>Not accepted</i>	<i>Closure requested</i>	<i>Under implementation</i>	<i>Target date set</i>	<i>No target date</i>
Division for Management	2	–	–	2	2	–
Division for Policy Analysis and Public Affairs	1	–	–	1	1	–
Independent Evaluation Section	1	–	–	1	1	–
Multiple offices	6	–	2	4	3	1
<b>Total</b>	<b>10</b>	<b>–</b>	<b>2</b>	<b>8</b>	<b>7</b>	<b>1</b>

947. In paragraph 21 of its report, the Board recommended that the United Nations Office on Drugs and Crime (UNODC) Liaison and Partnership Office in Mexico make the efforts necessary to ensure proper observance by the Government of Mexico of the 2003 and 2012 obligations.

*Departments responsible:* Division for Operations and Liaison and Partnership Office in Mexico

*Status:* Under implementation

*Priority:* Medium

*Target date:* Ongoing

948. In July 2019, the representative of the Liaison and Partnership Office in Mexico met with the Director General of Multilateral Affairs of the Ministry of Foreign Affairs of Mexico, who represented the Vice Minister for Foreign Affairs. The

<sup>42</sup> A/74/5/Add.10, chap. II.

Director General advised that the Ministry would officially write to the Liaison and Partnership Office to confirm the commitment of the Government of Mexico to its obligations and to indicate the location of the new office premises for the Liaison and Partnership Office.

**949. In paragraph 30 of its report, the Board recommended that, with regard to procurement agreements, the Liaison and Partnership Office in Mexico operate in accordance with the delegation of authority for low-value acquisitions currently in force. Otherwise, UNODC headquarters should reassess the delegation of authority.**

<i>Departments responsible:</i>	Division for Operations, Liaison and Partnership Office in Mexico and Division for Management
<i>Status:</i>	Under implementation
<i>Priority:</i>	High
<i>Target date:</i>	Fourth quarter of 2019

950. In April 2019, the Liaison and Partnership Office in Mexico began the transition of the workflow of procurement processes with a value above \$10,000 that were undertaken by the UNDP Mexico country office to the Umoja system of the United Nations Secretariat. By the end of 2019, all procurement processes will be undertaken through Umoja, under the delegation of procurement authority from the Procurement Unit at UNODC headquarters.

**951. In paragraph 43 of its report, the Board recommended that the Liaison and Partnership Office in Mexico make the efforts necessary to improve collection management and formalize a procedure that ensured the monitoring of payments for every project of the Liaison and Partnership Office in Mexico.**

<i>Departments responsible:</i>	Division for Operations and Liaison and Partnership Office in Mexico
<i>Status:</i>	Closure requested
<i>Priority:</i>	High
<i>Target date:</i>	Not applicable

952. As of May 2019, new financial agreements include the following clause: “The funds will be deposited after the signing of this Agreement within a period of no more than 30 working days. In case the deposit is not made, the Agreement will be cancelled, for which only an informative communication by UNODC is required”. UNODC considers this recommendation to have been implemented and requests its closure by the Board.

**953. In paragraph 49 of its report, the Board recommended that UNODC: (a) formalize the electronic endorsement by the Programme Review Committee on the basis of proper justification in a revised management instruction on the Committee; and (b) keep a record of the documents.**

*Department responsible:* Division for Policy Analysis and Public Affairs  
*Status:* Under implementation  
*Priority:* Medium  
*Target date:* Fourth quarter of 2019

954. UNODC is revising its management instruction on the Programme Review Committee so as to include the provision for electronic endorsement.

**955. In paragraph 64 of its report, the Board recommended that UNODC strengthen its internal controls in order to ensure the segregation of duties in every project or, at the very least, implement a compensating control.**

*Departments responsible:* Division for Operations, Division for Policy Analysis and Public Affairs and Division for Treaty Affairs  
*Status:* Under implementation  
*Priority:* High  
*Target date:* Fourth quarter of 2019

956. The current reporting workflow and related guidelines will be reviewed and updated accordingly.

**957. In paragraph 75 of its report, the Board recommended that UNODC review and update the management instruction on field office reporting in accordance with the Programme and Operations Manual.**

*Departments responsible:* Division for Operations and Division for Policy Analysis and Public Affairs  
*Status:* Under implementation  
*Priority:* Medium  
*Target date:* Fourth quarter of 2019

958. UNODC is revising the management instruction on field office reporting.

**959. In paragraph 81 of its report, the Board recommended that UNODC perform a management assessment to evaluate whether implementing partners and grantees were providing good value for money. That would provide UNODC with organized information for decision-making.**

*Department responsible:* Division for Management  
*Status:* Under implementation  
*Priority:* Medium  
*Target date:* Second quarter of 2020

960. UNODC will develop an approach on how best to perform management assessments to evaluate whether good value for money is being provided by

implementing partners and grantees, subject to the availability of resources required to perform such assessments.

**961. In paragraph 89 of its report, the Board recommended that UNODC clearly include in the new ProFi project progress report the “approved” status, as well as the approver, in compliance with the special message of 18 January 2011.**

<i>Departments responsible:</i>	Division for Operations, Division for Policy Analysis and Public Affairs and Division for Treaty Affairs
<i>Status:</i>	Closure requested
<i>Priority:</i>	Medium
<i>Target date:</i>	Not applicable

962. The project progress reports published in the ProFi system have all been approved. It should be noted that reports are not published in the ProFi system unless they have been approved. UNODC considers this recommendation to have been implemented and requests its closure by the Board.

**963. In paragraph 96 of its report, the Board recommended that UNODC strengthen consultation and communication on evaluation planning between project managers and the Independent Evaluation Section, in order to ensure that mandatory evaluations were budgeted for and conducted on time.**

<i>Department responsible:</i>	Independent Evaluation Section
<i>Status:</i>	Under implementation
<i>Priority:</i>	Medium
<i>Target date:</i>	Second quarter of 2020

964. UNODC launched the review of its evaluation policy in the light of the ongoing United Nations reforms, which place an increased emphasis on evaluation, and in line with the recommendations of the peer review of the UNODC Independent Evaluation Section conducted by the United Nations Evaluation Group.

**965. In paragraph 100 of its report, the Board recommended that UNODC management devise a suitable mechanism to ensure better coordination between the entity and the Office of Internal Oversight Services for the complete and comprehensive reporting of cases of fraud and presumptive fraud.**

<i>Department responsible:</i>	Division for Management
<i>Status:</i>	Under implementation
<i>Priority:</i>	Medium
<i>Target date:</i>	Fourth quarter of 2019

966. Section 4 of the administrative instruction on unsatisfactory conduct, investigations and the disciplinary process ([ST/AI/2017/1](#)) indicates that all reports of unsatisfactory conduct, including reports of fraud and presumptive fraud, received by a responsible official should be forwarded to the Office of Internal Oversight Services for its action. UNODC is working on a standard operating procedure to strengthen that process.

## B. Implementation of the recommendations contained in the report of the Board of Auditors for prior financial periods

967. In the annex to its report for the year ended 31 December 2018 ([A/74/5/Add.10](#), chap. II), the Board provided a summary of the status of implementation of recommendations for previous financial periods. Information is provided below on the 40 recommendations that have been determined by the Board to be “under implementation”. The information is set out below in the order in which the recommendations are presented in the annex.

968. Table 36 summarizes the overall situation as of August 2019.

Table 36

### Status of implementation of recommendations from prior periods considered not fully implemented

(Number of recommendations)

<i>Department responsible</i>	<i>Total</i>	<i>Not accepted</i>	<i>Closure requested</i>	<i>Under implementation</i>	<i>Target date set</i>	<i>No target date</i>
Division for Management	21	—	8	13	13	—
Division for Operations	1	—	—	1	1	—
Division for Policy Analysis and Public Affairs	3	—	—	3	3	—
Office of the Executive Director	1	—	—	1	1	—
Multiple offices	14	—	4	10	10	—
<b>Total</b>	<b>40</b>	<b>—</b>	<b>12</b>	<b>28</b>	<b>28</b>	<b>—</b>

### Report of the Board for the year ended 31 December 2017<sup>43</sup>

969. In paragraph 21 of its report, the Board recommended that UNODC incorporate the checklist of exchange revenues into the clearance process of incoming contributions and treat them as exchange revenues when applicable.

*Departments responsible:* Division for Policy Analysis and Public Affairs and Division for Management

*Status:* Closure requested

*Priority:* High

*Target date:* Not applicable

970. The checklist and the revised clearance process were implemented in 2018 and no cases of voluntary contributions were treated as exchange transactions. UNODC considers this recommendation to have been implemented and requests its closure by the Board.

971. In paragraph 29 of its report, the Board recommended that UNODC project owners review their costs and outstanding commitments more frequently by means of, for example, business intelligence reports, which highlight overspent budget lines.

<sup>43</sup> [A/73/5/Add.10](#), chap. II.

*Departments responsible:* Division for Operations, Division for Policy Analysis and Public Affairs and Division for Treaty Affairs

*Status:* Under implementation

*Priority:* High

*Target date:* Fourth quarter of 2019

972. UNODC is making efforts to improve the diligence of programme managers in reviewing costs and outstanding commitments based on business intelligence reports. Existing business intelligence reports are being used to monitor compliance.

**973. In paragraph 33 of its report, the Board recommended that UNODC project owners ensure that electronic inter-office vouchers and commitments were cleared and charged to projects in a timely way.**

*Departments responsible:* Division for Operations, Division for Policy Analysis and Public Affairs and Division for Treaty Affairs

*Status:* Under implementation

*Priority:* Medium

*Target date:* Fourth quarter of 2019

974. UNODC has made significant progress in the processing of electronic inter-office vouchers. As of July 2019, the percentage of outstanding electronic inter-office vouchers had been reduced from an average of 5 per cent in May 2019 to 0.6 per cent in July 2019. In addition, any noted backlogs and delays are being communicated to the respective field office representatives for their action.

**975. In paragraph 45 of its report, the Board recommended that UNODC review its currency risk and develop an internal guideline for handling currency exposures.**

*Department responsible:* Division for Management

*Status:* Closure requested

*Priority:* High

*Target date:* Not applicable

976. UNODC reviewed its currency risk and developed internal guidelines for handling currency exposures related to the management of voluntary contributions, which were issued in July 2019. UNODC considers this recommendation to have been implemented and requests its closure by the Board.

**977. In paragraph 56 of its report, the Board recommended that UNODC liaise with the United Nations Treasury in New York to enable access to the cash distribution functionality of the bank account in Panama.**

*Department responsible:* Division for Management  
*Status:* Under implementation  
*Priority:* Medium  
*Target date:* Fourth quarter of 2019

978. The United Nations Treasury is in the process of testing the connectivity of the bank account in Panama and amending the master agreement with the bank to enable a local bank account to be opened.

**979. In paragraph 65 of its report, the Board recommended that UNODC take action to align the handling of petty cash in Colombia with the Financial Regulations and Rules of the United Nations.**

*Department responsible:* Division for Management  
*Status:* Under implementation  
*Priority:* Medium  
*Target date:* Fourth quarter of 2019

980. To ensure programme delivery and the safety of staff, payment modalities have been reviewed and negotiations are under way, in conjunction with the United Nations Treasury, to provide payment cards in order to minimize risks associated with cash payments.

**981. In paragraph 86 of its report, the Board recommended that UNODC enhance the overall process of recording all leases in the supplier relationship management database in Umoja.**

*Department responsible:* Division for Management  
*Status:* Under implementation  
*Priority:* Medium  
*Target date:* Fourth quarter of 2021

982. As of August 2019, 41 per cent of leases had been regularized, 15 per cent were related to donated rights-to-use properties and 44 per cent were in the process of being regularized. All leases are currently stored in the SharePoint database maintained by the Procurement Unit at the United Nations Office at Vienna.

**983. In paragraph 87 of its report, the Board recommended that UNODC make efforts, in liaison with the United Nations Secretariat, to customize the Umoja real estate module to facilitate the identification of lease-in versus lease-out contracts, as well as cancellable versus non-cancellable lease-in contracts. A database outside Umoja would then become redundant in the future.**

*Department responsible:* Division for Management  
*Status:* Closure requested  
*Priority:* Medium  
*Target date:* Not applicable

984. UNODC liaised with United Nations Headquarters and the Umoja real estate module was customized to differentiate between the lease types by virtue of their contract numbers. In addition, all leases are considered cancellable, with varying penalties and notification periods. UNODC considers this recommendation to have been implemented and requests its closure by the Board.

**985. In paragraph 99 of its report, the Board recommended that UNODC review the programme section of the Programme and Operations Manual, update it as soon as possible and keep it up-to-date and accurate.**

*Departments responsible:* Division for Policy Analysis and Public Affairs,  
Division for Operations and Division for  
Management

*Status:* Under implementation

*Priority:* High

*Target date:* Second quarter of 2020

986. A number of outdated links in the programme section of the Programme and Operations Manual have been updated. UNODC is waiting to review the findings of the ongoing peer review of its results-based management approach before updating the rest of the content of the programme section.

