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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 on the United Nations funds and programmes for the financial period ended 31 December 2009

Report of the Secretary-General

Addendum

Summary

The present report is submitted pursuant to General Assembly resolution 48/216 B, in which the executive heads of the United Nations funds and programmes were requested to report to the Assembly at the same time as the Board of Auditors submitted its recommendations 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 UNCTAD/WTO, the United Nations University, the United Nations Development Programme, 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 Office of 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 Fund of the United Nations International Drug Control Programme and the Fund of the United Nations Crime Prevention and Criminal Justice Programme of the United Nations Office on Drugs and Crime, the United Nations Office for Project Services, the International Criminal Tribunal for Rwanda and the International Tribunal for the Former Yugoslavia.

* A/65/150.



The present report provides information further to the comments already submitted to the Board of Auditors, which in some cases were included in the Board's final reports to the executive heads of the respective funds and programmes. The executive heads have concurred with many of the Board's recommendations and most of their comments have been duly reflected in the reports of the Board. Therefore, in an effort to reduce redundancy and streamline documentation, 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 report of the Board of Auditors. In addition, the present report contains an update on the status of implementation of the recommendations of the Board relating to prior periods that the Board considered not to have been fully implemented.

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I. Introduction

1. The present report is submitted in accordance with the provisions of paragraph 7 of General Assembly resolution 48/216 B, whereby the Assembly requested the executive heads of the United Nations funds and programmes to provide, 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, their responses and to indicate measures that would be taken to implement those recommendations, with appropriate timetables.

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

(a) Resolution 52/212 B, in particular paragraphs 3 to 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);

(b) Resolution 62/223, paragraph 11, in which the Assembly reiterated its request that the Secretary-General indicate in future reports on the implementation of the recommendations of the Board of Auditors on the financial statements of the United Nations funds and programmes 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, and paragraph 10, in which the Assembly reiterated its request that the Secretary-General provide a full explanation for delays in implementation of the recommendations of the Board for prior periods, in particular those recommendations not yet fully implemented which were two or more years old.

3. In respect of time frames, every effort has been made by the executive heads to establish target dates for completion of the implementation of recommendations. However, in some cases the executive heads consider them to be ongoing tasks for which target dates cannot be set for completion.

4. With regard to prioritization, it is noted that the Board categorizes the most important recommendations as “main recommendations”. While all accepted recommendations of the Board will be implemented in a timely manner, the main recommendations will be given the highest priority. In addition, any recommendations relating to “matters of emphasis” will be treated with the utmost urgency.

5. Given that the executive heads have concurred with almost all of the Board’s recommendations and that many of their comments have been duly reflected in the report of the Board of Auditors, detailed comments are not necessarily provided for all recommendations for the financial period ended 31 December 2009. However, in accordance with paragraph 10 of resolution 62/223, additional information will be provided for all recommendations relating to prior periods that the Board considered not to have been fully implemented.

II. International Trade Centre UNCTAD/WTO

A. Implementation of the recommendations contained in the report of the Board of Auditors for the biennium ended 31 December 2009¹

6. The status of implementation of recommendations as of July 2010 is summarized in table 1.

Table 1
Status of implementation of all recommendations

<i>Department responsible</i>	<i>Number of recommendations</i>	<i>Implemented</i>	<i>In progress</i>	<i>Target date set</i>	<i>No target date</i>
Division of Programme Support and United Nations Secretariat	5	—	5	4	1
United Nations Secretariat	2	—	2	1	1
Office of the Executive Director	2	—	2	2	—
Total	9	—	9	7	2

7. The Board made nine recommendations to the International Trade Centre UNCTAD/WTO (ITC) based on its audit. The implementation of all nine recommendations is in progress. Two recommendations have no target dates either because they are ongoing or because their implementation is dependent on a decision of the General Assembly.

8. **In paragraph 22, the Board recommended that ITC analyse the impact of applying International Public Sector Accounting Standards to its administrative and financial procedures.**

Department responsible: Division of Programme Support

Status: In progress

Priority: High

Target date: Fourth quarter of 2011

9. **In paragraph 29, ITC agreed with the Board's recommendation that, in the reviews of the budgetary process requested by the Committee on Budget, Finance and Administration of the World Trade Organization, ITC highlight the impact of the principle of equal sharing of the regular budget in the event that one parent organization approves a lower amount.**

Department responsible: Division of Programme Support

Status: In progress

Priority: High

Target date: Fourth quarter of 2011

¹ A/65/5 (Vol. III), chap. II.

