General Assembly

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Implementation of the recommendations of the Board of Auditors concerning United Nations peacekeeping operations for the financial period ended 30 June 2011

Report of the Secretary-General

Summary

The present report provides additional information in response to the recommendations of the Board of Auditors contained in its report on the United Nations peacekeeping operations for the period ended 30 June 2011 (A/66/5 (Vol. II)). The report is submitted in accordance with paragraph 7 of General Assembly resolution 48/216 B, in which the Secretary-General was requested to report to the Assembly, at the same time as the Board of Auditors submitted its recommendations to the Assembly, on measures taken or to be taken to implement those recommendations.

The Administration has concurred with most of the Board's recommendations, and many of the comments of the Secretary-General have been duly reflected in the report of the Board. Therefore, in an effort to reduce repetition and to streamline documentation, the present report provides additional comments from the Administration 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 report of the Board. In addition, the report contains updated information on the status of implementation of the recommendations of the Board relating to prior periods that were reported by the Board as not having been fully implemented (see A/66/5 (Vol. II), annex II).

I. Introduction

1.   In paragraph 7 of its resolution 48/216 B, the General Assembly requested the Secretary-General to report to it on the measures that would be taken to implement the recommendations of the Board of Auditors at the same time as the report of the Board was submitted to the Assembly. The present report is submitted in response to the recommendations of the Board contained in its report on the accounts of the United Nations peacekeeping operations for the 12-month period ended 30 June 2011 (A/66/5 (Vol. II), chap. II).

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

(a)   Resolution 52/212 B (in particular paras. 2-5) 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 65/243 B, in which the Assembly requested the Secretary-General to continue to indicate an expected time frame for the implementation of the recommendations of the Board of Auditors and the priorities for their implementation, including the office holders to be held accountable.

3.   With regard to prioritization, the Administration noted that the Board had categorized 17 of the 40 recommendations as main recommendations. While all accepted recommendations of the Board will be implemented in a timely manner, the implementation of the main recommendations will be considered to be the highest priority. The Board has reported the same rate of implementation of recommendations as the previous year (44 per cent). Tables 1 and 2 summarize the status of implementation of newly issued recommendations as at 24 January 2012.

Table 1
Status of implementation of main recommendations

Department responsible	Number of recommendations	Not accepted	Implemented	In progress	Target date set	No target date
Department of Field Support and Department of Peacekeeping Operations	10	—	—	10	8	2
Department of Field Support and Department of Management	7	—	1	6	6	—
Total	**17**	**—**	**1**	**16**	**14**	**2**

4.   As indicated in table 1, of the 17 main recommendations issued by the Board, implementation is in progress for 16 recommendations, 13 of which are targeted for implementation before the end of 2012, and 1 is due for implementation in March 2013. The two main recommendations for which no target dates have been set pertain to ongoing activities.

Table 2
Status of implementation of all recommendations

Department responsible	Number of recommendations	Not accepted	Implemented	In progress	Target date set	No target date
Department of Field Support and Department of Peacekeeping Operations	29	—	3	26	19	7
Department of Field Support and Department of Management	10	—	1	9	9	—
Department of Management	1	—	—	1	—	1
Total	**40**	**—**	**4**	**36**	**28**	**8**

5.   As indicated in table 2, of the 40 recommendations issued, implementation is in progress for 36 recommendations, of which 26 are targeted for implementation before the end of 2012, and 2 are due for implementation in March 2013 and June 2014 respectively. The eight recommendations for which no target dates have been set pertain to ongoing activities.

6.   The successful implementation of the recommendations of the Board is dependent on how they are formulated. For example, the recommendation in paragraph 78 of the Board's report (A/66/5 (Vol. II), chap. II) that: "… the Department of Field Support expedite the review and reconciliation process of 'not found yet' assets and minimize the backlog of the reconciliation in a timely manner", is neither specific nor measurable. Thus, as there is no clearly distinguishable action or actions that can be undertaken to implement the recommendation, no target date can be set, and it is unclear as to when the recommendation will be considered as having been implemented. As can be seen from tables 1 and 2, there are eight recommendations for which no target date has been set. The Administration will continue to discuss these recommendations with the Board, with a view to agreeing on the specific measures that need to be taken to ensure full implementation.

II. Specific issues of concern

7.   The Secretary-General has noted the specific concerns expressed by the General Assembly in its resolution 65/243 B regarding: (a) the recurrence of problems previously identified by the Board of Auditors in regard to the management of expendable and non-expendable property; (b) the creation of a large amount of unliquidated obligations at the end of the financial year and the increase in the cancellation of unliquidated obligations over the previous financial year; (c) the need to strengthen administrative and institutional measures to address the root causes of recurring issues; and (d) the accountability of managers for the implementation of the Board's recommendations. The current status of action on these items is summarized below.

Expendable and non-expendable property

8.   The Secretary-General is pleased that the Board has taken note of the improvements that continued to be made in the 2010/11 financial period in the area of expendable and non-expendable properties compared to the previous financial period.

9.   Responsibility for property management is assigned in the Financial Regulations and Rules of the United Nations to the Under-Secretary-General for Management. Authority and responsibility has, in turn, been delegated to the Assistant Secretary-General for Central Support Services who, in the case of peacekeeping missions, has further delegated authority and responsibility to the Under-Secretary-General for Field Support. The Assistant Secretary-General for Central Support Services has been coordinating and monitoring actions taken to address the concerns raised by the Board through a series of working groups that also take into account the need for future compliance with the International Public Sector Accounting Standards (IPSAS). The Department of Field Support has continued to vigorously address the specific problems highlighted in previous audits. It has issued guidance to field missions and identified measures to ensure maximum physical verification coverage of expendable and non-expendable property by the end of the 2011/12 financial year and to improve the accuracy of inventory and data reliability.

Unliquidated obligations

10.   The Board noted that the significant reduction in the number of invalid obligations during the period under review was an improvement resulting from constant reminders sent to the missions and a robust review of unliquidated obligations at both the mission and Headquarters levels.

Root causes of recurring recommendations

11.   The root causes of most of the recurring audit recommendations, particularly those that highlight delays or non-compliance, include: high vacancy levels, obsolete systems, transition to new accounting standards, transition to new processes and procedures, interpretation of procedures and guidelines, and training issues. While immediate measures can be taken to ameliorate problems in some of these areas, the root causes can be fully addressed only through the introduction of suitable measures implemented over a longer period, such as stronger efforts to accelerate recruitment processes while complying with mandates given by Member States, in the case of high vacancy rates, or the replacement of current information technology systems with the new enterprise resource planning system, Umoja, in the case of the other matters highlighted in the Board's recommendations.

12.   Further details of the measures being taken to address each of the reiterated and outstanding recommendations from previous periods are contained in section IV below.

Accountability of managers

13.   As can be seen in sections III and IV below, recommendations are assigned to the heads of department responsible for their implementation. In addition, priorities and time frames have been identified, and managers are required to explain, in the context of the present report, the actions being taken to implement the recommendations as well as the reasons for any delays. The Management Committee also follows up on outstanding recommendations. To support this follow-up, a review is undertaken of the explanations given, and, where necessary, programme managers are requested to expedite implementation and/or make adjustments to measures being taken.

III. Implementation of the recommendations contained in the report of the Board of Auditors

14. The information requested by the General Assembly on the status of implementation of recommendations contained in the report of the Board of Auditors for the financial period ended 30 June 2011 is set out below. As indicated in the summary, most of the Administration's comments have already been included in the Board's report; thus, additional comments are provided only where the Board has not reflected the Administration's comments.

A. Financial overview and management

Unliquidated obligations

15. **In paragraph 20, the Board reiterated its previous recommendation that the Department of Field Support require missions to comply with the Financial Regulations and Rules of the United Nations with respect to the criteria for the creation of obligations.**

16. The improvement in the creation and retention of obligations noted by the Board of Auditors in paragraph 16 of its report is a result of constant reminders sent to the missions and a robust review of unliquidated obligations at both the mission and Headquarters levels. Additional comments by the Administration on the recommendation are reflected in paragraph 21 of the Board's report.