**987. In paragraph 101 of its report, the Board recommended that UNODC make the knowledge in the Programme and Operations Manual available in such a way that users could easily print a copy.**

*Department responsible:* Division for Policy Analysis and Public Affairs

*Status:* Under implementation

*Priority:* Medium

*Target date:* Second quarter of 2020

988. The Programme and Operations Manual is currently printable but is not very user-friendly. Further enhancement will require alignment and compatibility with the new Secretariat-wide sharing platform.

**989. In paragraph 107 of its report, the Board recommended that UNODC integrate the Handbook for Results-Based Management and the 2030 Agenda for Sustainable Development and the document entitled “UNODC: the integrated programme approach: a ‘how to’ guide” into the Programme and Operations Manual.**

*Department responsible:* Division for Policy Analysis and Public Affairs

*Status:* Under implementation

*Priority:* High

*Target date:* Second quarter of 2020

990. As mentioned above, a number of outdated links in the programme section of the Programme and Operations Manual have been updated. UNODC will review the findings of the ongoing peer review of its results-based management approach before updating the rest of the content of the programme section. In the meantime, a link to



the Handbook for Results-Based Management has been added to the Programme and Operations Manual.

**991. In paragraph 114 of its report, the Board recommended that UNODC review the operations section of the Programme and Operations Manual. If UNODC considered the operations section no longer helpful, even after an update, the operations section should be abolished.**

*Department responsible:* Division for Management  
*Status:* Under implementation  
*Priority:* Medium  
*Target date:* Second quarter of 2020

992. The operations section of the Programme and Operations Manual is in the process of being updated.

**993. In paragraph 119 of its report, the Board recommended that UNODC assess its specific fraud risks in headquarters and field offices in a timely manner.**

*Departments responsible:* Division for Management, Division for Operations, Division for Policy Analysis and Public Affairs and Division for Treaty Affairs  
*Status:* Under implementation  
*Priority:* High  
*Target date:* Second quarter of 2020

994. UNODC is in the process of assessing its specific fraud risks and will update its enterprise risk management matrix in line with that of the United Nations Secretariat.

**995. In paragraph 122 of its report, the Board recommended that UNODC consider offering additional training on fraud and corruption.**

*Department responsible:* Division for Management  
*Status:* Under implementation  
*Priority:* Medium  
*Target date:* Second quarter of 2020

996. A training session on fraud and corruption awareness was held in April 2019, with the participation of 34 staff from the Procurement Unit and the Financial Resources Management Service. UNODC is planning to conduct additional training sessions for all staff.

**997. In paragraph 124 of its report, the Board recommended that UNODC provide information about fraud and corruption in a special section on its intranet site and that UNODC update its intranet site regularly.**

<i>Departments responsible:</i>	Office of the Executive Director, Division for Management, Division for Operations, Division for Policy Analysis and Public Affairs, Division for Treaty Affairs
<i>Status:</i>	Under implementation
<i>Priority:</i>	High
<i>Target date:</i>	Fourth quarter of 2019

998. UNODC is coordinating inputs from all its divisions in order to consolidate and finalize the fraud and corruption risk register and risk treatment plans. Upon approval from senior management, the relevant documentation on fraud and corruption risk assessment will be uploaded on the UNODC intranet site, under the section on enterprise risk management.

**999. In paragraph 125 of its report, the Board also recommended that UNODC include in the section about fraud and corruption a statement by its Executive Director to make the Office's approach to fraud and corruption clear.**

<i>Department responsible:</i>	Office of the Executive Director
<i>Status:</i>	Under implementation
<i>Priority:</i>	Medium
<i>Target date:</i>	Fourth quarter of 2019

1000. The comments of UNODC relating to the recommendation in paragraph 124 of the Board's report (see para. 998 above) also apply to the recommendation in paragraph 125 of the report.

**1001. In paragraph 130 of its report, the Board recommended that UNODC consider appointing focal points on fraud at its headquarters and field offices.**

<i>Departments responsible:</i>	Division for Management, Division for Operations, Division for Policy Analysis and Public Affairs, Division for Treaty Affairs
<i>Status:</i>	Under implementation
<i>Priority:</i>	Medium
<i>Target date:</i>	Fourth quarter of 2019

1002. The terms of reference for the focal points on fraud will be prepared taking into account the recently promulgated framework on the delegation of authority. The appointment of focal points on fraud across UNODC divisions and field offices also forms part of considerations on establishing a wider network of focal points for other forms of prohibited conduct. The goal is to have clear points of contact for staff who wish to raise concerns or report potential fraud, avoiding both the duplication of reporting and the creation of confusion and frustration on the part of staff. Pending such further consideration of the appointment of focal points on fraud at headquarters and field offices, staff are aware that all reports of fraud and presumptive fraud can be sent directly to the Director of the Division for Management, in his capacity as responsible official for unsatisfactory conduct, including misconduct. Reports from field offices can, but do not have to be, channelled through the respective UNODC representative.

1003. **In paragraph 131 of its report, the Board recommended that UNODC disseminate information about the focal points on its intranet site and list them in the joint panel, body and focal point registry.**

*Department responsible:* Division for Management

*Status:* Under implementation

*Priority:* Medium

*Target date:* Fourth quarter of 2019

1004. Once the appointment of the focal points has been finalized, their names will be included in a registry and an announcement will be made to all UNODC staff.

1005. **In paragraph 136 of its report, the Board recommended that UNODC make efforts, in liaison with the United Nations Secretariat, to train more staff members on fraud investigations to build adequate capacity.**

*Department responsible:* Division for Management

*Status:* Under implementation

*Priority:* Medium

*Target date:* Fourth quarter of 2019

1006. In the fourth quarter of 2019, UNODC will conduct a training on investigations, which will be facilitated by the Office of Internal Oversight Services.

1007. **In paragraph 140 of its report, the Board recommended that UNODC make efforts, in liaison with the United Nations Secretariat, to customize the Umoja travel module to facilitate advance travel planning and to pool the overall travel process within Umoja.**

*Department responsible:* Division for Management

*Status:* Under implementation

*Priority:* High

*Target date:* Fourth quarter of 2019

1008. UNODC has liaised with the United Nations Secretariat and is in the process of internally reviewing the proposed system changes and enhancements that will be submitted to United Nations Headquarters for review and analysis.

1009. **In paragraph 144 of its report, the Board recommended that UNODC consider requesting a review of the advance purchase policy by the United Nations Secretariat, as well as an evaluation of how best prices for travel could be achieved.**

*Department responsible:* Division for Management

*Status:* Under implementation

*Priority:* Medium

*Target date:* Fourth quarter of 2020

1010. UNODC will review the feasibility of implementing airfare monitoring technologies through its travel management company. The review will help UNODC to determine how best prices for travel can be achieved.

**1011. In paragraph 152 of its report, the Board recommended that UNODC remind its staff of the current advance purchase policy and their duty to comply with it.**

*Department responsible:* Division for Management

*Status:* Closure requested

*Priority:* Medium

*Target date:* Not applicable

1012. A message was sent both to senior managers at UNODC headquarters and to field office representatives to remind them of the advance purchase policy and the requirement to comply with it. The message also included the UNODC compliance statistics for 2018. UNODC considers this recommendation to have been implemented and requests its closure by the Board.

**1013. In paragraph 153 of its report, the Board recommended that UNODC regularly evaluate its compliance with the advance purchase policy and immediately initiate corrective actions, when necessary.**

*Department responsible:* Division for Management

*Status:* Closure requested

*Priority:* Medium

*Target date:* Not applicable

1014. Annual and quarterly reports are regularly distributed to UNODC managers, who are requested to report on the corrective actions they have taken. UNODC considers this recommendation to have been implemented and requests its closure by the Board.

**1015. In paragraph 158 of its report, the Board recommended that UNODC consider, in liaison with the United Nations Secretariat, implementing an automated control mechanism in Umoja to monitor and review express expense reports.**

*Department responsible:* Division for Management

*Status:* Closure requested

*Priority:* Medium

*Target date:* Not applicable

1016. UNODC liaised with United Nations Headquarters and confirmed that an automated control mechanism was not envisioned for the monitoring and review of expense reports. Instead, those reports will continue to be based on current business intelligence reports, which are being continuously improved to meet user requirements. UNODC considers this recommendation to have been implemented and requests its closure by the Board.

**1017. In paragraph 164 of its report, the Board recommended that UNODC consider, in liaison with the global enterprise resource planning team, improving the process of handling cases with pending expense reports.**

*Department responsible:* Division for Management

*Status:* Closure requested

*Priority:* Medium

*Target date:* Not applicable

1018. The processing of travel claims has been improved through the enhancement of the express claim modality implemented in August 2018. In addition, a housekeeping tool was launched in February 2019 to unblock travel claims pending in the workflow. Both changes were made with a view to streamlining the claim submission process by minimizing the steps needed in Umoja and encouraging the submission of claims prior to the processing of recoveries through payroll. UNODC considers this recommendation to have been implemented and requests its closure by the Board.

**1019. In paragraph 167 of its report, the Board recommended that UNODC review, in liaison with the United Nations Secretariat, the automatic recovery function of Umoja, especially with regard to initiated expense reports, which should block the system only for a reasonable period of time.**

*Department responsible:* Division for Management

*Status:* Closure requested

*Priority:* Medium

*Target date:* Not applicable

1020. A housekeeping tool was launched in February 2019 to unblock travel documents on the basis of their age and status. UNODC considers this recommendation to have been implemented and requests its closure by the Board.

**1021. In paragraph 174 of its report, the Board recommended that UNODC review and refine the established structure to collect the consolidated procurement plans of the subordinate entities in a timely manner.**

*Department responsible:* Division for Management

*Status:* Under implementation

*Priority:* High

*Target date:* First quarter of 2020

1022. UNODC will continue to make improvements to the collection and consolidation of procurement plans. The deadline for submission of procurement plans for 2020 is mid-December 2019. A new procurement plan template will be distributed to facilitate data evaluation and use.

**1023. In paragraph 183 of its report, the Board recommended that UNODC analyse the root causes of the reasons for ex post facto procurement cases and establish specific measures to prevent the recurrence of such cases.**

*Department responsible:* Division for Management

*Status:* Under implementation

*Priority:* Medium

*Target date:* Fourth quarter of 2019

1024. UNODC recorded 28 cases of purchase orders that were raised on an ex post facto basis during 2019. The analysis of those cases is in progress.

**1025. In paragraph 188 of its report, the Board recommended that UNODC establish a network of field operational focal points on the Sustainable Development Goals and, together with the members of the informal working group at UNODC headquarters, advertise the network internally.**

*Department responsible:* Division for Operations

*Status:* Under implementation

*Priority:* High

*Target date:* Fourth quarter of 2019

1026. The network of UNODC field operational focal points on the Sustainable Development Goals will be established by the end of 2019.

**1027. In paragraph 195 of its report, the Board recommended that UNODC develop a training package to deliver comprehensive guidance and advice on how the Sustainable Development Goals could best be integrated into UNODC work, and make the training package available to UNODC staff as an online training course.**

*Department responsible:* Division for Policy Analysis and Public Affairs

*Status:* Under implementation

*Priority:* High

*Target date:* Fourth quarter of 2019

1028. In addition to the training package already developed and delivered at UNODC headquarters and all major UNODC field offices, an online training module is being developed and is expected to be launched in the fourth quarter of 2019.

**1029. In paragraph 204 of its report, the Board recommended that UNODC thoroughly analyse all its projects and programmes and consider enhancing future strategic frameworks with all the Sustainable Development Goals and targets to which UNODC could contribute.**

*Departments responsible:* Division for Policy Analysis and Public Affairs,  
Division for Operations, Division for Treaty  
Affairs

*Status:* Under implementation

*Priority:* High

*Target date:* Fourth quarter of 2019

1030. Under the United Nations project dashboard (<https://projects.un.org/>), all UNODC projects and programmes have been tagged against relevant Sustainable Development Goals. Pending the full transition to Umoja Extension 2, the Sustainable Development Goal tagging function has also been integrated into the ProFi system.

**Report of the Board for the year ended 31 December 2016<sup>44</sup>**

**1031. In paragraph 42 of its report, the Board recommended that UNODC strengthen its controls over concluded pledge agreements to ensure that the financial statements reflected all contribution agreements.**

*Department responsible:* Division for Management

*Status:* Closure requested

*Priority:* Medium

*Target date:* Not applicable

1032. To ensure completeness in the presentation of its financial statements, UNODC has implemented various measures since 2017, including a year-end declaration by various field offices, a review of the completeness of funding agreements, a year-end briefing and IPSAS refresher training sessions. UNODC considers this recommendation to have been implemented and requests its closure by the Board.