10. **In paragraph 38, the Board recommended that ITC examine any deficiencies in the end-of-year automated processing of the Integrated Management System (IMIS) which have led to invalid obligations remaining in the financial statements.**

Department responsible: Division of Programme Support; Division of Administration, United Nations Office at Geneva

Status: In progress

Priority: High

Target date: Fourth quarter of 2010

11. **In paragraph 41, the Board reiterated its previous recommendation that ITC pursue its efforts to increase the level of the operating reserves until the prescribed level is reached.**

12. Given the increase in ITC activities and in order to meet its operational needs, ITC is continuously reviewing the level of the operating reserve in order to progressively increase it to the prescribed level of 15 per cent of expenditure. Further consultations with donors are foreseen in that respect and various options for funding the operating reserve are being considered by the Centre.

Department responsible: Division of Programme Support

Status: In progress

Priority: High

Target date: Ongoing

13. **In paragraph 63, the Board recommended that ITC, in conjunction with the United Nations, consider a review of its policy for the valuation of leave liability in its implementation of the International Public Sector Accounting Standards (IPSAS).**

14. Given that the audit recommendation has been assumed across the United Nations system, this matter is to be discussed with the IPSAS system-wide group with a view to the development of a harmonized approach across the United Nations system.

Department responsible: Division of Programme Support and Department of Management of the Secretariat

Status: In progress

Priority: High

Target date: Fourth quarter of 2011

15. **In paragraph 67, the Board reiterated its previous recommendation that ITC, in conjunction with the United Nations, develop a funding plan for the end-of-service liabilities for the consideration of and approval by the General Assembly and the General Council of the World Trade Organization.**

16. The United Nations Secretariat has proposed options to the General Assembly for the funding of the end-of-service liabilities. Once a decision has been arrived at by the Assembly, the appropriate action will be taken. It is the intention of ITC to

adopt a funding policy in line with that of the United Nations. See also the response in paragraph 26 below to the recommendation contained in paragraph 13 of the Board's report for the previous financial period.

Department responsible: Division of Programme Support and Department of Management of the Secretariat
Status: In progress
Priority: High
Target date: Dependent upon a decision of the General Assembly

17. In paragraph 76, ITC agreed with the Board's recommendation that it refine its indicators of achievement and associated targets with a view to better assessing the qualitative impact of its projects.

18. The ITC strategic framework performance indicators are defined to identify outcomes. The *WTO Annual Report 2010* should report on the progress achieved and the revised approach should be fully embedded in the annual report for 2011.

Department responsible: Office of the Executive Director
Status: In progress
Priority: High
Target date: Fourth quarter of 2011

19. In paragraph 78, the Board recommended that ITC consider ways of creating links between budgetary resources and results.

20. Creating focus on value for money will be part of the planning process for 2011. The annual report for 2011 will reflect this issue, which will be embedded in the planning and review process by 2012.

Department responsible: Office of the Executive Director
Status: In progress
Priority: High
Target date: Fourth quarter of 2012

21. In paragraph 85, ITC agreed with the Board's recommendation that it ensure that: (a) field inventory records are correctly managed and updated; and (b) non-expendable property relating to projects completed in the field has been removed from field inventory and entrusted to other users or disposed of, if appropriate.

Department responsible: Division of Programme Support
Status: In progress
Priority: High
Target date: Fourth quarter of 2010

B. Implementation of the recommendations contained in the report of the Board of Auditors for the prior biennium

22. In the annex to its report for the biennium ended 31 December 2009, the Board provided a summary of the status of implementation of recommendations for the biennium ended 31 December 2007. Information is provided below on: (i) the three recommendations listed in the annex as outstanding from prior periods; and (ii) the overall status of prior-period recommendations. The information is set out in the order in which the recommendations are presented in the annex.

23. The overall situation is summarized in table 2 and figure I.

Table 2

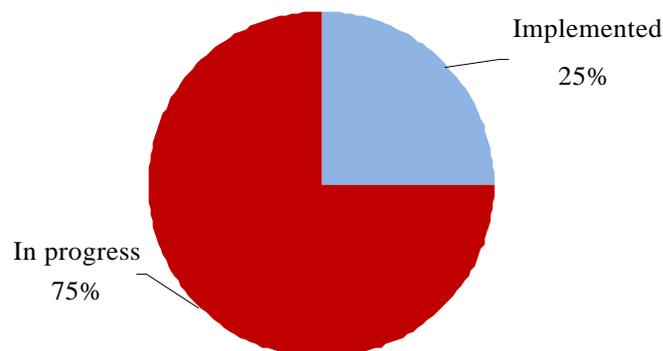
Status of implementation of recommendations from prior periods considered not fully implemented in the annex to the report of the Board of Auditors for the biennium ended 31 December 2009