Departments responsible: Department of Field Support and Department of Management
Status: In progress
Priority: High
Target date: Third quarter of 2012

17. **In paragraph 22, the Board recommended that the Department of Field Support ensure that the African Union-United Nations Hybrid Operation in Darfur (UNAMID) makes the appropriate entries at the beginning of the new accounting period to adjust for the invalid obligations identified by the Board.**

18. UNAMID has made the necessary accounting entries as recommended by the Board.

Departments responsible: Department of Field Support and Department of Management
Status: Implemented
Priority: High
Target date: Not applicable

Disclosure of the non-expendable properties of the United Nations Mission in the Central African Republic and Chad

19. **In paragraph 27, the Board recommended that the Administration: (a) expedite the orderly completion of the disposal process of non-expendable property at the United Nations Mission in the Central African Republic and Chad (MINURCAT); and (b) disclose the accurate final status of those assets in the financial statements once the disposal is complete, including, but not limited**

to, the value and number of assets transferred to other missions or other United Nations bodies, pending write-off and disposal.

20.   Regarding the first part of the recommendation, the Logistics Support Division in the Department of Field Support is overseeing the orderly disposition of all the remaining MINURCAT assets, with the assistance of the United Nations Logistics Base at Brindisi, Italy (UNLB).

21.   The comments of the Administration relating to the second part of the recommendation are reflected in paragraph 26 of the Board's report.

> *Departments responsible*:   Department of Field Support and
>   Department of Management
> *Status*:   In progress
> *Priority*:   Medium
> *Target date*:   Third quarter of 2012

B. Budget formulation and management

Inconsistency of budget assumptions and miscalculation of cost estimates

22.   **In paragraph 41, the Board recommended that the Administration require field missions to: (a) maintain complete and accurate historical records for various activities and take these records into account when preparing the future years' budgets; (b) apply an appropriate computation method when calculating the resource requirements to better reflect the reality on the ground; and (c) use delayed deployment factors consistently and accurately in various categories of the contingent-owned equipment self-sustainment budget.**

23.   The Administration's comments are reflected in paragraphs 43 and 44 of the Board's report. The Department of Field Support has already started the process of conducting more stringent and consistent budget submission reviews, especially with regard to contingent-owned equipment self-sustainment.

24.   The Department of Management is implementing this recommendation in the context of the review and preparation of the 2012/13 budget reports. The Board's recommendation will also be reflected in the budget instructions for 2013/14. With respect to the recommendation to accurately apply the delayed deployment factor in various contingent-owned equipment self-sustainment categories, the Department reiterates its comment that the actual experience in individual missions may call for the application of different sets of delayed deployment factors to bring cost estimates in line with past expenditure trends.

25.   The proposed delayed deployment factor and vacancy rates are carefully scrutinized and extensive consultations are held in order to arrive at projections reflected in the proposed budgets that are as realistic as possible. Actual implementation of the budget is affected by a number of factors, including Security Council decisions and factors beyond the control of the missions. The variances between the approved budget and its actual execution are reported to the General Assembly in the context of mission performance reports and taken into account in the preparation of subsequent budgets.

Departments responsible:	Department of Field Support and Department of Management
Status:	In progress
Priority:	High
Target date:	Third quarter of 2012

26.   **In paragraph 42, the Board recommended that field missions and Headquarters implement more stringent reviews of the budget submissions to ensure that they are applied in a consistent, accurate and appropriate manner.**

27.   Reference is made to the Administration's comments in paragraph 25 above. In addition, this recommendation is being implemented in the context of the review and preparation of the 2012/13 budget reports.

Departments responsible:	Department of Field Support and Department of Management
Status:	In progress
Priority:	High
Target date:	Third quarter of 2012

Budget redeployments

28.   **In paragraph 48, the Board recommended that the Administration require field missions to strictly adhere to the Controller's requirement that they seek prior approval for redeployments prior to incurring expenditures.**

29.   The Administration agreed with the Board and accepted its recommendation as a shared responsibility to be implemented by both the Department of Management and the Department of Field Support. The Department of Management will re-emphasize to the missions the importance of strict adherence to the requirements indicated in the Controller's memorandum dated 28 June 2002, namely to submit information on within-group redeployments on a monthly basis to the Peacekeeping Financing Division and not to incur expenditures without sufficient funding.

Departments responsible:	Department of Field Support and Department of Management
Status:	In progress
Priority:	High
Target date:	First quarter of 2012

30.   **In paragraph 49, the Board recommended that the Administration enhance the existing monitoring and review of budgetary redeployments to ensure that they are fully justified as they arise and before expenditures are incurred.**

31.   The Administration will revisit its existing monitoring and review mechanisms with respect to budgetary redeployments.

Departments responsible:	Department of Field Support and Department of Management
Status:	In progress
Priority:	High
Target date:	Second quarter of 2012

Budget framework

32. **In paragraph 54, the Board recommended that the Administration: (a) continue to communicate with the Umoja team to ensure that the requirement for improvement of linkages between results-based-budgeting frameworks and resource requirements is duly considered during the budget formulation module design-and-build phase; and (b) identify how both existing systems and Umoja can be used to develop and implement cost-accounting principles more widely.**

33. The Administration is considering ways of implementing costs accounting principles in the context of the new system, Umoja.

Department responsible:	Department of Management
Status:	In progress
Priority:	Medium
Target date:	Ongoing

C. Assets management

Insufficient declaration of surplus assets

34. **In paragraph 69, the Board recommended that the Department of Field Support: (a) closely monitor never-used assets and regularly issue/disseminate periodical reports to missions on availability of unused assets; and (b) coordinate with the Procurement Division to periodically review and monitor the implementation of the acquisition plans and enforce their use as a tool to facilitate effective and efficient procurement management.**

35. The Administration's comments on part (a) of the recommendation are reflected in paragraphs 62, 64 and 66 of the Board's report. In addition, the Department of Field Support issued the directive on property management for the 2011/12 financial year wherein missions were requested, inter alia, to utilize the established key performance indicators to assess equipment utilization efficiency ratios, identify slow-moving items and ageing stock, declare surplus for redistribution and/or initiate write-off for obsolete equipment.

36. Part (b) of the recommendation is addressed in the Secretary-General's bulletin on the organization of the Department of Field Support (ST/SGB/2010/2). In accordance with the bulletin, one of the core functions of the Specialist Support Service of the Logistics Support Division is to provide support to the acquisition process for the field operations and Headquarters, including advanced acquisition planning, technical assistance to the procurement process and contract execution. In this regard, the Department of Field Support reviews, analyses and monitors the acquisition plans of missions and transmits them to the Procurement Division of the Office of Central Support Services of the Department of Management for analysis and consolidation with other procurement requirements of the Organization.

37. The Procurement Division continues to meet with its clients and provide necessary guidance throughout the acquisition planning process in order to facilitate an effective procurement process. It should be emphasized that, in accordance with the principle of segregation of duties, the acquisition planning function is segregated

from the commercial/operational procurement function in the Secretariat. Thus, acquisition planning remains the responsibility of the requisitioning offices.

Departments responsible: Department of Field Support and
                            Department of Management
Status: In progress
Priority: High
Target date: Third quarter of 2012

38.   **In paragraph 70, the Board recommended that the Department of Field Support implement procedures for missions to: (a) identify and report unused assets to Headquarters in a timely manner; (b) take in-stock assets into consideration when drawing up procurement plans; and (c) declare surplus assets in a timely manner or initiate prompt disposal and/or write-off action of assets which are confirmed unusable.**

39.   The Administration's comments on the recommendation are reflected in paragraph 71 of the Board's report. In addition, the directive on property management for the 2011/12 financial year requires missions to implement an asset life cycle view of property management to address the entire equipment life cycle. This requires, inter alia, comprehensive evaluation of procurement lead-times, demand forecasting, regular review of acquisition plans, minimum/maximum stock control procedures that lead to optimization of inventory levels and the overall improvement of mission asset management.