**1033. In paragraph 62 of its report, the Board recommended that UNODC set up standards for accessibility of field office premises.**

*Departments responsible:* Division for Management and Division for Operations

*Status:* Under implementation

*Priority:* High

*Target date:* First quarter of 2020

1034. As part of United Nations reforms, the Business Innovations Group is taking a whole-of-country approach to reviewing opportunities both in capital cities and in subnational offices, including a review of standards related to accessibility of office premises. UNODC is currently participating in that exercise and reviewing the standards of other United Nations organizations to ensure a consistent application of those standards. On the basis of that exercise, UNODC will determine whether it should develop its own separate policies and standards.

**1035. In paragraph 63 of its report, the Board recommended that UNODC consider cooperating with UNDP to implement standards for accessibility in UNDP-administered premises.**

*Departments responsible:* Division for Management and Division for Operations

*Status:* Under implementation

*Priority:* High

*Target date:* First quarter of 2020

<sup>44</sup> A/72/5/Add.10, chap. II.

1036. UNODC will devise its approach to common premises, including by identifying policies and standards regarding accessibility for each category of field office, such as those hosted in a United Nations House, those sub-rented from a United Nations entity and those rented from a commercial partner.

**1037. In paragraph 83 of its report, the Board recommended that UNODC adapt its strategic planning in order to establish a long-term strategy for effective and coherent support with regard to implementing the Sustainable Development Goals.**

*Departments responsible:* Division for Policy Analysis and Public Affairs  
and Division for Operations

*Status:* Closure requested

*Priority:* Medium

*Target date:* Not applicable

1038. UNODC has linked its strategic planning with the 2030 Agenda for Sustainable Development. Its integrated programming approach has enabled the cross-sectoral integration of UNODC mandate areas and closer alignment with the Sustainable Development Goals. UNODC has established various joint projects and coordination groups and is demonstrating to external audiences its impact on the achievement of the Goals through various publications. UNODC is also in regular dialogue with Member States, including in the context of its governing bodies, the Commission on Narcotic Drugs and the Commission on Crime Prevention and Criminal Justice. In alignment with the United Nations development system reform, UNODC will actively participate in the development and implementation of the United Nations Sustainable Development Cooperation Frameworks at the country level as the main long-term strategic planning documents for the United Nations system, in line with the Goals. UNODC considers this recommendation to have been implemented and requests its closure by the Board.

**1039. In paragraph 84 of its report, the Board recommended that UNODC align all programmes and activities to the Sustainable Development Goals and, where applicable, to concrete targets, so that its work on the Goals became more visible and its actions received more recognition.**

*Departments responsible:* Division for Policy Analysis and Public Affairs  
and Division for Operations

*Status:* Closure requested

*Priority:* Medium

*Target date:* Not applicable

1040. UNODC revamped its Sustainable Development Goals web page, which demonstrates how its work contributes to the targets of the Goals. All UNODC project and programme progress reports include alignment with and reference to the Goals. UNODC has also adapted its annual results-based report in line with the reporting requirements of the United Nations Secretariat and the standards of the United Nations development system on reporting results based on progress made towards the Goals. UNODC considers this recommendation to have been implemented and requests its closure by the Board.



## Report of the Board for the year ended 31 December 2015<sup>45</sup>

1041. **In paragraph 33 of its report, the Board recommended that UNODC make better use of existing risk material collated to inform management decisions, and that risks and their mitigations be regularly reviewed by senior management and reassessed to inform the corporate risk register.**

*Departments responsible:* Office of the Executive Director, Division for Management, Division for Treaty Affairs, Division for Operations and Division for Policy Analysis and Public Affairs

*Status:* Closure requested

*Priority:* Medium

*Target date:* Not applicable

1042. The risk assessment process is well established and is conducted in a systematic manner across UNODC. UNODC has been continuously improving its enterprise risk management process by regularly reviewing risk areas, as well as risk mitigation and treatment plans, which are first discussed at the working level among interdivisional focal points on a quarterly basis and then reported to senior management through the Executive Committee on a semi-annual basis. The decisions of senior management are disseminated to all divisions and the remedial actions are implemented by the relevant risk owners. Progress is monitored and reflected in the corporate risk register and treatment plans. UNODC considers this recommendation to have been implemented and requests its closure by the Board.

1043. **In paragraph 86 of its report, the Board recommended that UNODC consider the scope for simplifying the reporting structure, for example, by only reporting changes from the previous submissions, through better use of graphics to show progress against targets, and through the inclusion of key expenditure data to identify departures from the agreed forecasts and to highlight reasons for variances in spending and activity.**

*Departments responsible:* Division for Treaty Affairs, Division for Operations and Division for Policy Analysis and Public Affairs

*Status:* Under implementation

*Priority:* Medium

*Target date:* Fourth quarter of 2020

1044. UNODC has significantly simplified the reporting structure of its annual programme progress reports by providing reporting templates to ensure outcome-level results reporting. Furthermore, UNODC has adapted its annual results-based report to ensure full alignment with the new reporting requirements of the United Nations Secretariat and the standards of the United Nations development system on reporting results based on progress made towards the Sustainable Development Goals. The UNODC annual report has also been adapted to a simpler reporting structure, focusing on results, with links to the Goals, gender and human rights and the increased use of infographics to showcase progress made.

<sup>45</sup> A/71/5/Add.10, chap. II.

**Report of the Board for the year ended 31 December 2014<sup>46</sup>**

1045. In paragraph 18 of its report, the Board recommended that UNODC develop fraud risk assessments to identify areas where it was most susceptible to fraud within its operations. Those should be used to inform the development of risk mitigation plans to focus training and targeted exception reporting to detect cases of fraud.

*Department responsible:* Division for Management

*Status:* Under implementation

*Priority:* Medium

*Target date:* Second quarter of 2020

1046. UNODC is in the process of assessing its specific fraud risks and will update its enterprise risk management matrix in line with that of the United Nations Secretariat.

**Report of the Board for the year ended 31 December 2013<sup>47</sup>**

1047. In paragraph 75 of the report, UNODC agreed with the Board's recommendation that it enhance its framework on the engagement of external parties.

*Department responsible:* Division for Management

*Status:* Under implementation

*Priority:* Medium

*Target date:* Fourth quarter of 2019

1048. The UNODC framework on the engagement of external parties was enhanced and promulgated in April 2014. However, UNODC anticipates that further changes will emanate from the implementation of Umoja Extension 2 and the Secretariat-wide policy for implementing partners and end beneficiaries, which UNODC will need to take into consideration in further revising and updating its framework.

## **XIV. United Nations Office for Project Services**

### **A. Implementation of the recommendations contained in the report of the Board of Auditors for the year ended 31 December 2018<sup>48</sup>**

1049. Table 37 summarizes the status of implementation of the main recommendations of the Board as of August 2019.

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<sup>46</sup> [A/70/5/Add.10](#) and [A/70/5/Add.10/Corr.1](#), chap. II.

<sup>47</sup> [A/69/5/Add.10](#), chap. II.

<sup>48</sup> [A/74/5/Add.11](#), chap. II.

Table 37  
**Status of implementation of the main recommendations**

(Number of recommendations)

<i>Department responsible</i>	<i>Total</i>	<i>Not accepted</i>	<i>Closure requested</i>	<i>In progress</i>	<i>Target date set</i>	<i>No target date</i>
Finance Group	2	—	—	2	2	—
Information and Communications Technology Unit	3	—	—	3	3	—
Infrastructure and Project Management Group	1	—	1	—	—	—
Global Shared Service Centre	1	—	—	1	1	—
Multiple departments	4	—	—	4	4	—
<b>Total</b>	<b>11</b>	<b>1</b>	<b>1</b>	<b>10</b>	<b>10</b>	<b>—</b>

1050. Table 38 summarizes the status of implementation of all recommendations of the Board as of August 2019.

Table 38  
**Status of implementation of all recommendations**

(Number of recommendations)

<i>Department responsible</i>	<i>Total</i>	<i>Not accepted</i>	<i>Closure requested</i>	<i>In progress</i>	<i>Target date set</i>	<i>No target date</i>
Finance Group	7	—	—	7	7	—
Information and Communications Technology Unit	9	—	—	9	9	—
Infrastructure and Project Management Group	1	—	1	—	—	—
Procurement Group	1	—	—	1	1	—
Global Shared Service Centre	3	—	1	2	2	—
Multiple departments	8	—	—	8	8	—
<b>Total</b>	<b>29</b>	<b>—</b>	<b>2</b>	<b>27</b>	<b>27</b>	<b>—</b>

1051. In paragraph 22 of its report, the Board recommended that the United Nations Office for Project Services (UNOPS) ensure that the review of project classification by the Integrated Practice Advice and Support unit or the Finance Group was captured in oneUNOPS to leave an appropriate audit trail.

*Department responsible:* Finance Group  
*Status:* Under implementation  
*Priority:* Medium  
*Target date:* First quarter of 2020

1052. UNOPS is exploring options to capture evidence of the review of project classification in the oneUNOPS enterprise resource planning system with an appropriate audit trail, rather than outside oneUNOPS, as is currently the practice.

1053. **In paragraph 23 of its report, the Board recommended that UNOPS take steps to generate the financial statements from the oneUNOPS enterprise resource planning system so as to minimize the need for manual adjustments and interventions.**

*Departments responsible:* Finance Group and Information and Communications Technology Unit

*Status:* Under implementation

*Priority:* High

*Target date:* Fourth quarter of 2020

1054. UNOPS has commenced the development of some key tables in the oneUNOPS system that were previously prepared using Microsoft Excel. UNOPS is continuing to build reports in the oneUNOPS system, which will significantly reduce the need for manual calculations.

1055. **In paragraph 30 of its report, the Board recommended that UNOPS establish a growth and innovation reserve and document a detailed procedure for use of the funds in such reserve, as well as their accounting and management.**

*Department responsible:* Finance Group

*Status:* Under implementation

*Priority:* High

*Target date:* Fourth quarter of 2019

1056. UNOPS is in the process of establishing a specific reserve with the necessary controls to ensure that the funds of such reserve are used as intended.

1057. **In paragraph 37 of its report, the Board recommended that UNOPS ensure that costs were correctly captured and that the correct and complete valuation of inventory was made at year-end on the basis of specific reviews.**

*Department responsible:* Finance Group

*Status:* Under implementation

*Priority:* High

*Target date:* Fourth quarter of 2019

1058. UNOPS has revised its templates for capturing inventory information from local offices. The new templates require users to input inventory values that have been received, rather than inventory values contained in the purchase order. The revised templates also contain a number of data validation checks that users must pass through prior to submitting information to UNOPS headquarters. The new inventory submission template is being piloted as part of the closure of the second quarter of 2019, with a view to further improving it, where necessary, for the third and fourth quarters of 2019.

1059. **In paragraph 44 of its report, the Board recommended that UNOPS explore the possibility of having a comprehensive inventory module in oneUNOPS that would facilitate accounting accuracy, uniformity in reporting arrangements and analysis to improve inventory management.**

*Departments responsible:* Finance Group and Information and Communications Technology Unit

*Status:* Under implementation

*Priority:* Medium

*Target date:* Fourth quarter of 2020

1060. UNOPS is exploring possible options for an inventory module in the oneUNOPS system. In the meantime, UNOPS has significantly revised its submission templates for inventory, which now incorporate a number of validation checks to improve the accuracy of inventory data reported in its financial statements.

**1061. In paragraph 50 of its report, the Board recommended that UNOPS subject the property, plant and equipment to a systematic annual review to confirm the remaining useful life in line with IPSAS requirements.**

*Department responsible:* Global Shared Service Centre

*Status:* Under implementation

*Priority:* High

*Target date:* Fourth quarter of 2019

1062. A separate exercise to reassess the assigned useful lives of all asset groups will be initiated in the fourth quarter of 2019. A draft process has been proposed, which has been reviewed by the policy owners. The reassessment exercise will be documented in the UNOPS process and quality management system and will be repeated on an annual basis.

**1063. In paragraph 60 of its report, the Board recommended that UNOPS ensure the correct recording of asset data and review all migrated assets to guarantee the correct valuation and depiction of asset data within oneUNOPS.**

*Department responsible:* Global Shared Service Centre

*Status:* Under implementation

*Priority:* Medium

*Target date:* Fourth quarter of 2019

1064. To ensure the correct recording of asset data, including migrated asset records, UNOPS conducts two physical verification exercises annually. That process validates all asset-related records, which are capitalized in the UNOPS general ledger. Furthermore, several training sessions were held in 2019 to raise awareness of that exercise and reinforce the capacity of the asset focal points in the field offices.