<i>Department responsible</i>	<i>Number of recommendations</i>	<i>Implemented</i>	<i>In progress</i>	<i>Target date set</i>	<i>No target date</i>
Division of Programme Support and United Nations Secretariat	2	—	2	1	1
United Nations Secretariat	1	—	1	—	1
Outstanding recommendations	3	—	3	1	2
Implemented/overtaken by events ^a	—	1	—	—	—
Overall status of prior recommendations	4	1	3	1	2

^a As reported by the Board (see A/65/5 (Vol. III), chap. II, annex).

Figure I

International Trade Centre Overall status of prior-period recommendations



24. As is the case for the main recommendations referred to in section A above, implementation of the two recommendations for which no target dates have been set is ongoing or dependent on a decision of the General Assembly.

Report of the Board for the financial period ended 31 December 2007²

25. In paragraph 13, the Board recommended that the Secretary-General of the United Nations, in furtherance of General Assembly resolution 61/264, propose to the Assembly options to address the negative impact on the financial statements of ITC of the recognition of end-of-service liabilities, including after-service health insurance liabilities.

26. In his report on liabilities and proposed funding for after-service health insurance benefits to the General Assembly at its sixty-fourth session (A/64/366), the Secretary-General submitted to the Assembly for its approval the proposed funding plan for end-of-service liabilities. In its resolution 64/241, the Assembly, on the basis of the report of the Fifth Committee (A/64/594), requested the Secretary-General to submit to it at its sixty-seventh session, for its priority consideration, a report on managing after-service health insurance liabilities and to include in that report, information and an analysis of various issues.

Department responsible: Division of Programme Support and Department of Management of the Secretariat

Status: In progress

Priority: High

Target date: Dependent upon a decision of the General Assembly

27. In paragraph 23, ITC agreed with the Board's recommendation that it pursue its efforts to increase the level of the operating reserve until the prescribed level is reached.

28. The operating reserve as at the end of 2009 has reached 9.1 per cent of annual expenditure and ITC will continue reviewing various options for funding the operating reserve in order to reach the prescribed level of 15 per cent. See also the response in paragraphs 11 and 12 above to the recommendation contained in paragraph 41 of the Board's report for the biennium ended 31 December 2009.

Department responsible: Division of Programme Support

Status: In progress

Priority: High

Target date: Ongoing

29. In paragraph 36, the Board recommended that ITC record software as non-expendable property so that it is entered into its inventory.

Department responsible: Division of Programme Support

Status: In progress

Priority: High

Target date: Fourth quarter 2013

² A/63/5 (Vol. III), chap. II.

III. United Nations University

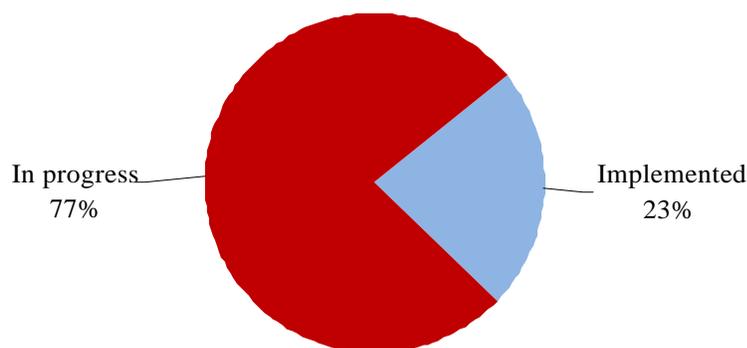
A. Implementation of the recommendations contained in the report of the Board of Auditors for the financial period ended 31 December 2009³

30. The status of implementation of the main recommendations of the Board of Auditors as at July 2010 is summarized in table 3 and figure II. Of the 13 recommendations listed as “main”, the United Nations University (UNU) has since implemented three and it is expected that the remaining 10 will be implemented by December 2011.