Department responsible: Department of Field Support
Status: In progress
Priority: High
Target date: Third quarter of 2012

Insufficient coverage of the physical count of expendable property

40.   **In paragraph 73, the Board recommended the Department of Field Support require missions to conduct a physical count of expendable property periodically and enhance the coverage of the physical count to obtain the assurance of the accuracy of the data recorded in the Galileo system.**

41.   The Administration's comments on the recommendation are reflected in paragraph 74 of the Board's report. In addition, the Department of Field Support has issued guidance to field missions and identified measures to ensure maximum physical verification coverage of expendable property by the end of the 2011/12 financial year and to improve accuracy of inventory and data reliability.

Department responsible: Department of Field Support
Status: In progress
Priority: Medium
Target date: Third quarter of 2012

Delayed reconciliation of discrepancies in "not found yet" assets

42.   **In paragraph 78, the Board recommended that the Department of Field Support expedite the review and reconciliation process of "not found yet" assets and minimize the backlog of the reconciliation in a timely manner.**

43.   The Administration's comments on the recommendation are reflected in paragraph 79 of the Board's report.

Department responsible:	Department of Field Support
Status:	In progress
Priority:	High
Target date:	Ongoing

Assets under the name of users who have been repatriated

44.   **In paragraph 82, the Board recommended that the Department of Field Support require all missions to: (a) establish enhanced communication with military contingents to obtain up-to-date information on United Nations-owned equipment; and (b) carry out the required asset check-out procedures for all United Nations staff who are being repatriated.**

45.   The Administration's comments on the recommendation are reflected in paragraph 83 of the Board's report.

Department responsible:	Department of Field Support
Status:	In progress
Priority:	Medium
Target date:	Second quarter of 2012

Deficiencies in write-off and disposal of expendable property and non-expendable property

46.   **In paragraph 86, the Board reiterated its previous recommendation that the Department of Field Support strengthen the monitoring of the write-off and disposal of assets at missions to ensure that appropriate measures are taken to expedite all pending write-off or disposal cases.**

47.   The Department of Field Support assigns high priority to strengthening the monitoring of the write-off and disposal process. Within the established oversight and performance measurement framework for property management, the Department continues to review the achievements of missions, conducts performance analyses of write-off and disposal processes throughout the reporting period, and follows up on underperforming missions. The revised delegation of authority for property management was fully implemented, resulting in a streamlined write-off process where local property survey board review was eliminated for routine, low-risk disposal cases. This made it possible to reduce the systematic backlogs in the write-off and disposal process.

Department responsible:	Department of Field Support
Status:	In progress
Priority:	Medium
Target date:	Ongoing

48.   **In paragraph 87, the Board recommended that the Administration: (a) ascertain the causes of the delays with a view to streamlining the process; and (b) ensure that missions strictly comply with the approval procedure for write-off and disposal.**

49.   The directive on property management issued by the Department of Field Support for the 2011/12 financial year provides further guidance to the field

missions to fully leverage the provisions of the revised delegation of authority for expediting the write-off process. Missions are advised to timely initiate write-off requests and hold local property survey board meetings regularly to avoid write-off backlog. With regard to recommendations on disposal actions, especially where conditions for disposal by commercial sale are not favourable, alternative disposal methods should be considered based on a cost-benefit analysis.

Department responsible:	Department of Field Support
Status:	In progress
Priority:	Medium
Target date:	Ongoing

Deficiencies in key performance indicators for stock control of expendable property and non-expendable property

50. **In paragraph 91, the Board recommended that the Department of Field Support make the key performance indicators more practical and complete by taking into consideration the variance in non-expendable property stock ratios and adding a performance indicator to reflect stock control on expendable properties.**

51. The Administration's comments are adequately reflected in paragraphs 92 and 93 of the Board's report.

Department responsible:	Department of Field Support
Status:	In progress
Priority:	Medium
Target date:	Third quarter of 2012

D. Procurement and contract management

Construction of accommodation at the African Union-United Nations Hybrid Operation in Darfur

52. **In paragraph 101, the Board recommended that the Department of Field Support: (a) enhance the involvement of United Nations Headquarters in the oversight of the procurement and contract management in the UNAMID construction project; (b) establish from the outset a clear governance framework for all large-scale construction projects, identifying the risks to contract administration and construction project management, and implementing controls to mitigate the risks and manage changes to the contract and scope of work.**

53. The Administration's comments on the recommendation are reflected in paragraph 100 of the Board's report.

Department responsible:	Department of Field Support
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2012

Inadequate consideration of strategic deployment stocks before requisition

54. **In paragraph 104, the Administration agreed with the Board's recommendation that the Department of Field Support should require missions**

and UNLB to comply strictly with its directive on using existing strategic deployment stock holdings wherever possible.

55.	The Administration's comments on the recommendation are reflected in paragraph 105 of the Board's report.

Department responsible:	Department of Field Support
Status:	Implemented
Priority:	Medium
Target date:	Not applicable

Vendor performance evaluation

56.	**In paragraph 108, the Board recommended that the Department of Field Support require the United Nations Integrated Mission in Timor-Leste (UNMIT) to establish standard operating procedures to ensure consistent criteria to be applied in the vendors' performance evaluation.**

57.	The Administration's comments on this recommendation are reflected in paragraph 110 of the Board's report.

Department responsible:	Department of Field Support
Status:	In progress
Priority:	Medium
Target date:	First quarter of 2012

58.	**In paragraph 109, the Board recommended that the Department of Field Support systematically strengthen the procedures applied by missions in the management of vendors' performance at the missions.**

59.	The Department of Field Support is in the process of promulgating its contract management policy, which will provide guidance to missions in addition to the guidance contained in the Procurement Manual.

Department responsible:	Department of Field Support
Status:	In progress
Priority:	Medium
Target date:	Second quarter of 2012

Deficiencies in contract awards

60.	**In paragraph 114, the Board recommended that the Administration systematically strengthen the mechanisms in place to monitor the splitting of awards, ex post facto cases and awards made on an exigency basis, and to ensure that they comply with the Procurement Manual.**

61.	The Administration's comments on this recommendation are reflected in paragraph 116 of the Board's report.

Department responsible:	Department of Field Support
Status:	In progress
Priority:	Medium
Target date:	Third quarter of 2012

62.	**In paragraph 115, the Board recommended that the Department of Field Support ensure that the United Nations Support Office for the African Union**

Mission in Somalia (UNSOA) fully complies with the delegated procurement authority according to the Procurement Manual and the Financial Regulations and Rules of the United Nations.

63. The Administration's comments on this recommendation are reflected in paragraph 116 of the Board's report.

Department responsible:	Department of Field Support
Status:	In progress
Priority:	Medium
Target date:	Third quarter of 2012

E. Human resources management

Vacancy and post management

64. **In paragraph 122, the Board recommended that the Department of Field Support carry out a comprehensive review and develop suitable criteria on the long-vacant posts to identify whether those posts are eligible for further abolition and nationalization, and require missions to conduct periodical review for compliance.**

65. The Department of Field Support reiterates that the criteria for abolition and nationalization of posts were developed specifically to identify the potential scope for absorbing the $83 million cost of the human resources reforms, and that the criteria should not be applied across the board. Furthermore, the Department notes that the Board's analysis of the need for further abolition/nationalization of the 61 posts allegedly eligible for further reduction does not take into account the substantive aspect of the posts, but merely the length of non-encumbrance which, as a stand-alone factor, is not sufficient for nationalization or abolition of posts. The Department plans to undertake a more comprehensive review that will look into substantive opportunities for nationalization to reduce costs and strengthen national capacity.

Department responsible:	Department of Field Support
Status:	In progress
Priority:	High
Target date:	Third quarter of 2012

Roster-based recruitment

66. **In paragraph 128, the Board recommended that the Department of Field Support: (a) require missions to fully justify and document the non-use of the recruitment roster; and (b) take measures to keep the roster database up to date.**

67. The Administration's comments on the recommendation are reflected in paragraph 129 of the Board's report.

Department responsible:	Department of Field Support
Status:	In progress
Priority:	High
Target date:	First quarter of 2013

Recruitment of national staff and consultants

68. **In paragraph 134, the Board recommended that the Department of Field Support enhance the selection and management of consultants/individual contractors by strictly complying with related requirement policies to make the whole process more competitive, transparent and well-documented.**

69. The United Nations peacekeeping mission in question, UNMIT, now keeps full records on its selection and recruitment processes. Complete records on all candidates for recruitment as national staff and consultants/individual contractors, including written test results, interviews and contract records, are maintained in each recruitment file.