**1065. In paragraph 65 of its report, the Board recommended that suitable controls be put in place to ensure that assets were depreciated in line with the requirements of IPSAS 17 and that the depreciation of assets was not disrupted owing to work package expiry.**

*Department responsible:* Global Shared Service Centre

*Status:* Closure requested

*Priority:* Medium

*Target date:* Not applicable

1066. A system enhancement has been implemented in the oneUNOPS system, which takes the respective project closure end date as the period for validation, instead of the work package end date. As a result, the depreciation posting on in-service assets is no longer disrupted owing to the expiry of the associated work package. UNOPS considers this recommendation to have been implemented and requests its closure by the Board.

**1067. In paragraph 71 of its report, the Board recommended that UNOPS disclose information related to segment assets and segment liabilities in the future financial statements in line with the requirements of IPSAS.**

*Department responsible:* Finance Group

*Status:* Under implementation

*Priority:* Medium

*Target date:* Fourth quarter of 2021

1068. It is currently not possible to segment assets and liabilities, as they are not recorded in the oneUNOPS system by geographical location. UNOPS is exploring options to allocate assets and liabilities to regions, so as to meet the requirements of IPSAS 18.

**1069. In paragraph 74 of its report, the Board recommended that UNOPS capture all the required information and disclose all the details of inventory as required under IPSAS 12 in the next financial statements.**

*Department responsible:* Finance Group

*Status:* Under implementation

*Priority:* Medium

*Target date:* Fourth quarter of 2019

1070. UNOPS has revised its template for capturing inventory information from local offices. The revised template requires users to provide all information required under IPSAS 12. The new template is being piloted as part of the closure of the second quarter of 2019, with a view to further improving it, where necessary, for the third and fourth quarters of 2019.

**1071. In paragraph 83 of its report, the Board recommended that UNOPS properly document the cases of waiver of administrative fees.**

*Department responsible:* Finance Group

*Status:* Under implementation

*Priority:* Medium

*Target date:* Fourth quarter of 2019

1072. UNOPS has started to develop a process based on Google forms that will ensure that the rationale for waivers of administrative fees for processing advance financing cases is captured in all relevant cases.

**1073. In paragraph 84 of its report, the Board recommended that UNOPS modify the interest distribution tool to correctly allocate the interest on advance financing cases.**

*Department responsible:* Finance Group  
*Status:* Under implementation  
*Priority:* Medium  
*Target date:* Fourth quarter of 2019

1074. UNOPS is making arrangements to update the interest posting process in the oneUNOPS system in order to ensure that the interest distribution tool will charge interest to cases of advance financing.

**1075. In paragraph 95 of its report, the Board recommended that UNOPS assess relevant risks during the engagement acceptance process, realistically projecting timelines and appropriately coordinating the various vendors contracted for the implementation of a particular project so that it was completed within the scheduled timelines.**

*Department responsible:* Infrastructure and Project Management Group  
*Status:* Closure requested  
*Priority:* High  
*Target date:* Not applicable

1076. In April 2019, UNOPS released its enterprise portfolio and project management system called oneUNOPS Projects, which includes an enterprise risk management system. The system has automated the Project Management Manual, which became mandatory as of January 2019. The oneUNOPS Projects system also includes a scheduling feature, which enables engagement and project schedules to be created, with associated tasks, relationships and milestones, for approval of and oversight by the project executive. That, in turn, enables proper coordination of the various vendors and work packages, as well as efficient project planning management. UNOPS considers this recommendation to have been implemented and requests its closure by the Board.

**1077. In paragraph 104 of its report, the Board recommended that UNOPS ensure stricter compliance with the established procurement procedures and record reasons for deviating from them at the commencement of the process.**

*Departments responsible:* Africa Region and Procurement Group  
*Status:* Under implementation  
*Priority:* High  
*Target date:* Fourth quarter of 2019

1078. With regard to the observed case, UNOPS was convinced that it had been clear about the requirements of the partner when entering into the engagement and was also

convinced that selecting a company able to provide servicing locally in multiple locations would result in significant cost savings for the end user and provide value for money in the long term. In the recipient country, most servicing stations and spare parts dealers conduct business with a selected company as opposed to any other brand; it was therefore most suitable to work with a company that was easily available in the market. Standardization was a compelling argument when selecting a product that was going to be part of a larger structure that needed to be managed by a central government body, in order to ensure the sustainability of the product. In addition, the procurement process was reviewed and awarded by the UNOPS Headquarters Contracts and Property Management Committee and the Executive Chief Procurement Officer.

**1079. In paragraph 108 of its report, the Board recommended that UNOPS improve project planning and avoid post-facto or retroactive amendments to contracts so as to derive cost benefits instead of extending contracts through multiple amendments.**

*Departments responsible:* Africa Region, Infrastructure and Project Management Group and Procurement Group

*Status:* Under implementation

*Priority:* Medium

*Target date:* Fourth quarter of 2019

1080. UNOPS issued the Project Management Manual, along with the operational instruction on project management, on 22 February 2018. The Project Management Manual, version 1.1, became mandatory on 1 January 2019. The Manual strengthens the project planning process and sets out the requirements for each stage of the project, including the completion of the project initiation document, which informs the implementation plan and related subplans. The Manual was automated as the enterprise portfolio and project management system, which is called oneUNOPS Projects. Version 2.0 of oneUNOPS Projects was released for mandatory use in April 2019. It includes a scheduling feature that enables engagement and project schedules to be created, with associated tasks, relationships and milestones, for approval of and oversight by the project executive. UNOPS is also developing a contract management tool which will improve the current contract management practice, including timely extension of contracts.

**1081. In paragraph 117 of its report, the Board recommended that UNOPS ensure that the contract management module in oneUNOPS, among other requirements, provided for: (a) a unique identification system for all its contracts; (b) the nature of the solicitation, along with the inclusion of performance security, liquidated damages and the like; (c) details about the actual inclusion of provisions relating to performance security and liquidated damages in the final contract agreements; and (d) relevant details, such as the date of and reasons for termination.**

*Department responsible:* Procurement Group

*Status:* Under implementation

*Priority:* Medium

*Target date:* Fourth quarter of 2019



1082. The release of the contract management module is scheduled for the fourth quarter of 2019. This recommendation will have been implemented upon the release of the module.

**1083. In paragraph 125 of its report, the Board recommended that UNOPS review the need for completing the system development documentation for all functionalities of oneUNOPS, in line with its recently adopted strategies and practices, as well as international best practices.**

*Department responsible:* Information and Communications Technology Unit

*Status:* Under implementation

*Priority:* Medium

*Target date:* Fourth quarter of 2019

1084. UNOPS is reviewing the need for completing the system development documentation, as recommended.

**1085. In paragraph 131 of its report, the Board recommended that UNOPS carry out a user sign-off review of the completeness of the data migration process to assess the risks and mitigate them.**

*Department responsible:* Information and Communications Technology Unit

*Status:* Under implementation

*Priority:* Medium

*Target date:* Fourth quarter of 2019

1086. UNOPS will obtain a user sign-off for the completeness of the data migration conducted when the oneUNOPS system was launched.

**1087. In paragraph 136 of its report, the Board recommended that UNOPS comprehensively review the pending change requests, classify them on the basis of priority and bring them before the ICT governance bodies for consideration so that the pending requests could be addressed comprehensively and within a definite time frame.**

*Department responsible:* Information and Communications Technology Unit

*Status:* Under implementation

*Priority:* High

*Target date:* Fourth quarter of 2019

1088. UNOPS is reviewing the pending change requests stored in the Jira platform, a proprietary issue tracking tool, to assess whether they are still valid. If they are valid, they will be considered for implementation by the relevant UNOPS ICT governance bodies.

**1089. In paragraph 139 of its report, the Board recommended that UNOPS restrict user accounts for staff to their contract period or date of retirement,**

whichever was earlier. In respect of individual contract agreements with indefinite contract periods, access rights may be provided after periodic review, renewable upon the receipt of feedback. UNOPS should also undertake user role reviews at regular intervals to check for role conflicts and document syntax rules for allocating one UNOPS identifiers.

*Department responsible:* Information and Communications Technology Unit

*Status:* Under implementation

*Priority:* Medium

*Target date:* Second quarter of 2020

1090. UNOPS is reviewing user accounts and will consider how best to conduct a periodic review both of user accounts and of user roles.

**1091. In paragraph 143 of its report, the Board recommended that UNOPS review the segregation of duties matrix and incorporate all role prohibitions and role conflicts prescribed and/or required by the business users.**

*Department responsible:* Information and Communications Technology Unit

*Status:* Under implementation

*Priority:* High

*Target date:* Fourth quarter of 2019

1092. UNOPS is reviewing the segregation of duties matrix and will ensure that role prohibitions and role conflicts are avoided in accordance with policy.

**1093. In paragraph 149 of its report, the Board recommended that UNOPS establish and implement a formal ICT mandate, strategy and plan with clearly defined roles and responsibilities in the process and quality management system. The Board also recommended the establishment of a formal information security risk management and reporting framework, including a risk register, so as to monitor significant ICT risks, including business continuity and information security risks.**

*Department responsible:* Information and Communications Technology Unit

*Status:* Under implementation

*Priority:* High

*Target date:* Second quarter of 2020

1094. UNOPS is establishing an ICT strategy and will document processes in the process and quality management system.

**1095. In paragraph 158 of its report, the Board recommended that UNOPS review and update the existing ICT business continuity plan, document disaster recovery procedures, testing schedules and training requirements and carry out tests to check their robustness.**

<i>Departments responsible:</i>	Global Shared Service Centre and Information and Communications Technology Unit
<i>Status:</i>	Under implementation
<i>Priority:</i>	High
<i>Target date:</i>	Fourth quarter of 2019

1096. UNOPS is reviewing and updating its ICT business continuity plan.

1097. In paragraph 162 of its report, the Board recommended that UNOPS strengthen the governance mechanism and improve the periodicity of Strategic Advisory Board meetings in accordance with the procedure laid down in the terms of reference and the operational instruction. Explicit risk documentation, including the estimated start and end times, savings, cost and so on needed to be included in the proposals.

<i>Department responsible:</i>	Information and Communications Technology Unit
<i>Status:</i>	Under implementation
<i>Priority:</i>	Medium
<i>Target date:</i>	Fourth quarter of 2019

1098. The UNOPS governance mechanism has been reviewed and the procedures laid down in the terms of reference and the operational instruction will be followed. Explicit risk documentation on the recommended areas will be included in proposals presented to the Strategic Advisory Board. Project proposals for 2020 will be submitted by the business units and reviewed by the Strategic Advisory Board in the fourth quarter of 2019.

**1099. In paragraph 167 of its report, the Board recommended that UNOPS capture complete information for each engagement, including all amendments, in oneUNOPS and that a management information system report provide comprehensive details on all amendments.**

<i>Department responsible:</i>	Information and Communications Technology Unit
<i>Status:</i>	Under implementation
<i>Priority:</i>	Medium
<i>Target date:</i>	Second quarter of 2020

1100. In April 2019, UNOPS released the new opportunity and engagement acceptance tool in the oneUNOPS Projects system. The system captures the amendment dates, scope, projects, outputs, approval, partners and amounts for each engagement, and stores each amendment document in a corporate read-only folder for future reference. The oneUNOPS Projects system also contains a risk log, issue log and lessons learned log for each project and engagement, where project teams can log their risks and issues, and escalate and monitor them. A new scheduling tool within oneUNOPS Projects that will allow project teams to record their actual workplans and compare them with the approved baseline plans with defined tolerances is expected to be released by the end of the second quarter of 2020.

1101. **In paragraph 170 of its report, the Board recommended that UNOPS incorporate the requirements of the Prince 2 methodology in oneUNOPS to enable UNOPS to manage its projects in terms of the requirements of its Project Management Manual.**

*Departments responsible:* Infrastructure and Project Management Group  
and Information and Communications  
Technology Unit

*Status:* Under implementation

*Priority:* High

*Target date:* Fourth quarter of 2020

1102. The template for the project initiation document is being upgraded and the development of functional requirements for an online project initiation document will start in the fourth quarter of 2019 for incorporation in the system by the end of the second quarter of 2020.

1103. **In paragraph 174 of its report, the Board recommended that UNOPS automate the preparation of financial statements to ensure the credibility of financial information. UNOPS should also prioritize the implementation of treasury management and inventory valuation and management in oneUNOPS.**

*Departments responsible:* Finance Group and Information and  
Communications Technology Unit

*Status:* Under implementation

*Priority:* Medium

*Target date:* Fourth quarter of 2020

1104. UNOPS has commenced the development of some key tables in the oneUNOPS system that were previously prepared using Microsoft Excel. UNOPS is continuing to build reports in the oneUNOPS system, which will significantly reduce the need for manual calculations. Implementation of a new treasury system is due to commence during the fourth quarter of 2019 and options are being explored for an inventory management system.