Table 3
Status of implementation of main recommendations

<i>Department responsible</i>	<i>Number of recommendations</i>	<i>Not accepted</i>	<i>Implemented or closure requested</i>	<i>In progress</i>	<i>Target date set</i>	<i>No target date</i>
Administration	11	—	3	8	8	—
Office of the Rector	2	—	—	2	2	—
Total	13	—	3	10	10	—

Figure II
United Nations University
Status of implementation of main recommendations



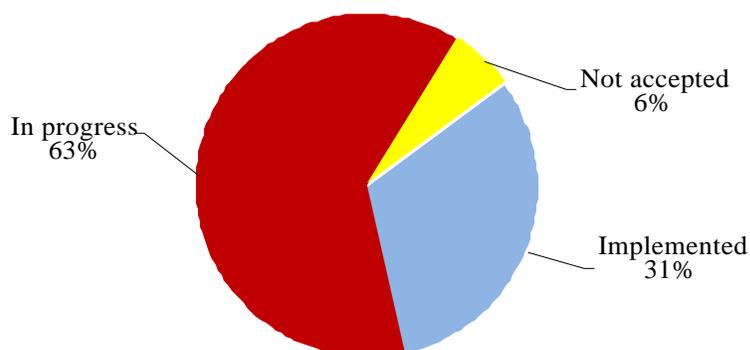
31. With respect to the implementation of all the recommendations for the biennium ended 31 December 2009, of the 16 recommendations listed in table 4 and figure III, five (31 per cent) have since been implemented and one was not accepted. The 10 recommendations implementation of which is in progress (63 per cent) are those referred to in paragraph 30 above.

³ A/65/5 (Vol. IV), chap. II.

Table 4
Status of implementation of all recommendations

<i>Department responsible</i>	<i>Number of recommendations</i>	<i>Not accepted</i>	<i>Implemented or closure requested</i>	<i>In progress</i>	<i>Target date set</i>	<i>No target date</i>
Administration	13	1	4	8	13	—
Office of the Rector	3	—	1	2	2	1
Total	16	1	5	10	15	1

Figure III
United Nations University
Status of implementation of all recommendations



32. **In paragraph 26, UNU agreed with the Board's recommendation that it review, in coordination with the United Nations Joint Staff Pension Fund, the current allocation in the investment portfolio in relation to the proportion of the equity investment in the Endowment Fund.**

Department responsible: Administration
Status: In progress
Priority: High
Target date: First quarter of 2011

33. **In paragraph 34, UNU agreed with the Board's recommendation that it develop a funding plan for end-of-service liabilities for consideration and approval by the UNU Council.**

Department responsible: Administration
Status: In progress
Priority: High
Target date: Fourth quarter of 2011

34. In paragraph 42, the Board recommended that UNU consider a revision of its policy for the valuation of leave liability in its implementation of the International Public Sector Accounting Standards.

Department responsible: Administration
Status: In progress
Priority: High
Target date: Fourth quarter of 2010

35. In paragraph 59, the Board recommended that UNU develop a project management manual to provide UNU staff with guidance, key principles and a framework for effective programme and project management; and maintain essential files relating to project implementation.

Department responsible: Office of the Rector
Status: In progress
Priority: High
Target date: Fourth quarter 2010

36. In paragraph 63, UNU agreed with the Board's recommendation that it take measures to improve project management by including required information in the project workplans.

Department responsible: Office of the Rector
Status: In progress
Priority: High
Target date: Fourth quarter of 2010

37. In paragraph 65, UNU agreed with the Board's recommendation that it take measures, in coordination with the United Nations Development Programme, to improve the query function of Atlas based on a cost-effective analysis.

Department responsible: Administration
Status: Implemented
Priority: High
Target date: Not applicable

38. In paragraph 70, UNU agreed with the Board's recommendation that it strictly comply with the requirements of rule 8.2.1 (2) of the Procurement Manual in relation to technical specifications.

Department responsible: Administration
Status: Implemented
Priority: High
Target date: Not applicable

39. In paragraph 73, UNU agreed with the Board's recommendation that it update procurement plans as required by rule 8.1.4 (1) of the Procurement Manual.

Department responsible: Administration
Status: In progress
Priority: High
Target date: Fourth quarter of 2011

40. In paragraph 75, UNU agreed with the Board's recommendation that it comply strictly with the Financial Regulations and Rules of the United Nations in relation to the delegation of procurement authority.

Department responsible: Administration
Status: Implemented
Priority: High
Target date: Not applicable

41. In paragraph 78, UNU agreed with the Board's recommendation that it prepare contract performance reports on a regular basis, in compliance with rule 7.11.2 (1) (c) of the Procurement Manual.