Department responsible:	Department of Field Support
Status:	Implemented
Priority:	Medium
Target date:	Not applicable

F. The implementation of International Public Sector Accounting Standards

International Public Sector Accounting Standards implementation team

70. **In paragraph 145, the Board recommended that the Department of Field Support: (a) require all missions to establish their own IPSAS implementation teams with clear terms of reference; and (b) take proactive actions to identify the specific needs of peacekeeping operations and work closely with the United Nations implementation team to expedite the preparations for the implementation of IPSAS; and (c) ensure that the IPSAS implementation support teams have dedicated staff and adequate expertise within the IPSAS budget.**

71. The Administration's comments on the recommendation are reflected in paragraph 146 of the Board's report. As confirmed by the Board in paragraph 142 of its report, the recruitment of an IPSAS expert is in progress. The Administration anticipates that the process will be completed by the end of the first quarter of 2012.

Department responsible:	Department of Field Support
Status:	In progress
Priority:	High
Target date:	First quarter of 2012

Detailed implementation plan and action plan for field missions

72. **In paragraph 150, the Board recommended that the Administration ensure that the United Nations IPSAS implementation team, the Department of Field Support and the missions work closely to develop detailed implementation plans as well as action plans for all missions to ensure the implementation of IPSAS in peacekeeping operations.**

73. The Administration's comments on this recommendation are reflected in paragraph 151 of the Board's report. The Administration accepted this recommendation while noting that activities towards the development of detailed plans were already part of the current workplan and were progressing as scheduled.

Departments responsible:	Department of Field Support and
	Department of Management
Status:	In progress
Priority:	Medium
Target date:	First quarter of 2012

Transitional provision under IPSAS

74. **In paragraph 155, the Board recommended that the Administration, in collaboration with the Department of Field Support, expedite the preparation for confirming the value of plant, property and equipment and expendable property to avoid the transitional provision being invoked, including the decision on the approach to obtain the value of expendable property.**

75. The Administration's comments on the recommendation are reflected in paragraph 156 of the Board's report.

Departments responsible:	Department of Field Support and
	Department of Management
Status:	In progress
Priority:	Medium
Target date:	Second quarter of 2014

G. Mission exit and liquidation

Exit strategy and risk assessment

76. **In paragraph 161, the Board recommended that the Administration establish from the outset a generic risk assessment and mitigation plan for mission exit and liquidation, as well as possible mitigating strategies, which could be embedded in the liquidation plan to enable missions facing rapid closure to quickly develop and implement an effective risk management strategy.**

77. The liquidation manual has been revised and it is now a requirement that all liquidation plans include a risk assessment process that leads to the formulation of risk mitigation strategies. The risk assessment forms part of the process that enables the mission to identify areas that may affect the liquidation plan, and provides for alternative plans or strategies that can be put in place if needed.

Departments responsible:	Department of Field Support and
	Department of Peacekeeping Operations
Status:	Implemented
Priority:	Medium
Target date:	Not applicable

Managing staff separation

78. **In paragraph 170, the Board recommended that the Department of Field Support require missions to develop plans to manage potential separation of locally engaged staff well in advance in order to avoid any unnecessary payments for ending contracts.**

79. The MINURCAT drawdown plan was based on lessons learned from previous drawdown exercises, taking into consideration all information available at the time

of planning. As the plan unfolded, different circumstances required immediate changes on the ground. For example, support from experienced staff at various levels from other missions and Headquarters was sought on an urgent basis when a need became apparent. The Department will continue to apply the lessons learned from liquidated missions in future closures.

Department responsible:	Department of Field Support
Status:	In progress
Priority:	Medium
Target date:	Ongoing

Realization of United Nations assets: classification of assets

80. **In paragraph 176, the Board recommended that, in future, the Department of Field Support require missions in liquidation to maintain full documentation in order to demonstrate how good value for money is achieved in the disposal or transfer of each asset or group of assets.**

81. The Administration's comments on the recommendation are reflected in paragraph 177 of the Board's report.

Department responsible:	Department of Field Support
Status:	In progress
Priority:	Medium
Target date:	Ongoing

Lessons learned

82. **In paragraph 181, the Board recommended that the Department of Field Support: (a) initiate a comprehensive lessons learned exercise based on the specific experiences of closing MINURCAT and the United Nations Mission in the Sudan (UNMIS); and (b) require all active missions and future missions soon after their inception to develop outline exit strategies and liquidation plans.**

83. The Administration's comments on the recommendation are reflected in paragraph 182 of the Board's report.

Department responsible:	Department of Field Support
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2012

H. Restructuring of the Department of Peacekeeping Operations

Insufficient benefit realization management

84. **In paragraph 196, the Board recommended that the Administration draw lessons learned from the peacekeeping restructuring to inform future business transformation and change management, including the need for a clear benefit realization plan, and appropriate indicators and benchmarks/baselines to enable close monitoring of their realization.**

85. The Administration accepts the general need to learn lessons from any restructuring effort. The merit of establishing key performance indicators as

benchmarks/baselines to measure performance and the impact of measures (such as restructuring or business process improvements) on performance improvement is clearly accepted and understood. The Administration questions, however, the emphasis on the use of one particular model to measure the achievement of the goals and impact, and asserts again that the post facto application of this particular theoretical model fails to take into account the application of all tools at the disposal of the Secretariat and the conduct of the restructuring of the Department of Peacekeeping Operations and the Department of Field Support as an iterative process, guided by Member States and conducted in the context of significant changes in United Nations peacekeeping. The Administration further believes that it would not be prudent to extract static or template action plans to be applied to the restructuring of other Secretariat entities. The repeatedly reiterated prerogatives of the General Assembly and its wish to continually assess the effort to enhance the capacity of the Organization to manage and sustain peacekeeping operations must be viewed in the context of the requirement for the Secretariat to continually adapt to meet the evolving requirements of United Nations peacekeeping mandates.

Departments responsible:	Department of Field Support and Department of Peacekeeping Operations
Status:	In progress
Priority:	High
Target date:	Ongoing

I. Global field support strategy

Lack of a five-year plan for each pillar under the global field support strategy

86. **In paragraph 203, the Board recommended that the Administration: (a) develop a comprehensive plan which elaborates in greater detail under the four pillars the main goals, key activities, milestones, benchmarks/baselines and the way to implement the global field support strategy and to achieve the benefits; and (b) incorporate the enhanced detail in the Secretary-General's annual progress report for review by the General Assembly.**

87. The Administration's comments on the recommendation are reflected in paragraph 204 of the Board's report.

Departments responsible:	Department of Field Support and Department of Peacekeeping Operations
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2012

Inadequate evaluation method to measure the qualitative benefits of the global field support strategy

88. **In paragraph 208, the Board recommended that the Department of Field Support establish key performance indicators and related benchmarks for all four pillars of the global field support strategy and a system to monitor and report on their achievement.**

89. The Administration's comments on the recommendation are reflected in paragraph 209 of the Board's report.

Department responsible:	Department of Field Support
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2012

Incomplete consideration of the costs in the cost-benefit analysis

90.   **In paragraph 213, the Board recommended that the Administration fully consider the related start-up and operational costs for the Regional Service Centre in its cost-benefit analyses to ensure a more prudent estimate of the likely benefits.**

91.   Start-up costs and operational costs are part of the methodology devised for cost-benefit analysis. The full details of the methodology are reflected in the supplementary information presented to the General Assembly at its resumed sixty-fifth session on 13 May 2011. The information was provided when the General Assembly deliberated on the report of the Secretary-General on progress in the implementation of the global field support strategy (A/65/643). The Department of Field Support will ensure full compliance with the methodology.