1105. **In paragraph 177 of its report, the Board recommended that UNOPS review the reports in the asset module and automate the quarterly closure of business assets. UNOPS should also record the residual value of assets and the useful life of both tangible and intangible assets in oneUNOPS at each annual reporting date.**

*Departments responsible:* Global Shared Service Centre and Information  
and Communications Technology Unit

*Status:* Under implementation

*Priority:* Medium

*Target date:* Fourth quarter of 2020

1106. UNOPS is reviewing the required reports, the automation of the closure of business assets, and the recording of the residual value of assets and the useful life of both tangible and intangible assets in the oneUNOPS system.

**1107. In paragraph 179 of its report, the Board recommended that UNOPS review the risks of having open resources without an active contract in the resource master, examine the controls in place and introduce additional controls, if needed, to ensure that only those contract resources who had entered into an active line of employment were processed for entitlements.**

*Department responsible:* Information and Communications Technology Unit

*Status:* Under implementation

*Priority:* Medium

*Target date:* Second quarter of 2020

1108. UNOPS is reviewing the risks of having resources without active contracts in the oneUNOPS system and will introduce additional controls, as needed, to ensure that only resources with active contracts are included in the payroll.

## **B. Implementation of the recommendations contained in the report of the Board of Auditors for prior financial periods**

1109. In the annex to its report for the year ended 31 December 2018 (A/74/5/Add.11, chap. II), the Board provided a summary of the status of implementation of recommendations for previous financial periods. Information is provided below on the 19 recommendations that have been determined by the Board to be under implementation. The information is set out below in the order in which the recommendations are presented in the annex.

1110. Table 39 summarizes the overall situation as of August 2019.

Table 39

### **Status of implementation of recommendations from prior periods considered not fully implemented**

(Number of recommendations)

<i>Department responsible</i>	<i>Total</i>	<i>Not accepted</i>	<i>Closure requested</i>	<i>Under implementation</i>	<i>Target date set</i>	<i>No target date</i>
Finance Group	4	—	1	3	3	—
Information and Communications Technology Unit	2	—	—	2	2	—
Infrastructure and Project Management Group	4	—	—	4	4	—
People and Change Group	1	—	—	1	1	—
Procurement Group	4	—	1	3	3	—
Global Shared Service Centre	3	—	2	1	1	—
Multiple offices	1	—	—	1	1	—
<b>Total</b>	<b>19</b>	<b>—</b>	<b>4</b>	<b>15</b>	<b>15</b>	<b>—</b>

**Report of the Board for the year ended 31 December 2015<sup>49</sup>**

1111. **In paragraph 16 of its report, the Board recommended that UNOPS consider how the reserve surplus might be utilized, in the context of a strategic review of UNOPS operational resourcing needs.**

*Department responsible:* Finance Group  
*Status:* Closure requested  
*Priority:* High  
*Target date:* Not applicable

1112. UNOPS has provided the Board with the full account of the strategic review process undertaken. In close collaboration with its Executive Board, UNOPS assessed how the reserve surplus might be utilized for operational needs. The assessment and strategic review were conducted in the context of the funding gap identified for the implementation of the 2030 Agenda for Sustainable Development and elaborated as part of the midterm review of the UNOPS strategic plan for the period 2014–2017 and the strategic plan for the period 2018–2021. UNOPS considers this recommendation to have been implemented and requests its closure by the Board.

1113. **In paragraph 44 of its report, the Board recommended that, on receipt of the system controls and configuration report, UNOPS evaluate the recommendations made by the external consultant to consider whether it provided sufficient assurance and, in the event of any weaknesses, undertake a review to determine whether any such weaknesses had been exploited.**

*Department responsible:* Information and Communications Technology Unit  
*Status:* Under implementation  
*Priority:* Medium  
*Target date:* Fourth quarter of 2020

1114. Significant progress has been made on closing the recommendations made by the external consultant in the report on fraud risk and only three recommendations are outstanding, one of which will be implemented in the fourth quarter of 2019. A treasury management system is being implemented to address the controls on banking. The Information and Communications Technology Strategic Advisory Board has decided to focus the projects for 2020 on security and controls.

**Report of the Board for the year ended 31 December 2016<sup>50</sup>**

1115. **In paragraph 20 of its report, the Board recommended that UNOPS obtain the post facto approval of the Executive Board with respect to the original and final management budgets, including each line item.**

<sup>49</sup> A/71/5/Add.11, chap. II.

<sup>50</sup> A/72/5/Add.11, chap. II.

*Department responsible:* Finance Group  
*Status:* Under implementation  
*Priority:* Medium  
*Target date:* Fourth quarter of 2019

1116. UNOPS budget estimates for 2020–2021 have been published and included in the provisional agenda of the UNOPS Executive Board for its session in September 2019. Once available, the decision of the Executive Board will be transmitted to the Board of Auditors.

**1117. In paragraph 25 of its report, the Board recommended that UNOPS reassess the adequacy of internal controls relating to bank payments and strengthen supervisory checks to ensure that such incidents of double payment, overpayment or excess payment did not occur in the future.**

*Department responsible:* Global Shared Service Centre  
*Status:* Closure requested  
*Priority:* Medium  
*Target date:* Not applicable

1118. The following actions have been taken to strengthen the payment process with the aim of eliminating incidents of double payment, overpayment or excess payment: (a) integration of the oneUNOPS system into e-banking platforms; (b) system improvements to ensure that the possibility of making the same payment twice was locked in the oneUNOPS system; and (c) addition of a system control to the oneUNOPS system in March 2019 to reduce the creation of duplicate profiles. The system control prevents and flags the creation of suppliers with the same international bank account number or the same email address and can record justification details in the event that duplicate international bank account numbers are to be created. UNOPS considers this recommendation to have been implemented and requests its closure by the Board.

**1119. In paragraph 50 of its report, the Board recommended that UNOPS ensure compliance with its administrative instruction on business continuity and disaster recovery planning in all its offices and components and include information technology assets, data and systems.**

*Department responsible:* Global Shared Service Centre  
*Status:* Closure requested  
*Priority:* Medium  
*Target date:* Not applicable

1120. An Executive Office instruction on business continuity planning was issued and became effective as of April 2018. A resource was hired in October 2018 to assist the Chief of Security, among other duties, in coordinating the updating of business continuity plans. On the basis of the Executive Office instruction and the hiring of a resource to assist with coordination, the business continuity plans were updated in 2018 and 2019, and there is now a system of continuous checking and updating. UNOPS considers this recommendation to have been implemented and requests its closure by the Board.

**1121. In paragraph 87 of its report, the Board recommended that UNOPS establish and adopt a sustainability screening tool to screen projects against sustainability standards at the design stage, fixing sustainability targets and deliverables to facilitate the monitoring of progress during the life of a project.**

*Department responsible:* Infrastructure and Project Management Group

*Status:* Under implementation

*Priority:* Medium

*Target date:* First quarter of 2020

1122. Social and environmental screening, as well as gender mainstreaming screening, are now included in the oneUNOPS Projects system at the pre-engagement stage. In addition, sustainABLE, a tool launched in March 2019 to advance sustainability in development projects, is enabling the identification of sustainable deliverables for infrastructure projects which can be monitored in the oneUNOPS Projects system. The assurance of such sustainable elements will be conducted as part of the quarterly assurance process for engagements, which will be integrated in the oneUNOPS Projects system by the end of 2019, enabling reporting by the first quarter of 2020.

**1123. In paragraph 95 of its report, the Board recommended that UNOPS incorporate sustainability targets and deliverables into project initiation documents, for mandatory screening and monitoring, measurement and reporting of sustainability contributions at all stages of the project life cycle, from engagement acceptance, quarterly assurance and project progress reports to project closure reports.**

*Department responsible:* Infrastructure and Project Management Group

*Status:* Under implementation

*Priority:* High

*Target date:* Second quarter of 2020

1124. This recommendation is under implementation.

**1125. In paragraph 102 of its report, the Board recommended that UNOPS establish a standard procedure for sustainability results reporting at the output and outcome levels by capturing data throughout the business process, to be measured against predefined sustainability standard indicators, targets and deliverables, and having the results validated through a verification mechanism.**

*Department responsible:* Infrastructure and Project Management Group

*Status:* Under implementation

*Priority:* High

*Target date:* First quarter of 2020

1126. The results-based reporting has been embedded in the oneUNOPS Projects system and is now linked to the engagement acceptance process. The assurance of the outputs, the list of which has been revised to fully match the operations and mandate of UNOPS, will be undertaken on a quarterly basis. That quarterly assurance process



will be integrated in the oneUNOPS Projects system by the end of 2019, enabling reporting by the first quarter of 2020.

**1127. In paragraph 120 of its report, the Board recommended that UNOPS take steps to establish a distinct innovation fund, as envisaged in the strategic plan for the period 2014–2017.**

*Department responsible:* Finance Group  
*Status:* Under implementation  
*Priority:* Medium  
*Target date:* Fourth quarter of 2019

1128. UNOPS is working to establish a specific reserve with the necessary controls to ensure that funds will be used as intended.

**1129. In paragraph 156 of its report, the Board recommended that UNOPS review its existing standard operating procedures relating to vendor database management to ensure that it had a strong system of checks with defined formats of data, data validation and alerts regarding duplicates in the oneUNOPS system, in order to enhance the quality of data sets.**

*Department responsible:* Information and Communications Technology Unit  
*Status:* Under implementation  
*Priority:* High  
*Target date:* Fourth quarter of 2020

1130. An enhanced supplier approval workflow will be completed by the end of 2019 and additional controls will be implemented in 2020, as part of the internal control framework and the treasury management system. The Information and Communications Technology Strategic Advisory Board has decided to focus the projects for 2020 on security and controls.

**1131. In paragraph 180 of its report, the Board recommended that UNOPS ensure the implementation of its policy regarding the booking of tickets at least seven days in advance of the travel date. Systems should be enabled to capture the data related to booking, to allow for better monitoring.**

*Department responsible:* Global Shared Service Centre  
*Status:* Under implementation  
*Priority:* Medium  
*Target date:* Fourth quarter of 2019

1132. UNOPS launched a request for proposals for the provision of travel management services in June 2019. The response level was very low and it was decided to relaunch the request for proposals in order to adjust the tender documents to allow for better competition.

**Report of the Board for the year ended 31 December 2017<sup>51</sup>**

**1133. In paragraph 42 of its report, the Board recommended that UNOPS expedite the implementation and operationalization of the enterprise portfolio and project management system and the enterprise risk management system as planned.**

*Department responsible:* Infrastructure and Project Management Group  
*Status:* Under implementation  
*Priority:* High  
*Target date:* Fourth quarter of 2020

1134. As part of the organization-wide adoption of the oneUNOPS Projects system, personnel are now able to draw on a wide range of resources, including “super users” in each country office who can help colleagues to adopt the system as their primary project management platform and demonstrate its benefits and functionalities. UNOPS is also investing in additional information technology resources in 2019 and 2020 to ensure the smooth operationalization and development of enhanced functionalities, based on requirements as well as user feedback. The Organizational Programme Management Office is monitoring and reporting on the uptake of the system and using the availability of improved organization-wide data to strengthen oversight.

**1135. In paragraph 48 of its report, the Board recommended that UNOPS initiate the process of the financial closure of projects soon after they have been operationally closed, so as to complete the process within the stipulated period.**

*Department responsible:* Finance Group  
*Status:* Under implementation  
*Priority:* Medium  
*Target date:* Third quarter of 2020

1136. UNOPS has established a plan to close its financial books on a quarterly basis, which will improve project closure. UNOPS has also implemented changes in its oneUNOPS enterprise resource planning system so that personnel responsible for project closure receive advance notifications of when projects are due for financial closure following the operational closure process. In addition, UNOPS has established a dashboard that allows the monitoring of projects that become due for closure. The project finance team of the Finance Group is proactively working with the integrated practice advice and support team and contacting project managers to ensure that projects are closed on time.

**1137. In paragraph 57 of its report, the Board recommended that UNOPS review the applicability of its sustainable procurement criteria checklists to address all relevant and important sustainability concerns under various procurement categories.**

<sup>51</sup> [A/73/5/Add.11](#), chap. II.

*Department responsible:* Procurement Group

*Status:* Closure requested

*Priority:* Medium

*Target date:* Not applicable

1138. UNOPS reviewed its sustainable procurement criteria checklist and updated it with two gender considerations, in line with the launch of its strategy on gender mainstreaming. In addition, UNOPS launched its sustainable procurement framework at the global level, which includes specific considerations for 12 categories of products and services. UNOPS considers this recommendation to have been implemented and requests its closure by the Board.