Department responsible: Administration
Status: In progress
Priority: High
Target date: Fourth quarter of 2010

42. In paragraph 81, UNU agreed with the Board's recommendation that it conduct physical verification of non-expendable property regularly, in accordance with the requirements of section 3.6 of the administrative instruction on property management and inventory control.

Department responsible: Administration
Status: In progress
Priority: High
Target date: Fourth quarter of 2010

43. In paragraph 83, UNU agreed with the Board's recommendation that it ensure that, in the selection of personnel, all the required procedures relating to the recruitment process are followed.

Department responsible: Administration
Status: In progress
Priority: High
Target date: Fourth quarter of 2010

44. In paragraph 86, UNU agreed with the Board's recommendation that, in coordination with the Office of Internal Oversight Services, it expedite the

finalization of the funding agreement for the provision of internal audit services to UNU.

Department responsible: Administration
Status: In progress
Priority: High
Target date: First quarter of 2011

45. In paragraph 19, the Board recommended that UNU disclose in a separate note the reason for the change in policy with regard to transfers from reserves and fund balances to income.

Department responsible: Administration
Status: Not accepted
Priority: High
Target date: Not applicable

46. In paragraph 67, UNU agreed with the Board's recommendation that it make every effort to increase the use of other languages than English to disseminate project outputs.

Department responsible: Office of the Rector
Status: In progress
Priority: Medium
Target date: Pending budget availability

47. In paragraph 88, UNU agreed with the Board's recommendation that it ensure that all of the duty travel expense claims are submitted in a timely manner.

Department responsible: Administration
Status: Implemented
Priority: Medium
Target date: Not applicable

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

48. In the annex to its report for the financial period ended 31 December 2009, the Board provided a summary of the status of implementation of recommendations for previous financial periods. Information is provided below on (i) the seven recommendations listed in the annex as outstanding and (ii) the overall status of prior-period recommendations.

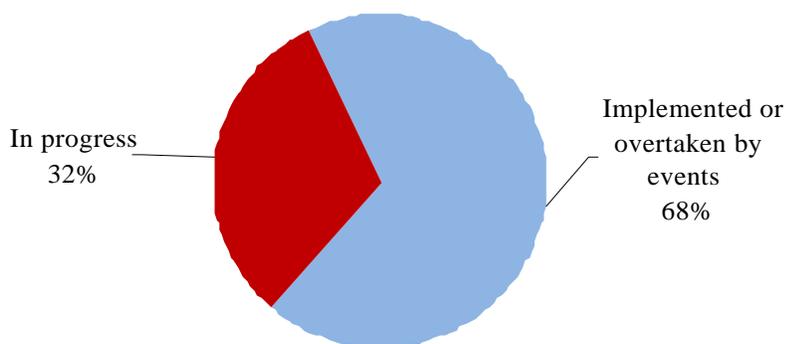
49. The overall situation is summarized in table 5 and figure IV.

Table 5
Status of implementation of recommendations from prior periods considered not fully implemented in the annex to the report of the Board of Auditors for the financial period ended 31 December 2009

<i>Department responsible</i>	<i>Number of recommendations</i>	<i>Not accepted</i>	<i>Implemented or closure requested</i>	<i>In progress</i>	<i>Target date set</i>	<i>No target date</i>
Administration	4	—	—	4	4	—
Office of the Rector	3	—	1	2	2	—
Outstanding recommendations	7	—	1	6	6	—
Implemented/overtaken by events ^a	12	—	12	—	—	—
Overall status of prior recommendations	19	—	13	6	6	—

^a As reported by the Board (A/65/5 (Vol. IV), chap. II, annex).

Figure IV
United Nations University
Overall status of prior-period recommendations



50. Of the seven outstanding prior-period recommendations, one has since been implemented. The implementation of six recommendations is in progress.

Report of the Board for the financial period ended 31 December 2007⁴

51. **In paragraph 53, the Board recommended that UNU suggest enhancements to the new Atlas system in order to improve the management and recording of the investment accounts.**

52. The Atlas enterprise resource planning system went into effect in 2009. The management has decided to focus on developing other modules of priority to the Organization before implementing the Treasury module for the management and recording of investment accounts.

⁴ A/63/5 (Vol. IV), chap. II.

Department responsible: Administration
Status: In progress
Priority: High
Target date: Fourth quarter of 2010

53. In paragraph 59, the Board recommended that UNU provide the appropriate funding for the settlement of end-of-service liabilities.

54. Given the audit concerns and possible different interpretations of overall leave benefits and variances in the treatment of this issue across the United Nations system, the issue will be discussed further with the IPSAS system-wide group with a view to the development of a harmonized approach across the United Nations system.