Departments responsible:	Department of Field Support and Department of Peacekeeping Operations
Status:	In progress
Priority:	Medium
Target date:	Ongoing

J.   Vehicle fleet management

Vehicle entitlement

92.   **In paragraph 216, given the recurring nature of the deficiencies in vehicle entitlements, the Board recommended that the Department of Field Support carry out a thorough review of mission vehicle entitlement to identify the scope for savings.**

93.   The Department of Field Support wishes to clarify that the proposed budgets for ground transportation for missions for the 2010/11 financial period were prepared in accordance with the established procedures at the time, which required that missions base their vehicle establishment on the authorized staffing level, in order to ensure the timely availability of light passenger vehicles as soon as posts were filled in the field. Vehicles not in use were kept as part of the authorized reserves for emergencies and/or contingencies. Notwithstanding, the Department has requested the missions to take the delayed deployment/recruitment factor into account in the preparation of their proposed budgets for ground transportation for the 2012/13 financial period.

94.   UNSOA operates under unique circumstances since most of its civilian capacity is based in Nairobi and Mombasa, Kenya, rather than Mogadishu. Regarding vehicles allocated to consultants in Mogadishu, the Office has engaged 11 consultants to work with the African Union Mission in Somalia (AMISOM) in Mogadishu on establishing effective and efficient logistic support processes and to ensure that AMISOM optimally utilizes the United Nations support package delivered by UNSOA. All contractors have their own vehicles, as stated in their

respective contracts. In addition, UNSOA has temporarily loaned six armoured vehicles to contractors to carry out activities at certain extremely dangerous locations around the airfield camp. As the airport site becomes more secure, the UNSOA armoured vehicles will be recovered from the contractors. Once staff members are permanently assigned to Mogadishu, the consultants will be withdrawn and these vehicles will be allocated to the staff members.

Department responsible:	Department of Field Support
Status:	In progress
Priority:	Medium
Target date:	Third quarter of 2012

Vehicle utilization

95. **In paragraph 220, the Board recommended that the Department of Field Support: (a) carry out a comprehensive review of vehicle entitlement and utilization across missions to identify the weaknesses and amend the policies on vehicle entitlement and utilization as necessary; and (b) conduct in-year monitoring on vehicle entitlement and utilization practices in field missions on a regular basis.**

96. The United Nations Interim Force in Lebanon (UNIFIL) introduced two additional shuttle buses for group transportation between Tyre and Naqoura, thereby improving the occupancy rate and reducing the number of commuter vehicles. In December 2011, UNIFIL received approval from the local authorities to initiate the construction of a car park in Tyre. Engineering works have commenced and the car park is estimated to be completed by the end of June 2012. This would facilitate the establishment of additional shuttle services between Tyre and Naqoura, with a view to further enhancing vehicle utilization efficiency.

Department responsible:	Department of Field Support
Status:	In progress
Priority:	Medium
Target date:	Third quarter of 2012

97. **In paragraph 221, the Board recommended that the Department of Field Support require missions to strengthen monitoring of liberty usage by periodically reviewing the utilization of vehicles based on the data from the Carlog system and recovering the cost of liberty usage if needed.**

98. The United Nations Mission in Liberia (UNMIL) advised that a draft administrative instruction and policy on the use of the Mission's vehicles for liberty purposes is under review for final approval.

Department responsible:	Department of Field Support
Status:	In progress
Priority:	Medium
Target date:	Second quarter of 2012

K. Other issues

Continued maintenance of the Santo Domingo office of the United Nations Stabilization Mission in Haiti

99. **In paragraph 228, the Board recommended that the Department of Field Support ensure that the United Nations Stabilization Mission in Haiti (MINUSTAH) develops a strategic review on the establishment and function of the Santo Domingo Liaison and Support Centre, following the earthquake relief efforts, and present a strategic plan to the governing body for approval in order to ensure optimal support of the Mission's objectives.**

100. The Administration's comments on this recommendation are reflected in paragraph 229 of the Board's report.

Department responsible:	Department of Field Support
Status:	In progress
Priority:	Medium
Target date:	Third quarter of 2012

IV. Implementation of the recommendations contained in the report of the Board of Auditors concerning United Nations peacekeeping operations for prior financial periods

101. In paragraph 13 of its resolution 64/268, the General Assembly requested the Secretary-General to provide, in future reports on the implementation of the recommendations of the Board of Auditors concerning the United Nations peacekeeping operations, a full explanation for delays in implementation of all outstanding recommendations of the Board.

102. In annex II to its report for the period ended 30 June 2011 (A/66/5 (Vol. II), 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 listed in annex II as outstanding from prior periods, 18 of which are shown as "new recommendations in 2009/10" and 11 as "prior years — reiterated in 2009/10". The information is set out in the order in which the recommendations were presented in the report of the Board of Auditors for the period ended 30 June 2010 (A/65/5 (Vol. II)). A total of 59 recommendations were made in that report, of which 23 were implemented by the Administration and 7 were withdrawn by the Board. The 7 withdrawn recommendations had previously been addressed to the Office of Internal Oversight Services (OIOS).

103. Table 3 provides a more detailed analysis of the responsible departments, including target dates for the 29 recommendations that were assessed by the Board to be in progress.

Table 3
Status of implementation of outstanding previous recommendations as at 24 January 2012

Department responsible	Number of recommendations	Not accepted	Implemented	In progress	Target date set	No target date
Department of Field Support and Department of Peacekeeping Operations	24	1	9	14	11	3
Department of Field Support and Department of Management	5	—	2	3	3	—
Total	**29**	**1**	**11**	**17**	**14**	**3**

104. It should be noted that, of the 29 recommendations in progress according to annex II to the Board's report (A/66/5 (Vol. II), chap. II), 11 recommendations were subsequently implemented as at 24 January 2012. Of the 17 recommendations that remain in progress, 13 are targeted for implementation before the end of 2012 and 1 before the end of June 2014. Of the three recommendations without a target date, two are ongoing and the full implementation of the remaining one is dependent on factors that are beyond the control of the Administration.

Long-outstanding accounts receivable balances

105. **In paragraph 38 of its report to the General Assembly at its sixty-fifth session,**[1] **the Board recommended that the Department of Management and the Department of Field Support: (a) require MONUSCO, UNMIL and the United Nations Disengagement Observer Force (UNDOF) to intensify their efforts to recover all long-outstanding accounts receivable balances; and (b) assess the recoverability of long-outstanding balances and make the necessary adjusting entries to the accounts.**

106. UNMIL and MONUSCO routinely generate an ageing analysis of accounts receivables in order to monitor and take appropriate action on long-outstanding balances. As a result, the long-outstanding receivables in MONUSCO of more than two years have been reduced by 41 per cent to $578,583. Forty-five per cent ($259,346) of the long-outstanding balance is owed by the World Food Programme (WFP). Although WFP made a firm commitment to settle this amount following the Controller's intervention, it has not done so. In UNMIL, 47 per cent of the long-outstanding receivables of more than two years have been cleared. At UNDOF, the receivables are taxes reimbursable by the host Government. Efforts are ongoing to recover these long-outstanding accounts receivable.

Departments responsible: Department of Field Support and
Department of Management
Status: In progress
Priority: Medium
Target date: Second quarter of 2012

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[1] All recommendations discussed in the following paragraphs refer to recommendations contained in A/65/5 (Vol. II).

Board evaluation of the support account

107. **In paragraph 77 of its report, the Board recommended that the Office of Programme Planning, Budget and Accounts, the Department of Peacekeeping Operations and the Department of Field Support: (a) develop clear and specific criteria for posts to be funded by the support account for the backstopping of peacekeeping operations; and (b) require various departments that have posts funded by the support account to keep all supporting documents necessary to facilitate the evaluation of those posts and related activities.**

108. The Administration's comments on the recommendation were reflected in paragraphs 78 and 79 of the Board's previous report (A/65/5 (Vol. II), chap. II). The Administration considers this recommendation implemented.