**1139. In paragraph 65 of its report, the Board recommended that UNOPS review the sustainability framework to ensure the embedding of sustainability concerns based on the category of goods/services procured, as well as the value of the contract.**

*Department responsible:* Procurement Group

*Status:* Under implementation

*Priority:* High

*Target date:* First quarter of 2020

1140. UNOPS launched its sustainable procurement framework for piloting and feedback from its field offices. The framework, which will come into effect on 1 January 2020, is divided into three parts: (a) mandatory considerations by contract and solicitation type; (b) specific considerations for 12 key categories of products and services; and (c) a “do not buy” list of products and services.

**1141. In paragraph 66 of its report, the Board recommended that a mechanism be put in place to assess satisfactory compliance with the essential elements of the framework.**

*Department responsible:* Procurement Group

*Status:* Under implementation

*Priority:* Medium

*Target date:* First quarter of 2020

1142. In line with the launch of the sustainable procurement framework, UNOPS is in the process of developing technical specifications for the integration of the framework into its eSourcing system. Those specifications are being reviewed by a team of developers, and UNOPS expects that changes will be implemented by the end of 2019. This development will enable UNOPS to enhance global visibility of its implementation of sustainable procurement by tracking those tenders that have included sustainable procurement.

**1143. In paragraph 73 of its report, the Board recommended that: (a) UNOPS strengthen its reporting and monitoring mechanism with respect to the mainstreaming of gender into projects by ensuring that the documentation of gender mainstreaming became, as far as feasible, an intrinsic part of the project**

management process, and ensure the preparation of gender action plans by all gender focal points; and (b) the role of gender focal points be strengthened by providing necessary resources, such as time and a budget, for the effective implementation of their roles and responsibilities.

*Departments responsible:* Infrastructure and Project Management Group  
and People and Change Group

*Status:* Under implementation

*Priority:* High

*Target date:* First quarter of 2020

1144. The quality assurance process will be integrated into the oneUNOPS Projects system by the end of 2019, enabling reporting in the first quarter of 2020.

**1145. In paragraph 80 of its report, the Board recommended that UNOPS carry out the required changes in oneUNOPS and review the validation rules to ensure the correctness of the data related to procurement and personnel.**

*Department responsible:* Procurement Group

*Status:* Under implementation

*Priority:* Medium

*Target date:* Fourth quarter of 2019

1146. The release of the contract management module is scheduled for the fourth quarter of 2019. This recommendation will have been implemented once the module has been released.

**1147. In paragraph 86 of its report, the Board recommended that UNOPS review the position titles in use across the organization and continue its efforts to standardize them in line with the International Civil Service Commission framework in a time-bound manner.**

*Department responsible:* People and Change Group

*Status:* Under implementation

*Priority:* Medium

*Target date:* First quarter of 2020

1148. UNOPS has carried out extensive work on reviewing position titles, as well as building and deploying a framework towards standardization and preparing guidance on the use of the position titles. UNOPS will continue its efforts in that regard in order to close this recommendation in a timely manner.

## XV. United Nations Entity for Gender Equality and the Empowerment of Women (UN-Women)

### A. Implementation of the recommendations contained in the report of the Board of Auditors for the year ended 31 December 2018<sup>52</sup>

1149. Table 40 summarizes the status of implementation of the main recommendations of the Board as of August 2019.

Table 40

#### Status of implementation of the main recommendations

(Number of recommendations)

<i>Department responsible</i>	<i>Total</i>	<i>Not accepted</i>	<i>Closure requested</i>	<i>Under implementation</i>	<i>Target date set</i>	<i>No target date</i>
Management and Administration Division	2	–	1	1	1	–
Mexico country office	2	–	2	–	–	–
Programme Division	1	–	–	1	1	–
<b>Total</b>	<b>5</b>	<b>–</b>	<b>3</b>	<b>2</b>	<b>2</b>	<b>–</b>

1150. Table 41 summarizes the status of implementation of all recommendations of the Board as of August 2019.

Table 41

#### Status of implementation of all recommendations

(Number of recommendations)

<i>Department responsible</i>	<i>Total</i>	<i>Not accepted</i>	<i>Closure requested</i>	<i>Under implementation</i>	<i>Target date set</i>	<i>No target date</i>
Americas and the Caribbean Regional Office	3	–	1	2	2	–
Management and Administration Division	3	–	2	1	1	–
Mexico country office	4	–	4	–	–	–
Programme Division	1	–	–	1	1	–
Multiple offices	1	–	1	–	–	–
<b>Total</b>	<b>12</b>	<b>–</b>	<b>8</b>	<b>4</b>	<b>4</b>	<b>–</b>

1151. In paragraph 20 of its report, the Board recommended that UN-Women establish a dashboard or system to ascertain the difficulties that country offices face in complying with the regulations on procurement plans, with a view to identifying improvements that could be made to that oversight mechanism, including with respect to communication and coordination, and evaluating its impact on the efficiency of the purchasing process.

<sup>52</sup> A/74/5/Add.12.

*Department responsible:* Management and Administration Division  
*Status:* Closure requested  
*Priority:* High  
*Target date:* Not applicable

1152. UN-Women established a dashboard, available in the OneApp system, that provides live data and effectively monitors the conformity of the purchase orders of field offices with their procurement plans. In the second quarter of 2019, the quarterly list of offices that are still to submit their procurement plans was circulated as a reminder. The aim is to enhance the oversight mechanism already in place and ensure compliance with the UN-Women contract and procurement management policy. UN-Women considers this recommendation to have been implemented and requests its closure by the Board.

**1153. In paragraph 21 of its report, the Board recommended that UN-Women consider establishing, at the programme formulation stage, obligatory reporting on the procurement plans of projects that were executed under programmes.**

*Department responsible:* Programme Division  
*Status:* Under implementation  
*Priority:* High  
*Target date:* Fourth quarter of 2019

1154. UN-Women is finalizing the update of the project documents and the preparatory assistance guidance and templates required for the completion of the project procurement plan. The same requirement will be included in the review checklist of the project appraisal committee. The revisions are expected to be completed by the end of 2019.

**1155. In paragraph 29 of its report, the Board recommended that the Americas and the Caribbean Regional Office comply with timely Atlas purchase order clean-up processes as established in the finance manual and standard operating procedures.**

*Department responsible:* Americas and the Caribbean Regional Office  
*Status:* Closure requested  
*Priority:* Medium  
*Target date:* Not applicable

1156. The Americas and the Caribbean Regional Office has improved its standard operating procedures to ensure compliance with timely Atlas purchase order clean-up processes during the month-end certification exercises. All purchase orders for which no further deliveries or payments are expected are closed in a timely manner. UN-Women considers this recommendation to have been implemented and requests its closure by the Board.

**1157. In paragraph 40 of its report, the Board recommended that the Americas and the Caribbean Regional Office and the Mexico country office comply with the control established in the internal control policy of UN-Women and that the**

**Procurement Section run reports every quarter to monitor the use of profiles and address any infractions in the use of those authorities, as appropriate.**

*Departments responsible:* Management and Administration Division,  
Americas and the Caribbean Regional Office  
and Mexico country office

*Status:* Closure requested

*Priority:* Medium

*Target date:* Not applicable

1158. The Americas and the Caribbean Regional Office and the Mexico country office have implemented a standard operating procedure to ensure compliance with the proper segregation of duties, in line with the internal control policy of UN-Women. In 2019, the Procurement Section began running quarterly reports to monitor the use of the “project manager” and “committing officer” profiles and to review whether those functions are generally performed by different staff members for every procurement transaction. The same quarterly report is used to examine transactions that deviate from that general control. The root cause for any deviation is determined and the related transaction is identified for further investigation. UN-Women considers this recommendation to have been implemented and requests its closure by the Board.

**1159. In paragraph 41 of its report, the Board recommended that UN-Women assess options for preventive controls in order to avoid the creation and approval of transactions by the same staff member.**

*Department responsible:* Management and Administration Division

*Status:* Closure requested

*Priority:* Medium

*Target date:* Not applicable

1160. UN-Women assessed the options for preventive controls to avoid the creation and approval of transactions by the same staff member and confirms that a preventive control is in place. The Atlas system has a preventive operating system control whereby the “buyer” user profile, which creates purchase orders, cannot be combined with the “committing officer” user profile, which approves purchase orders. Although the Atlas system does not prevent both the “project manager” and the “committing officer” user profiles to be assigned to the same staff member, the Procurement Section runs and reviews quarterly reports to monitor the use of those profiles as a compensating control process. UN-Women considers this recommendation to have been implemented and requests its closure by the Board.

**1161. In paragraph 45 of its report, the Board recommended that the Mexico country office ensure that the asset in-service report showed exactly where assets were located.**

*Department responsible:* Mexico country office

*Status:* Closure requested

*Priority:* Medium

*Target date:* Not applicable

1162. Following its relocation, the Mexico country office carried out an inventory review of all assets, a reconciliation and an update of records during the mid-year asset verification exercise in 2019. Accordingly, the asset in-service report of the Mexico country office was updated to reflect exactly where the assets were located. UN-Women considers this recommendation to have been implemented and requests its closure by the Board.

**1163. In paragraph 49 of its report, the Board recommended that the Mexico country office use a more durable and visible asset tag. The office should ensure that the asset tag contained the same asset information as the asset management module in Atlas.**

*Department responsible:* Mexico country office

*Status:* Closure requested

*Priority:* Medium

*Target date:* Not applicable

1164. The Mexico country office implemented a new asset tagging system that uses more durable, conveniently visible tags, with a Quick Response barcode attached to each asset. The use of unique Quick Response barcodes for each asset facilitates real-time monitoring control of asset movements and an efficient update of the asset information in the Atlas asset management module. UN-Women considers this recommendation to have been implemented and requests its closure by the Board.

**1165. In paragraph 53 of its report, the Board recommended that the Americas and the Caribbean Regional Office update the list of non-capital assets.**

*Department responsible:* Americas and the Caribbean Regional Office

*Status:* Under implementation

*Priority:* Medium

*Target date:* Fourth quarter of 2019

1166. The Americas and the Caribbean Regional Office updated and approved its list of non-capital assets. The non-capital assets in the programme presence offices were updated but have yet to be physically verified. The Regional Office expects the verification to be completed by the end of 2019.

**1167. In paragraph 54 of its report, the Board recommended that the Americas and the Caribbean Regional Office implement a mechanism to identify the assets by location to expedite supervision and control of non-capital assets.**

*Department responsible:* Americas and the Caribbean Regional Office

*Status:* Under implementation

*Priority:* Medium

*Target date:* Fourth quarter of 2019

1168. The Americas and the Caribbean Regional Office, in updating its list of non-capital assets, instituted a coding system that references the location of each item to facilitate monitoring and control. The same coding system is being put in place for



the list of non-capital assets in the programme presence offices. The Regional Office expects the coding system to be fully implemented by the end of 2019.

**1169. In paragraph 59 of its report, the Board recommended that the Mexico country office improve the processing timelines of the funding authorization and certificate of expenditure forms.**

*Department responsible:* Mexico country office

*Status:* Closure requested

*Priority:* High

*Target date:* Not applicable

1170. The Mexico country office strengthened the guidance provided to implementing partners for the completion and submission of the funding authorization and certificate of expenditure forms by the respective due dates. In addition, the Mexico country office has retrained its project managers on their accountability with regard to the requirements of the policy on cash advances and other transfers to partners to ensure their adherence to the policy, especially on the processing and approval, within 10 business days, of the funding authorization and certificate of expenditure forms submitted by implementing partners. UN-Women considers this recommendation to have been implemented and requests its closure by the Board.

**1171. In paragraph 60 of its report, the Board recommended that the Mexico country office strengthen the training process of the implementing partners, with a focus on the processing of the funding authorization and certificate of expenditure form.**

*Department responsible:* Mexico country office

*Status:* Closure requested

*Priority:* High

*Target date:* Not applicable

1172. The Americas and the Caribbean Regional Office and the Finance Section at UN-Women headquarters jointly provided training to implementing partners in July 2019 on the proper completion of funding authorization and certificate of expenditure forms and the provision of supporting documentation. The Mexico country office provided additional training for its implementing partners and other responsible parties to further clarify the importance and accountability of each party following feedback received from some implementing partners. UN-Women considers this recommendation to have been implemented and requests its closure by the Board.

**1173. In paragraph 64 of its report, the Board recommended that UN-Women, when conducting assurance on the liquidation of advances to partners, determine a standard review format in order to ensure the validity of the selection process, while documenting any exceptions that could arise from the review.**

*Department responsible:* Management and Administration Division

*Status:* Under implementation

*Priority:* High

*Target date:* Fourth quarter of 2019

1174. UN-Women initiated the revision of the policy on cash advances and other transfers to partners to include standardized documentation for the sampling, review, identification of any exceptions and remedial actions to be taken when conducting assurance on the liquidation of advances to implementing partners. The revised policy will be promulgated following the receipt and incorporation of comments from all stakeholders.