Department responsible: Administration
Status: In progress
Priority: High
Target date: Fourth quarter of 2011

55. In paragraph 75 (a), UNU agreed with the Board's recommendation that it tailor its programme planning, budgeting, monitoring and evaluation in accordance with the results-based budgeting concepts.

56. A programme management manual and guidelines linking programme planning, budgeting, monitoring and evaluation with results-based budgeting are in the process of being developed as part of the ongoing implementation of Atlas.

Department responsible: Office of the Rector
Status: In progress
Priority: High
Target date: Fourth quarter of 2010

57. In paragraph 75 (b), UNU agreed with the Board's recommendation that it maintain a complete and updated central file for all projects pursuant to the guidelines issued by the Central Monitoring and Inspection Unit.

58. A central database for all programmes and projects is being developed in the context of the ongoing implementation of Atlas.

Department responsible: Office of the Rector
Status: In progress
Priority: High
Target date: Fourth quarter of 2010

59. In paragraph 84, UNU agreed with the Board's recommendation that it formulate a policy on the reasonable allocation of the salaries of researchers in project costing.

Department responsible: Office of the Rector

Status: Overtaken by events

Priority: High

Target date: Not applicable

60. In paragraph 107, the Board recommended that UNU develop a plan detailing the various steps to be taken leading to the full implementation of IPSAS by 2010.

61. The IPSAS adoption date for UNU has been postponed to 2014, in line with the timetable of the United Nations Secretariat for the adoption of IPSAS.

Department responsible: Administration

Status: In progress

Priority: High

Target date: Fourth quarter of 2010

62. In paragraph 110, the Board recommended that UNU request the Office of Internal Oversight Services (OIOS) to include in its plan for the biennium 2008-2009 the audit of the UNU Centre and selected research and training centres, in accordance with a risk-based approach.

63. UNU is waiting for OIOS to finalize the budget for the audit of UNU.

Department responsible: Administrative

Status: In progress

Priority: High

Target date: First quarter of 2011

IV. United Nations Development Programme

A. Implementation of the recommendations contained in the report of the Board of Auditors for the financial period ended 31 December 2009⁵

64. The status of implementation of recommendations as at July 2010 is summarized in tables 6 and 7 and figures V and VI below.

⁵ A/65/5/Add.1, chap. II.

Table 6
Status of implementation of main recommendations

<i>Department responsible</i>	<i>Number of recommendations</i>	<i>Not accepted</i>	<i>Implemented or closure requested</i>	<i>In progress</i>	<i>Target date set</i>	<i>No target date</i>
Accounts Division	10	0	0	10	9	1
Development Operations						
Coordination Office	1	0	0	1	0	1
Multi Donor Trust Fund Office	1	0	0	1	1	0
Office of Audit and Investigations	1	0	1	0	0	0
Office of Finance Directorate	3	0	0	3	3	0
Office of Human Resources	2	0	0	2	2	0
Office of Information Systems and Technology	5	0	1	4	4	0
Procurement Support Office	2	0	2	0	0	0
Regional Bureau Headquarters	2	0	0	2	0	2
Security Office	1	0	0	1	1	0
Treasury Division	4	0	0	4	2	2
United Nations Capital Development Fund	2	0	0	2	2	0
United Nations Development Fund for Women	1	0	0	1	1	0
Total	35	0	4	31	25	6

Figure V
United Nations Development Programme
Status of implementation of main recommendations