Departments responsible:	Department of Field Support and Department of Management
Status:	Implemented
Priority:	High
Target date:	Not applicable

Results-based budgeting

109. **In paragraph 93, the Board recommended that the Department of Peacekeeping Operations, in collaboration with the Department of Field Support, take measures to ensure that all missions regularly collect, review, compile and report the results-based-budgeting data for internal management purposes.**

110. The Department of Field Support confirms that, as part of the performance report on budgetary expenditures, missions are already submitting a comprehensive portfolio of evidence on its performance in respect of the results-based-budgeting framework. The collection and reporting of the portfolio of evidence are regularized within the missions and form a critical part of the performance report.

Departments responsible:	Department of Peacekeeping Operations and Department of Field Support
Status:	Implemented
Priority:	High
Target date:	Not applicable

Implementation of the budget for quick-impact projects

111. **In paragraph 102, the Board recommended that the Department of Field Support require all missions to improve the rate of implementation of quick-impact projects.**

112. The Department of Peacekeeping Operations and the Department of Field Support have been working to identify how problems, including underspending and project delays, could be addressed through improvements to policy, guidance and training frameworks. The two Departments undertook a comprehensive lessons learned study on the management of quick-impact projects in 2010/11. Findings from the study will feed into a formal review of the Department of Peacekeeping Operations-Department of Field Support policy directive on quick-impact projects (February 2007), which is currently under way. Revisions to the policy directive are due to be completed by the first quarter of 2012. In advance of the revision of the

policy directive, the two Departments sent the lessons learned report on quick-impact projects to missions, together with a code cable requesting that missions begin implementing the recommendations that enhance current practice, while adhering to the existing policy directive (February 2007).

Department responsible:	Department of Field Support
Status:	In progress
Priority:	Medium
Target date:	First quarter of 2012

Monitoring delivery of the drawdown and liquidation plans

113. **In paragraph 112, the Board recommended that the Department of Field Support perform an assessment to identify and document the significant risks to the delivery of the drawdown and mitigation plans. Those risks should then be subject to review by senior management on a weekly basis.**

114. Reference is made to the comments of the Administration in paragraph 161 of the Board's current report (A/66/5 (Vol. II)).

Department responsible:	Department of Field Support
Status:	Implemented
Priority:	Medium
Target date:	Not applicable

Post-implementation review

115. **In paragraph 119, the Board recommended that the Department of Field Support conduct a thorough post-implementation and lessons learned review of the drawdown and liquidation plans for MINURCAT. The key lessons should be utilized to revise the liquidation guidance, if necessary, and to create clear guidance for the development and implementation of a drawdown plan to protect the substantive operations of closing missions and to facilitate orderly withdrawal.**

116. Reference is made to the comments of the Administration in paragraph 182 of the Board's current report (A/66/5 (Vol. II)).

Department responsible:	Department of Field Support
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2012

Reconciliation of discrepancies

117. **In paragraph 130, the Board recommended that the Department of Field Support require all missions: (a) to carry out full and complete physical verifications of non-expendable property; (b) to make every effort to ascertain the reasons why assets have not been located; and (c) to expedite the process of reconciliation of discrepancies to ensure that the data relating to non-expendable property are accurate.**

118. Reference is made to the improvement in assets management acknowledged by the Board in paragraph 58 of its current report. In addition, comments of the

Administration on this recommendation are reflected in paragraph 79 of the Board's current report.

Department responsible:	Department of Field Support
Status:	In progress
Priority:	High
Target date:	Ongoing

Segregation of duties

119. **In paragraph 134, the Board recommended that the Department of Field Support require all missions to have in place proper segregation of duties relating to non-expendable property to ensure that items are not approved, issued and received from stock by the same person, or to consider mitigating controls where segregation of duties is not feasible.**

120. The Department of Field Support maintains its position as set out in paragraph 135 of the Board's previous report (A/65/5 (Vol. II)). The Department disagrees that the segregation procedure must be rigidly applied as a measure to mitigate a potential risk of misappropriation of assets or human error. The current guidance issued to the missions, such as the warehousing guidelines and the Galileo user requirements, specifically provide for flexibility in terms of functions of issuers of assets and approvers of issue vouchers. For peacekeeping missions that have a highly dispersed presence in a mission area, a significant number of warehouses or limited staff fully dedicated to warehousing functions, the implementation of this recommendation may imply an increase in human resources that is disproportionate to the potential losses associated with the identified risk. Furthermore, the Galileo Inventory Management System provides a sound and auditable transaction recording system that has proved to be an effective risk mitigation measure. In all instances, the equipment approved for issue, issued and received is subject to the personal accountability of the user, internal controls such as annual physical verification, check-out procedures and the write-off and disposal process. Therefore, the establishment of segregation-of-duties regulation in asset issue procedures for strict compliance by all the missions is not considered to be a feasible, cost-effective management solution. The fact that the Board was able to identify, through Galileo, 1,954 items (representing 0.4 per cent of the total asset base) as having been approved, issued and received by the same person indicates that internal controls are in place and effective. The lack of full segregation of duties in these instances does not mean that those items were misappropriated. The potential impact of such risk may not justify the cost of additional staff required to ensure full segregation of duties as a recommended mitigation measure.

Department responsible:	Department of Field Support
Status:	Dependent on availability of required resources
Priority:	High
Target date:	Not applicable

Lead time in the write-off and disposal of assets

121. **In paragraph 138, the Board reiterated its previous recommendation that the Administration strengthen its monitoring of the write-off and disposal of non-expendable property at missions, and expedite all pending write-offs and disposals.**

122. Reference is made to the Administration's comments on the recommendation contained in paragraph 86 of the Board's current report (A/66/5 (Vol. II)).

Department responsible: Department of Field Support
Status: In progress
Priority: High
Target date: Ongoing

Stock ratio and surplus

123. **In paragraph 147, the Department of Field Support agreed with the Board's recommendation that all missions be required to: (a) establish appropriate stock ratios for all categories of properties based on mission-specific circumstances; and (b) regularly review their non-expendable property to ensure compliance with the established stock ratios and to avoid situations in which items are held in stock for unduly long periods.**

124. During the 2010/11 financial period, the Department of Field Support implemented quarterly reporting on the achievement of key performance indicators for property management, as stipulated in the standard operating procedure for monitoring of the key performance indicators dated 10 January 2011. The achievements of missions in the field of stock ratios were reviewed and performance analysis was conducted throughout the reporting period, with a follow-up on underperforming missions. The Department initiated several actions to reduce stock levels, including the establishment of a new requirement whereby missions would have to seek authorization from the Department of Field Support prior to the procurement of new equipment in cases where the procurement action exceeds $1 million. Furthermore, a resource efficiency working group was established with the aim of optimizing inventory holdings, validating stock levels and expediting write-off and disposal activity. As a result, the global stock ratios steadily declined from 31 per cent during the 2008/09 financial period to 28 per cent during 2009/10 to 18 per cent during 2010/11, which is within the target ratio of 25 per cent. In addition, the Department of Field Support, in a communication dated 10 March 2011, requested missions to review their asset holdings and expedite the write-off and disposal of obsolete and unserviceable equipment.

Department responsible: Department of Field Support
Status: Implemented
Priority: Medium
Target date: Not applicable

Non-disclosure in the financial statements

125. **In paragraph 154, the Board reiterated its previous recommendation that the Department of Field Support and the Office of Programme Planning, Budget and Accounts expedite their preparations for the disclosure of expendable property in the financial statements and/or in the notes thereto.**

126. On 30 June 2011, the Department of Field Support concluded an 18-month project entitled "Strengthening mission inventory management through the establishment of a centrally supervised catalogue of expendable property". The primary goal of the project was to establish a standardized central codification system for expendable assets similar to the current codification system for

non-expendable assets. The main goal of the project was achieved and, in addition, close to 100 staff members received training at regional training sessions. Through this project, nearly 70 per cent of all expendable records were standardized. A roll-out plan was disseminated to all missions in order to complete the remaining tasks. The new codification procedures and tools will lead to increased efficiency both in the financial and operational spheres, allowing the diminution of excessive inventory worldwide and needless duplication of asset holdings. It has already allowed IPSAS implementation teams to begin mapping expendable data to IPSAS standards. As earlier indicated to the Board, the target date for the implementation of this recommendation is the second quarter of 2014.