## **B. Implementation of the recommendations contained in the report of the Board of Auditors for prior financial periods**

1175. In the annex to its report for the year ended 31 December 2018 (A/74/5/Add.12, chap. II), the Board provided a summary of the status of implementation of recommendations for previous financial periods. Information is provided below on the 10 recommendations that have been determined by the Board to be under implementation. The information is set out below in the order in which the recommendations are presented in the annex.

1176. Table 42 summarizes the overall situation as of August 2019.

Table 42

### **Status of implementation of recommendations from prior periods considered not fully implemented**

(Number of recommendations)

<i>Department responsible</i>	<i>Total</i>	<i>Not accepted</i>	<i>Closure requested</i>	<i>Under implementation</i>	<i>Target date set</i>	<i>No target date</i>
Management and Administration Division	2	—	—	2	2	—
Office of Human Resources	1	—	—	1	1	—
Programme Division	5	—	—	5	5	—
Multiple offices	2	—	—	2	2	—
<b>Total</b>	<b>10</b>	<b>—</b>	<b>—</b>	<b>10</b>	<b>10</b>	<b>—</b>

### **Report of the Board for the year ended 31 December 2016<sup>53</sup>**

1177. In paragraph 42 of the report, UN-Women agreed with the Board's recommendation that it: (a) ensure that the selection of implementing partners was strengthened and the requirements of the programme and operations manual regarding the selection process were adhered to; and (b) perform partner risk rating to identify the score for each implementing partner against the tolerable risk levels.

*Department responsible:* Programme Division

*Status:* Under implementation

*Priority:* Medium

*Target date:* Fourth quarter of 2019

1178. UN-Women updated its programme and operations manual to require the use of a "call for proposals" process for an improved and more rigorous selection of

<sup>53</sup> A/72/5/Add.12, chap. II.

implementing partners and responsible parties, especially for high-value projects. Risk management components are included in the evaluation of the proposals received from potential partners.

1179. UN-Women also proceeded with the development of a partner and grant agreement management system to support and enhance compliance with the prescribed partner selection process. The launch of the system has been placed on hold pending the revision and promulgation of the new partner agreement template that is more suitable to the needs of UN-Women. Furthermore, UN-Women saw the need to develop a more comprehensive due diligence procedure for implementing partners and responsible parties, which is being finalized.

**1180. In paragraph 58 of its report, the Board recommended that UN-Women: (a) expedite the development of policy and guidelines that clearly defined the rationale for the establishment of programme presences and the management of programme and field presences; and (b) develop business cases for the already established programme and field presences so as to suit the current needs and situation.**

*Department responsible:* Office of the Deputy Executive Director for Resource Management, Sustainability and Partnerships

*Status:* Under implementation

*Priority:* High

*Target date:* First quarter of 2020

1181. Following the formation of the interdivisional task force on change management, UN-Women established a change management team, led by a highly experienced and knowledgeable former Assistant Secretary-General. The team used scenario modelling to develop a rationale and propose a business model for the repositioning and right-sizing of the UN-Women field offices.

1182. A road map to roll out the new model is being aligned with the broader United Nations reform process. Extensive consultations on the proposed model are ongoing with various stakeholders at headquarters and field offices, including the Staff Council. The comprehensive analyses and consultative approach, although crucial to the transparent and successful implementation of the new country typology, impacted the initial target implementation date for the recommendation.

1183. The new country typology will be formally instituted when a final agreement is reached. The related policy and guidelines will be promulgated to include clear criteria for the future establishment of offices, which will aptly consider, among other things: (a) indicators related to issues that have an impact on gender equality and the empowerment of women; and (b) a financial model that will ensure sustainability.

**1184. In paragraph 81 of the report, UN-Women agreed with the Board's recommendation that it: (a) consider the use of the implementing agent code in the chart of accounts for Atlas to enhance efficiency and effectiveness; (b) work closely with the global auditors to review the audit process to ensure that project audit reports were submitted in a timely manner; and (c) enhance the capacity of the Audit Coordination Unit to ensure that it supported effectively the oversight function in the organization.**

*Department responsible:* Management and Administration Division  
*Status:* Under implementation  
*Priority:* Medium  
*Target date:* Fourth quarter of 2019

1185. The Board assessed parts (a) and (b) of this recommendation as implemented. With regard to part (c), UN-Women is carrying out a functional analysis of its various divisions and offices, including the Management and Administration Division and the Office of Human Resources. As part of the ongoing functional analysis, the capacity of the Audit Coordination Unit will be assessed, and a determination will be made as to what additional capacity, if any, is required.

#### **Report of the Board for the year ended 31 December 2017<sup>54</sup>**

**1186. In paragraph 17 of the report, UN-Women agreed with the Board's recommendation that it: (a) continue with its efforts to ensure that field offices comply with the fraud risk assessment plan developed at its headquarters, and perform fraud risk assessments that would enable management to focus on mitigating actions designed to prevent and detect instances of fraud; and (b) continue to provide adequate awareness training for staff on fraud risk assessment to ensure that the approach and methodology were aligned with best practices.**

*Department responsible:* Management and Administration Division  
*Status:* Under implementation  
*Priority:* High  
*Target date:* Fourth quarter of 2019

1187. UN-Women is continuing to implement its fraud risk management plan. That process is closely monitored on a monthly basis to ensure that key milestones are met.

**1188. In paragraph 27 of the report, UN-Women agreed with the Board's recommendation to improve the link between the results management system tool and Atlas so that the information in the results management system was up to date in order to facilitate timely and accurate decision-making.**

*Department responsible:* Programme Division  
*Status:* Under implementation  
*Priority:* Medium  
*Target date:* Third quarter of 2020

1189. UN-Women determined that for a seamless, reliable interface between Atlas and the results management system, the root causes of inconsistencies had to be addressed by fixing the fundamental structural issues between the two systems. The ongoing system enhancement work in Atlas and the results management system requires significant efforts and more resources than initially anticipated. The functional requirements are being gathered, and will be followed by system

<sup>54</sup> [A/73/5/Add.12](#), chap. II.

development, testing and piloting. The full roll-out of the interface is expected to be completed by the third quarter of 2020.

**1190. In paragraph 31 of the report, UN-Women agreed with the Board's recommendation that it expedite the review of its grants modality in the programme and operations manual in order to provide more clarity on grants management.**

*Department responsible:* Programme Division  
*Status:* Under implementation  
*Priority:* Medium  
*Target date:* Fourth quarter of 2019

1191. The UN-Women small grants policy was approved for promulgation by the Executive Director. Promulgation is pending, following the completion of the partner and grant agreement management system that is crucial for the oversight and proper implementation of the policy. In turn, the partner and grant agreement management system is awaiting the launch of the due diligence procedure for implementing partners and responsible parties and the completion of the new partner agreement template. The due diligence procedure is also being finalized. UN-Women will complete the promulgation of the small grants policy immediately after the launch of the partner and grant agreement management system.

**1192. In paragraph 36 of its report, the Board recommended that UN-Women: (a) strengthen its compliance with the implementing partners selection process and ensure that its field offices conduct capacity assessment of implementing partners in a proper manner in accordance with the requirements of the programme and operations manual; and (b) perform partners risk rating to identify the score for each implementing partner against the tolerable risk levels.**

*Department responsible:* Programme Division  
*Status:* Under implementation  
*Priority:* High  
*Target date:* Fourth quarter of 2019

1193. UN-Women has developed a more comprehensive due diligence procedure for implementing partners and responsible parties, which will be supported by the partner and grant agreement management system. The new procedure requires a proper risk assessment of potential partners to be performed, with a risk rating assigned to identify the score for each partner evaluated. The launch of the system was put on hold pending the revision and promulgation of the new partner agreement template that is more suitable to the needs of UN-Women. The due diligence procedure is being finalized.

**1194. In paragraph 43 of the report, UN-Women agreed with the Board's recommendation that it: (a) work closely with the global auditors to review the audit process to ensure that project audit reports were submitted on time; and (b) strengthen accountability in field offices for the assessment and monitoring of implementing partners by endeavouring to include key performance indicators for the implementation of audit recommendations on financial findings as part of the country office assessment tool.**

*Department responsible:* Programme Division  
*Status:* Under implementation  
*Priority:* High  
*Target date:* Fourth quarter of 2019

1195. The Board assessed part (a) of this recommendation as implemented. With regard to part (b), UN-Women is exploring the use of the audit implementation monitoring system being used by other United Nations organizations to streamline its current monitoring system for implementing partners. An enhanced system could provide data that could be used as key performance indicators for the country office assessment tool.

**1196. In paragraph 44 of its report, the Board further recommended that UN-Women: (a) ensure that conclusive assessments of the prior year's qualified audit report financial findings were conducted to determine the causes and prevent recurrence of the weaknesses identified; and (b) consider introducing policies that addressed weaknesses in project management that led to ineligible expenditure and that guided the administration on the proper accounting for ineligible expenditure in prior years to avoid potential misstatements in the financial statements.**

*Departments responsible:* Management and Administration Division and Programme Division  
*Status:* Under implementation  
*Priority:* High  
*Target date:* Fourth quarter of 2019

1197. UN-Women conducted a conclusive assessment of prior years' qualified audit report financial findings. A new procedure and guideline for the resolution of audit recommendations arising from project partner audits is being finalized. In addition, UN-Women has requested advice from both its Audit Committee and its Internal Audit Service on the proposed procedure and guideline.

**1198. In paragraph 57 of its report, the Board recommended that after a feasibility assessment, UN-Women consider establishing a global individual consultants monitoring tool to record key details on the hiring of consultants, including information such as analysis of total hiring cost, performance measurement and supervisor's comments at every stage of the assignment, based on the agreements made with each individual consultant.**

*Department responsible:* Office of Human Resources  
*Status:* Under implementation  
*Priority:* Medium  
*Target date:* Fourth quarter of 2019

1199. UN-Women completed the assessment of the establishment of a global monitoring tool for individual consultants. The review of current processes is ongoing to identify the most effective way of putting in place a solution leveraging the existing systems in order to minimize any unnecessary use of the organization's limited resources.

## XVI. International Residual Mechanism for Criminal Tribunals

### A. Implementation of the recommendations contained in the report of the Board of Auditors for the year ended 31 December 2018<sup>55</sup>

1200. Table 43 summarizes the status of implementation of the main recommendations of the Board as of August 2019.

Table 43

#### Status of implementation of the main recommendations

(Number of recommendations)

<i>Department responsible</i>	<i>Total</i>	<i>Not accepted</i>	<i>Closure requested</i>	<i>Under implementation</i>	<i>Target date set</i>	<i>No target date</i>
Registry	6	–	1	5	5	–
<b>Total</b>	<b>6</b>	<b>–</b>	<b>1</b>	<b>5</b>	<b>5</b>	<b>–</b>

1201. Table 44 summarizes the status of implementation of all recommendations of the Board as of August 2019.

Table 44

#### Status of implementation of all recommendations

(Number of recommendations)

<i>Department responsible</i>	<i>Total</i>	<i>Not accepted</i>	<i>Closure requested</i>	<i>Under implementation</i>	<i>Target date set</i>	<i>No target date</i>
Registry	8	–	2	6	6	–
<b>Total</b>	<b>8</b>	<b>–</b>	<b>2</b>	<b>6</b>	<b>6</b>	<b>–</b>

1202. In paragraph 20 of its report, the Board recommended that the Mechanism conduct a systematic fraud risk assessment following the provisions of the Anti-Fraud and Anti-Corruption Framework.

*Department responsible:* Registry

*Status:* Under implementation

*Priority:* High

*Target date:* Fourth quarter of 2019

1203. The Mechanism notes that the Board did not identify any instances of fraud during the reporting period nor did it find that an absence of a separate, institution-specific risk assessment had increased the risk of fraud at the Mechanism. The Mechanism, however, undertakes to perform a risk assessment, as it believes that such an exercise will serve to strengthen its internal controls.

1204. In paragraph 21 of its report, the Board recommended that the Mechanism develop a monitoring process on the completion of the mandatory online anti-fraud training and ensure that staff members take the above course, in observance of the Anti-Fraud and Anti-Corruption Framework.

<sup>55</sup> A/74/5/Add.15, chap. II.

*Department responsible:* Registry  
*Status:* Under implementation  
*Priority:* High  
*Target date:* First quarter of 2020

1205. The Information Technology and Support Services Section of the Mechanism is developing an application to track the completion of mandatory training, which will make it possible for staff members to upload completed training certificates and for management to track the completion of all mandatory training activities.