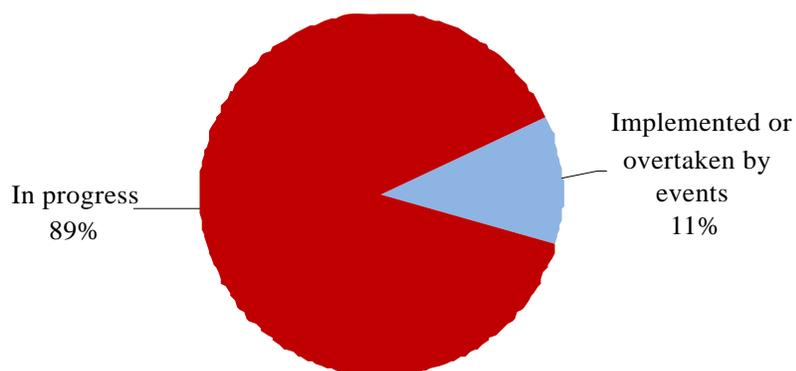
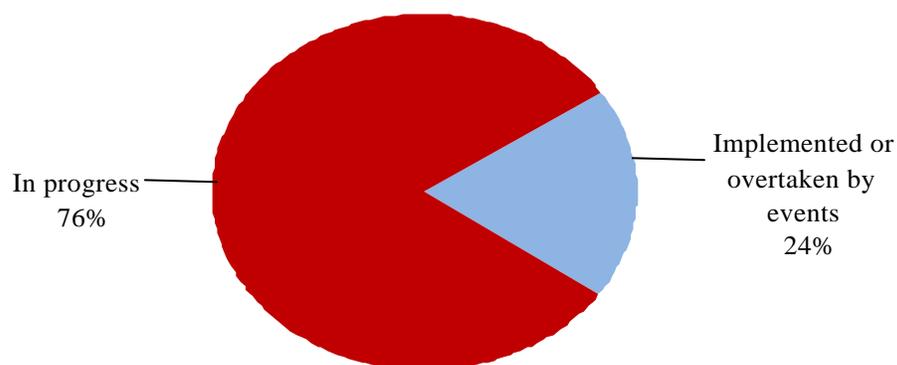


Table 7
Status of implementation of all recommendations

<i>Department responsible</i>	<i>Number of recommendations</i>	<i>Not accepted</i>	<i>Implemented or closure requested</i>	<i>In progress</i>	<i>Target date set</i>	<i>No target date</i>
Accounts Division	14	0	0	14	13	1
Admin Services Division	9	0	2	7	3	4
Bureau of Management Directorate	3	0	0	3	2	1
Development Operations Coordination Office	1	0	0	1	0	1
Multi Donor Trust Fund Office	4	0	1	3	2	1
Office of Audit and Investigations	9	0	8	1	1	0
Office of Finance Directorate	4	0	0	4	4	0
Office of Human Resources	6	0	1	5	5	0
Office of Information Systems and Technology	7	0	2	5	5	0
Office of Planning and Budgeting	2	0	0	2	1	1
Operations Support Group	1	0	0	1	1	0
Procurement Support Office	9	0	3	6	5	1
Regional Bureau Headquarters	6	0	0	6	1	5
Security Office	3	0	0	3	3	0
Treasury Division	4	0	0	4	2	2
United Nations Capital Development Fund	4	0	0	4	4	0
United Nations Development Fund for Women	3	0	0	3	3	0
Total	89	0	17	72	55	17

Figure VI
United Nations Development Programme
Status of implementation of all recommendations



Management strategy for addressing key audit issues raised by the United Nations Board of Auditors

65. UNDP is pleased to be among the United Nations organizations that received an unqualified or “clean” audit opinion from the United Nations Board of Auditors on its financial statements for the biennium ended 31 December 2009. While this is the second consecutive biennium that UNDP has been awarded such a positive audit opinion, the UNDP management shares the view of its Audit Advisory Committee that positive gains derived from key management initiatives started in recent years could be easily reversed if those gains are not protected and/or underlying systemic issues are not fully addressed over the longer term. This view is also driven by the increasingly complex, risky and challenging environment in which UNDP offices operate around the world, as well as the lingering impact of the ongoing global financial crisis.

66. In order to ensure that the positive gains achieved are not lost or reversed, there is a need for continued improvements to be achieved (as made evident by the 89 audit recommendations issued by the Board) as UNDP strives for higher standards of organizational excellence that will help programme Governments move closer to achieving the Millennium Development Goals at the national level by 2015.

67. UNDP adopts an accountability-based and risk-informed approach in addressing audit issues, consistent with the principles of accountability outlined in the UNDP accountability framework and oversight policy (DP/2008/16/Rev.1), which was approved by its Executive Board in 2008. The UNDP list of the top 11 audit-related management priorities (regarded by the Board of Auditors as a leading practice in the United Nations system) prioritizes issues and sets the tone at the top by reinforcing key lines of accountability and expectations concerning the oversight responsibilities of heads of UNDP offices in addressing underlying systemic issues arising from audit observations. Pursuant to the principle of mutual accountability, the UNDP approach to audit management requires that central bureaux play oversight and monitoring roles to support the management oversight roles of regional bureaux over their country offices. This involves providing more explicit policy guidelines and procedures, as well as enhanced toolkits and systems so that managers at the local level are empowered and equipped to deal with recurring and underlying audit issues.