Departments responsible: Department of Field Support and
Department of Management
Status: In progress
Priority: High
Target date: Second quarter of 2014

Physical count and discrepancy reconciliation

127. **In paragraph 159, the Department of Field Support agreed with the Board's reiterated recommendation that the Administration strengthen the management and control of expendable property by ensuring that accurate records are maintained, physical counts are periodically conducted, discrepancies are promptly investigated and corrective actions are promptly taken.**

128. The Department of Field Support is working closely with the Department of Management to identify preparatory measures to ensure accuracy, consistency and compliance of property data prior to the introduction of IPSAS in 2014 in order to arrive at realistic opening balance valuations. The Department of Field Support continues to make selective enhancements to the Galileo Inventory Management System associated with the improvement of business process management capabilities and business intelligence tools, in particular with respect to the introduction of the new codification solution for expendable property and barcode reading technology. With the completion of the project "Strengthening mission inventory management through the establishment of a centrally supervised catalogue of expendable property" and the introduction of the new codification system, it is expected that more reliable data for expendable property will be ascertained by 30 June 2012.

Department responsible: Department of Field Support
Status: In progress
Priority: High
Target date: Third quarter of 2012

Stock level and slow-moving assets

129. **In paragraph 163, the Board recommended that the Department of Field Support require all missions to establish comprehensive stock level policies and take appropriate action in relation to slow-moving stock.**

130. The recent actions taken by the Department of Field Support within the context of its resource efficiency initiative, such as the review of high-value procurement actions against availability of surplus and global stocks, the revision and validation of Department of Field Support stock ratios, the regularization of

trans-shipment inventories, the optimization of United Nations reserve holdings, stock review and write-off of obsolescent equipment, contributed to the global reduction in unit stock and consequently to the improvement in the achievement of stock ratio key performance indicators. Department of Field Support stock ratio continuously improved over the past three years, from 31 per cent during the 2008/09 financial period to 28 per cent during the 2009/10 financial period to 18 per cent during the 2010/11 financial period. Globally, the actions taken resulted in a 32 per cent reduction of the global inventory "in stock" from $680,328,131 on 18 March 2011 to $463,147,175 at the end of the 2010/11 financial period.

Department responsible:	Department of Field Support
Status:	Implemented
Priority:	Medium
Target date:	Not applicable

Rotation of strategic deployment stocks

131. **In paragraph 167, the Board recommended that the Department of Field Support, in collaboration with UNLB, require that all missions take existing strategic deployment stocks into consideration in their procurement plans to reduce duplication of procurement of identical or similar model strategic deployment stock assets.**

132. Reference is made to the comments of the Administration in paragraph 105 of the Board's current report (A/66/5 (Vol. II)).

Department responsible:	Department of Field Support
Status:	Implemented
Priority:	Medium
Target date:	Not applicable

Major equipment not provided in accordance with the memorandum of understanding

133. **In paragraph 176, the Board recommended that the Department of Field Support take appropriate measures to ensure that the troop-contributing countries comply with the requirements of the memorandums of understanding concerning the provision of contingent-owned equipment.**

134. Discrepancies between major equipment listed in memorandums of understanding and major equipment actually deployed by troop-contributing countries is a common feature in all peacekeeping missions. In accordance with the Contingent-Owned Equipment Manual, troop-contributing countries are authorized to bring up to 10 per cent of major equipment into the theatre of operations to meet serviceability requirements. It should be noted that troop-contributing countries are not paid for the excess equipment deployed. Troop-contributing countries are reimbursed only for major equipment based on equipment deployed on the ground and verification reports on serviceability duly certified by the two parties. Concerning shortfalls, when the discrepancies are significant, the troop-contributing countries concerned are approached periodically both at the peacekeeping mission through their commanding officer and at Headquarters through their Permanent Missions to address the shortfalls. This is a routine practice in the contingent-owned equipment process for which the internal controls are sound and are operating effectively.

Department responsible:	Department of Field Support
Status:	Implemented
Priority:	Medium
Target date:	Not applicable

Short bidding time frame

135. **In paragraph 181, the Board recommended that the Department of Field Support require all missions to allow adequate time for vendors to submit their bids, as provided for in the Procurement Manual, or justify the short time frame provided.**

136. UNAMID and UNMIS confirmed that justifications are available for all deviations from the guidelines in the form of notes to the procurement case files. UNMIT, UNSOA, MONUSCO and the United Nations Interim Administration Mission in Kosovo (UNMIK) confirmed that steps had been taken to align submission timelines with those stipulated in annex D-20 to the Procurement Manual. In addition, the Department of Field Support reminded all missions in a communication dated 23 December 2011 to undertake effective acquisition planning and allow sufficient time for following the required rules, regulations and procedures.

Department responsible:	Department of Field Support
Status:	Implemented
Priority:	High
Target date:	Not applicable

Headquarters Committee on Contracts/United Nations Operation in Côte d'Ivoire local committee on contracts

137. **In paragraph 192, the Board recommended that: (a) the Administration establish a mechanism to track the implementation recommendations of the Headquarters Committee on Contracts and take appropriate action in a timely manner when concerns are raised; and (b) the Department of Field Support require that the United Nations Operation in Côte d'Ivoire (UNOCI) local committee on contracts take similar measures.**

138. The Office of the Assistant Secretary-General for Central Support Services obtains information from the secretariat of the Headquarters Committee on Contracts and the Headquarters Property Survey Board on an annual basis in respect of monitoring of trends and review of the policy implementation. The last set of data was obtained in October 2011. In the meantime, the Office has successfully developed and is utilizing a database that allows enhanced monitoring of the implementation of the recommendation.

139. Regarding the UNOCI local committee on contracts, in its interim report issued during the fourth quarter of 2011, the Board of Auditors confirmed that UNOCI had implemented the recommendation.

Departments responsible:	Department of Field Support and Department of Management
Status:	Implemented
Priority:	High
Target date:	Not applicable

Liquidated damages

140. **In paragraph 197, the Board recommended that the Department of Field Support require UNAMID and UNMIL to establish a robust process, where appropriate, for claiming liquidated damages in a timely manner.**

141. In its interim report issued during the fourth quarter of 2011, the Board confirmed that UNAMID had implemented the recommendation. UNMIL established a Contract Management Unit that considers liquidated damages on a case-by-case basis, in accordance with the Procurement Manual.

Department responsible:	Department of Field Support
Status:	Implemented
Priority:	High
Target date:	Not applicable

Contract management

142. **In paragraph 200, the Department of Field Support agreed with the Board's recommendation that UNMIT and MONUSCO be required to have formalized contracts in place for the supply of all goods or services by third parties.**

143. MONUSCO has promulgated standard operating procedures for the management of leases and strengthened the monitoring role of the Contract Management Section, in particular, to include an alert function on contract expiry dates. A follow-up mechanism has also been developed to review all existing lease contracts due to expire within the next nine months and initiate the renewal process in a timely manner. These measures should ensure that leases are negotiated well in advance or that alternative accommodation is secured in a timely manner in accordance with the established procedures. Furthermore, the Mission established a working group to review and update current practices and to ensure that all sections involved with lease agreements (including engineering, procurement, security, legal and finance) comply with the provisions of the standard operating procedures and coordinate their required tasks prior to occupying leased premises.

144. At UNMIT, there is currently no contract because the sole supplier of Jet A-1 fuel in Darwin, Australia, still refuses to accept the United Nations general conditions of contract. As stated in the report of the Board of Auditors on the United Nations peacekeeping operations for the period ended 30 June 2010 (A/65/5 (Vol. II)), in the case of UNMIT, the supplier was the sole provider of aviation fuel in Darwin, which was where the Mission's medical evacuation facilities were located. UNMIT had no choice but to use the sole supplier to meet its aviation fuel requirements; the Mission made strenuous efforts to encourage the supplier to sign a contract that included the United Nations general terms and conditions, but to no avail.