**1206. In paragraph 35 of its report, the Board recommended that the Mechanism negotiate and conclude, as soon as possible, a new lease agreement with the Netherlands Central Government Real Estate Agency, appropriate to its current requirements, in order to maximize efficiency in its assets and budget administration and to comply with paragraph 7 of Security Council resolution 1966 (2010).**

*Department responsible:* Registry  
*Status:* Under implementation  
*Priority:* High  
*Target date:* Fourth quarter of 2019

1207. As acknowledged by the Board, the Mechanism has already commenced the negotiation of a new lease with the Netherlands Central Government Real Estate Agency. The negotiations are ongoing, and the Mechanism expects that the new lease, commensurate with its reduced requirements, will be concluded by the end of December 2019.

**1208. In paragraph 45 of its report, the Board recommended that the Mechanism update the enterprise risk management document, in accordance with the internal memorandum (MICT/A/IOB/2016/855) and the framework of the Committee of Sponsoring Organizations of the Treadway Commission.**

*Department responsible:* Registry  
*Status:* Under implementation  
*Priority:* High  
*Target date:* Fourth quarter of 2019

1209. The Mechanism is updating and expanding its enterprise risk register.

**1210. In paragraph 56 of its report, the Board recommended that the Mechanism take measures that allowed the Mechanism to obtain the as-built plans and the operation and maintenance manual as described in contract No. PD/C0036/15.**

*Department responsible:* Registry  
*Status:* Under implementation  
*Priority:* Medium  
*Target date:* Fourth quarter of 2019



1211. In conjunction with the contractor, the Mechanism is reviewing every as-built drawing with the aim of identifying discrepancies between the drawings and the actual as-built situation, and to ensure that, where required, the as-built drawings are updated. The process will also identify gaps in the availability of required maintenance manuals and present options for how to acquire such manuals.

**1212. In paragraph 67 of its report, the Board recommended that the Mechanism improve internal controls for the appointment processes for consultants and individual contractors by including full information with regard to the terms of reference.**

*Department responsible:* Registry  
*Status:* Under implementation  
*Priority:* High  
*Target date:* Fourth quarter 2019

1213. While the Mechanism did not fully concur with the Board's assessment, where appropriate, the Mechanism has improved its internal controls for the appointment processes for consultants and individual contractors by working with substantive offices to ensure that complete terms of reference are included in the contracts.

**1214. In paragraph 68 of its report, the Board recommended that the Mechanism take measures to guarantee the establishment of rosters and a competitive selection procedure for consultants and individual contractors and to maintain the appropriate documented justification in the case of exceptions.**

*Department responsible:* Registry  
*Status:* Closure requested  
*Priority:* Medium  
*Target date:* Not applicable

1215. The Mechanism has strengthened its competitive selection procedures for all consultants and individual contractors, resulting in the creation of various rosters of candidates. Since the Board's initial observation, nine vacancy announcements for consultants and individual contractors have been circulated, resulting in a total of 31 candidates being placed on various rosters of consultants and individual contractors. The Mechanism considers this recommendation to have been implemented and requests its closure by the Board.

**1216. In paragraph 79 of its report, the Board recommended that the Mechanism improve its data centre management, in order to establish: a contingency plan for possible emergencies; a matrix of access levels and approval requirements for different groups of visitors; a quarterly review of access; and a security system, in accordance with the guidelines in United Nations Secretariat ICT Technical Procedure INF.04.PROC.**

*Department responsible:* Registry  
*Status:* Closure requested  
*Priority:* Medium  
*Target date:* Not applicable

1217. In paragraph 81 of its report, the Board acknowledged the actions taken by the Mechanism to implement this recommendation. The Mechanism continues to ensure that its security protocols are rigorously observed. The Mechanism considers this recommendation to have been implemented and requests its closure by the Board.

## **B. Implementation of the recommendations contained in the report of the Board of Auditors for prior financial periods**

1218. In the annex to its report for the year ended 31 December 2018 (A/74/5/Add.15, chap. II), the Board provided a summary of the status of implementation of recommendations for previous financial periods. Information is provided below on the 10 recommendations that have been determined by the Board either to be under implementation or not to have been implemented. The information is set out below in the order in which the recommendations are presented in the annex.

1219. Table 45 summarizes the overall situation as of August 2019.

Table 45

### **Status of implementation of recommendations from prior periods considered not fully implemented**

(Number of recommendations)

<i>Department responsible</i>	<i>Total</i>	<i>Not accepted</i>	<i>Closure requested</i>	<i>Under implementation</i>	<i>Target date set</i>	<i>No target date</i>
Registry	10	–	6	4	4	–
<b>Total</b>	<b>10</b>	<b>–</b>	<b>6</b>	<b>4</b>	<b>4</b>	<b>–</b>

1220. In paragraph 5 of its resolution 73/268 A, the General Assembly requested the Mechanism to closely monitor the progress of the six pending staff cases of the International Tribunal for the Former Yugoslavia to ensure that they were resolved promptly and requested the Secretary-General to report thereon in the context of his next report on the implementation by the Mechanism of the recommendations of the Board of Auditors. The Secretary-General wishes to inform the Assembly that three of the cases have been completed and closed. One case was pending before the United Nations Dispute Tribunal and the two other cases were resolved when the related applications were rejected by the Dispute Tribunal. The Board has determined the related recommendation to have been implemented, as reflected in the annex to its report for the year ended 31 December 2018.

### **Report of the Board for the year ended 31 December 2016<sup>56</sup>**

1221. In paragraph 18 of the report, the Mechanism agreed with the Board's recommendation that it: (a) ensure that the contractor and the architect (consultant) completed the remaining works under the defect liability period without further delay; and (b) continue to engage with the Secretariat on how to recover liquidated damages as legally appropriate and economically feasible.

*Department responsible:* Registry  
*Status:* Closure requested  
*Priority:* High  
*Target date:* Not applicable

<sup>56</sup> A/72/5/Add.15, chap. II.

1222. The Mechanism engaged with the contractor and the architect to address the remaining works, and, in the end, after the vast majority of the items had been completed, the Mechanism accepted a financial settlement to compensate it for those small number of items that remained, thus bringing the issue to a close. Further, after extensive engagement with interlocutors in the United Nations Secretariat, including the Office of Legal Affairs and the then Office of Central Support Services, a legally appropriate and economically feasible approach was agreed upon, in which the issue of the recovery of liquidated damages was addressed with the contractor. The Mechanism considers this recommendation to have been implemented and requests its closure by the Board.

**1223. In paragraph 51 of the report, the Mechanism agreed with the Board's recommendation that the Mechanism ensure that all records in the repositories of the Archives and Records Section were clearly reviewed and mapped to the approved records retention schedules and that there was effective implementation through initiation of the appropriate disposition actions.**

*Department responsible:* Registry  
*Status:* Under implementation  
*Priority:* Medium  
*Target date:* Fourth quarter of 2019

1224. In 2018, the Mechanism's Archives and Records Section completed the mapping to the approved retention schedules of all the records in question. Starting in the first quarter of 2019, the Archives and Records Section requested authorization from the Mechanism offices that had taken over responsibility for the respective functions of the International Tribunal for the Former Yugoslavia to destroy records which, following the mapping, were found to be due for destruction. When those offices authorized destruction, the Archives and Records Section proceeded to destroy the records; that work is ongoing.

#### **Report of the Board for the year ended 31 December 2017<sup>57</sup>**

**1225. In paragraph 20 of the report, the Mechanism agreed with the Board's recommendation that it supervise the architectural firm tasked with reviewing the control system for air quality, temperature and relative humidity of the archive repositories in the Lakilaki facility and modifying the system to ensure that it met standard requirements.**

*Department responsible:* Registry  
*Status:* Under implementation  
*Priority:* High  
*Target date:* Second quarter of 2020

1226. The air quality, temperature and relative humidity control system was redesigned and the Mechanism is conducting a procurement exercise to identify a supplier to build and install it.

**1227. In paragraph 24 of the report, the Mechanism agreed with the Board's recommendation that it present the three variation orders to the local committee**

<sup>57</sup> A/73/5/Add.15, chap. II.

**on contracts and, subsequently, to the Procurement Division for their ex post facto review and approval.**

*Department responsible:* Registry  
*Status:* Closure requested  
*Priority:* High  
*Target date:* Not applicable

1228. Management has presented the three variation orders to the local committee on contracts for its ex post facto review and has disposed of the cases in accordance with procurement rules. The Mechanism considers this recommendation to have been implemented and requests its closure by the Board.

**1229. In paragraph 28 of the report, the Mechanism agreed with the Board's recommendation that it ensure that unused assets and other assets that were out of order were physically disposed of in a timely manner.**

*Department responsible:* Registry  
*Status:* Under implementation  
*Priority:* Medium  
*Target date:* Fourth quarter of 2019

1230. Items approved by the Mechanism's Local Property Survey Board for disposal as scrap have been taken by an authorized scrap collector. The Mechanism has commenced a procurement action to sell the items that the Local Property Survey Board approved for disposal via commercial sale.

**1231. In paragraph 49 of the report, the Mechanism agreed with the Board's recommendation that it: (a) repair or replace the defective uninterruptible power supply so that it might provide steady power in times of fluctuations; and (b) follow up closely with the contractor to ensure completion of the modification of the water pipes that ran across the ceiling of the data centre.**

*Department responsible:* Registry  
*Status:* Under implementation  
*Priority:* Medium  
*Target date:* Fourth quarter of 2019

1232. The Mechanism continues to implement part (a) of this recommendation and has liaised with the Procurement Division of the United Nations Secretariat to negotiate the use of a systems contract through which the Mechanism will be able to order a replacement uninterruptible power supply unit. That procurement action is ongoing. Part (b) of the recommendation was assessed as implemented by the Board.

**1233. In paragraph 53 of the report, the Mechanism agreed with the Board's recommendation that it review and identify the gap between the unified judicial database and business requirements by involving key business process owners and, thereafter, prepare a master project plan encompassing all the activities that would be implemented by the vendor and internal staff.**

*Department responsible:* Registry  
*Status:* Closure requested  
*Priority:* Medium  
*Target date:* Not applicable

1234. The Mechanism's Information and Communications Technology Committee, comprised of representatives of all key business process owners, has reviewed and reaffirmed the high-level business case for the unified judicial database project and has approved a modified version of it that addresses the issues raised by the Board. Subsequently, the Governance Board for the unified judicial database project met and approved the master project plan. The functionality for filing, distribution and publication has been successfully implemented. The Mechanism considers this recommendation to have been implemented and requests its closure by the Board.

**1235. In paragraph 55 of the report, in addition, the Mechanism agreed with the Board's recommendation that it ensure that: (a) the acceptance test was performed by users who would then sign off on and acknowledge that the implemented system met their functional requirements; and (b) as a lesson learned, a project initiation document was prepared in line with the guidance for ICT project management, to serve as a framework for future projects.**

*Department responsible:* Registry  
*Status:* Closure requested  
*Priority:* Medium  
*Target date:* Not applicable

1236. The acceptance testing was performed on the unified judicial database project and the affected users signed off and acknowledged that the implemented system met their functional requirements. The Governance Board for the unified judicial database project reviewed and approved a project initiation document. The Mechanism considers this recommendation to have been implemented and requests its closure by the Board.

**1237. In paragraph 60 of the report, the Mechanism agreed with the Board's recommendation that it develop a new ICT strategy aligned with the Mechanism's overall strategy and the overall ICT strategic initiatives of the United Nations.**

*Department responsible:* Registry  
*Status:* Closure requested  
*Priority:* Medium  
*Target date:* Not applicable

1238. An updated ICT strategy, aligned with the overall ICT strategy of the Mechanism and the overall strategic initiatives of the United Nations, has been adopted by the Mechanism's Information and Communications Technology Committee. The Mechanism considers this recommendation to have been implemented and requests its closure by the Board.

**International Tribunal for the Prosecution of Persons Responsible for Serious Violations of International Humanitarian Law Committed in the Territory of the Former Yugoslavia since 1991: implementation of the recommendations contained in the report of the Board for the year ended 31 December 2017<sup>58</sup>**

1239. In paragraph 22 of the report, the Board indicated that, while it understood the position regarding the management of outstanding receivables from Member States, it recommended that the Residual Mechanism closely monitor the outstanding receivables and payables which were within its capacity to ensure that they were fully recovered and cleared.

<i>Department responsible:</i>	Registry
<i>Status:</i>	Closure requested
<i>Priority:</i>	High
<i>Target date:</i>	Not applicable

1240. The Mechanism has addressed and resolved all pending receivables and payables that are within its capacity. The Mechanism notes that, of the remaining receivables, besides outstanding contributions from Member States, only \$25,000 in value-added tax refunds from the host State remain. Outstanding payables consist exclusively of after-service health insurance payments, the pensions of judges, and other residual staff benefits, the disbursement of which are controlled by factors outside the Mechanism's control. The Mechanism considers this recommendation to have been implemented and requests its closure by the Board.

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<sup>58</sup> [A/73/5/Add.14](#), chap. II.