Department responsible:	Department of Field Support
Status:	In progress
Priority:	Medium
Target date:	Full implementation is dependent on external factors

Ex post facto cases

145. **In paragraph 207, the Board recommended that the Department of Field Support, in coordination with the Procurement Division: (a) endeavour to**

reduce the number of ex post facto cases; and (b) require MONUSCO and UNOCI to maintain a record of and monitor all such cases.

146. MONUSCO embarked on various measures to limit ex post facto cases and ensure adherence to the Mission acquisition plan, including improving the monitoring role of the Contract Management Section, staff training programmes, increased coordination mechanisms among stakeholders in the procurement process and enhanced procurement planning and management. In its interim report issued during the fourth quarter of 2011, the Board confirmed that UNOCI had addressed its concerns on ex post facto cases through the establishment of a Contract Management Unit.

147. The Procurement Division of the Office of Central Support Services notes that, overall, the Department of Field Support is in compliance with the provisions of the Procurement Manual and the Controller's memo issued and circulated on 15 September 2005, which sets forth specific conditions for the submission of ex post facto cases. In the process of reviewing ex post facto cases, the Procurement Division continues its efforts to provide guidance to the requesting offices in terms of lessons learned, in order to reduce future recurrence of such cases.

Departments responsible:	Department of Field Support and
	Department of Management
Status:	In progress
Priority:	Medium
Target date:	Second quarter of 2012

Vacancy rate

148. **In paragraph 219, the Board recommended that the Department of Field Support conduct a review on long-term vacant posts to determine whether they are still needed and take appropriate action, as necessary.**

149. The Department of Field Support conducts regular reviews and analysis of long-term vacancies in all missions. Various activities relating to long-term vacancies, including abolishment, redeployment and recruitment activities under the new talent management approach, have led to a dramatic decrease in vacancy rates for peacekeeping operations personnel. Thorough review resulted in the abolition or nationalization of a total of 660 posts by the end of June 2011.

Department responsible:	Department of Field Support
Status:	Implemented
Priority:	High
Target date:	Not applicable

Lead time of recruitment

150. **In paragraph 222, the Board reiterated its previous recommendation that the Department of Field Support take appropriate measures to reduce recruitment lead times for needed vacant posts.**

151. The Department of Field Support notes that improvements to the staff selection system and the introduction of rosters have led to a significant reduction in lead times for generic vacancy announcements. Hiring managers can now directly select a candidate from a roster of pre-vetted candidates who are available for

immediate deployment. In many cases, there are specific circumstances that delay the on-boarding of selected candidates; for example, they may decline the offer or may have to await release from their previous employment. The Department of Field Support has made significant efforts to ensure that recruitment-related procedures, such as clearance by the field central review body, are implemented in a timely manner, and expects that as missions adapt to the new process, recruitment lead times will be further reduced.

Department responsible:	Department of Field Support
Status:	In progress
Priority:	High
Target date:	Third quarter of 2012

Performance appraisal system

152. **In paragraph 232, the Department of Field Support agreed with the Board's reiterated recommendation that all missions implement procedures to ensure that performance appraisals are completed and signed in a timely manner.**

153. The Department of Field Support continually emphasizes the importance of compliance with e-PAS and regularly advises missions on ways to improve their e-PAS compliance rate. However, the measures taken are ultimately under the purview of the missions. UNMIL and the United Nations Integrated Peacebuilding Office in Sierra Leone (UNIPSIL) are currently piloting the e-performance system that is expected to replace the e-PAS. The e-performance system will be more user-friendly and technically stable, and will be supported by a network of performance focal points in every mission who will promote performance management and support the system on the ground. One of the expected results is a higher completion rate.

Department responsible:	Department of Field Support
Status:	In progress
Priority:	Medium
Target date:	Second quarter of 2012

Recovery of flight costs shared by other United Nations organizations

154. **In paragraph 247, the Department of Field Support agreed with the Board's recommendation that the MINURCAT Technical Compliance Unit follow up with regard to the estimated $1.5 million in unrecovered costs for aviation services provided to United Nations missions, agencies and other bodies in 2009/10 with a view to achieving full reimbursement of funds.**

155. As at 31 December 2011, the Department of Field Support had recovered a total of $1.2 million and is following up on the remaining $0.3 million.

Department responsible:	Department of Field Support
Status:	In progress
Priority:	Medium
Target date:	Second quarter of 2012

Air operations data management

156. **In paragraph 250, the Department of Field Support agreed with the Board's recommendation that the Air Transport Section be required to: (a) strengthen**

its data monitoring systems to ensure the completeness and accuracy of aviation data; and (b) enhance its analysis of the utilization of budgeted flight hours to identify the scope for improved efficiency in air transport.

157. The procurement process to acquire an appropriate air transport management system was concluded without a suitable outcome. Meanwhile, alternatives are being pursued within the Organization's existing data systems to capture and integrate aviation fleet data.

Department responsible:	Department of Field Support
Status:	In progress
Priority:	Medium
Target date:	Second quarter of 2012

Vehicles donated and handed over

158. **In paragraph 258, the Department of Field Support agreed with the Board's recommendation that UNAMID be required to: (a) carry out an investigation into donated vehicles, especially those that had not been located, and take appropriate measures on the results of the investigation to verify their existence; and (b) record the donated vehicles in the Galileo system and manage them under the same terms and conditions as the United Nations-owned vehicles.**

159. The Board of Auditors confirmed, during its audit of UNAMID in August 2011, that part (a) of the recommendation has been implemented.

160. UNAMID is in the process of obtaining the required approval from Headquarters to record the vehicles as United Nations-owned equipment. Meanwhile, self-accounting units maintain separate inventories of the donated assets and the UNAMID Transport Section has created a temporary database to keep track of these vehicles. In addition, these vehicles were considered as UNAMID assets in the preparation of the 2010/11 and 2011/12 budgets, thereby reducing the resource requirements.

Department responsible:	Department of Field Support
Status:	In progress
Priority:	Medium
Target date:	Third quarter of 2012

Vehicle utilization and maintenance

161. **In paragraph 266, the Board recommended that the Department of Field Support require: (a) that MONUSCO maintain inventory levels of spare parts for vehicles, which will obviate the need for cannibalization; and (b) that MONUSCO and MINUSTAH regularly monitor the cost of maintaining the vehicles under their control and keep documentary evidence of the cost-benefit analysis used to support the continued use of vehicles reaching their replacement or write-off period.**

162. Regarding part (a) of the recommendation, the Organization is in the process of defining and developing a demand plan module under the enterprise resource planning system to automate demand forecasting and the reordering of spare parts. In the meantime, MONUSCO has established a task force to find ways of acquiring fast-moving spare parts locally or regionally or from neighbouring countries.

163. Regarding part (b) of the recommendation, in its interim report issued during the fourth quarter of 2011, the Board confirmed that MINUSTAH had implemented the recommendation.

Department responsible: Department of Field Support
Status: In progress
Priority: Medium
Target date: Second quarter of 2012

Liberty usage

164. **In paragraph 270, the Board recommended that the Department of Field Support require all missions to monitor the use of vehicles and record all liberty usage on a consistent basis, and to recover the related charges from the staff members concerned.**

165. In its interim report issued during the fourth quarter of 2011, the Board confirmed that UNMIK and UNOCI had implemented the recommendation. As earlier indicated, UNMIL is reviewing a draft administrative instruction and policy on the use of the Mission's vehicles for liberty purposes.

Department responsible: Department of Field Support
Status: In progress
Priority: Medium
Target date: Second quarter of 2012

Disaster recovery and business continuity

166. **In paragraph 289, the Department of Field Support agreed with the Board's recommendation that the United Nations Peacekeeping Force in Cyprus (UNFICYP) and UNSOA be required to establish a comprehensive disaster recovery and business continuity plan.**

167. The UNFICYP disaster recovery and business continuity plan was approved by all parties, including the Special Representative of the Secretary-General/Chief of Mission, on 25 October 2011. The UNSOA disaster recovery and business continuity plan is pending approval by senior management.

Department responsible: Department of Field Support
Status: In progress
Priority: Medium
Target date: First quarter of 2012

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