68. At the corporate level, UNDP will continue to invest in: (i) strengthening its internal capacity through staff professional certification programmes for core business functions in UNDP; (ii) finding alternative cost-effective ways of supporting smaller offices and offices with limited capacity; (iii) underscoring management oversight of programmatic and operational activities and effective risk mitigation at the headquarters, regional and country office levels; (iv) leveraging information technology to improve organizational efficiency and effectiveness; (v) enhancing the Atlas project module and aligning it with the results-based management system to make it more management user friendly.

69. At the operational level, UNDP recognizes that there will be challenges in fully implementing all 89 audit recommendations of the Board. This is due in part to the impact of the mandated 15 per cent budgetary reduction implemented across UNDP offices for 2010-2011 in response to the anticipated reduction in the level of regular resources contributions. Furthermore, UNDP, like other United Nations

system organizations, continues to deal with residual issues arising from the implementation of the contractual reform and the new system of administration of justice mandated by the General Assembly in 2009. Moreover, UNDP is realigning its enterprise resource planning system (Atlas) and is working to prepare its staff, donors and programme governments for the adoption of IPSAS by January 2012, as mandated by the General Assembly and approved by the UNDP Executive Board. In the light of the above, UNDP will be faced with the challenge of prioritizing its resources, while ensuring that the schedule for the implementation of the audit recommendations is aligned with corporate priorities and/or finding alternative compensatory controls to mitigate audit risks raised by the Board and the Office of Audit and Investigations.

70. In response to a number of audit recommendations that require discipline at the local office level, UNDP will be re-emphasizing the managerial accountability of the heads of UNDP offices for establishing competent and effective governance structures and discipline at their offices in such areas as the clean-up of outstanding balances, the financial closure of operationally closed projects, the management of inactive trust funds, and compliance with the Minimum Operating Security Standards. Mutual accountability will be further clarified and strengthened to ensure that action to implement audit recommendations that involve multiple UNDP headquarters offices is duly coordinated. Examples are the customization and configuration of changes to Atlas, the follow-up of all long-outstanding audit recommendations issued by the Office of Audit and Investigations, support for the implementation of the Harmonized Approach to Cash Transfers modality in UNDP country offices.

71. In addition, UNDP will continue its discussion with the Board to clarify expectations as to the extent to which UNDP actions are recognized when consideration is given to the closure of audit recommendations that are dependent on the reciprocal actions of external parties, including donor Governments, programme Governments and other United Nations agencies. Examples are the reprogramming of remaining balances, inter-agency accounts reconciliation, etc. Furthermore, UNDP will also be re-engaging with the Board in order to clarify the Board's expectations in terms of the completion of implementation of audit recommendations that are of an ongoing nature. An example is the management of trust funds that are in deficit. Last but not least, UNDP will be enhancing its audit database system (CARDS) to facilitate the transparent reporting of actions taken by responsible offices and to allow the Board to more efficiently validate and/or clarify its expectations for the closure of specific audit recommendations.

72. The details of each of the above audit recommendations and the related action plans are described in the following section.

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

73. In Annex 1 to its report for the financial period ended 31 December 2009 (A/65/5/Add.1, chap. II), the Board provided a summary of the status of implementation of recommendations for previous financial periods. Of the 82 audit recommendations issued for the biennium ended 31 December 2007, the Board assessed that 27 recommendations related to recommendations issued prior to the

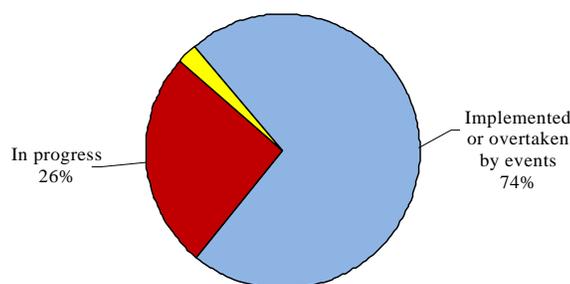
biennium 2008-2009. Of those, 25 were deemed as being “under implementation” or “in progress”, and two as being “not implemented”. Of the 27 recommendations, four originated from the 2004-2005 audit report. The overall situation is summarized in table 8 and figure VII. Information is provided below on: (i) the 27 recommendations listed as outstanding from prior periods; and (ii) the overall status of prior recommendations.

Table 8
Status of implementation of main recommendations

<i>Department responsible</i>	<i>Number of recommendations</i>	<i>Not accepted</i>	<i>Implemented or closure requested</i>	<i>In progress</i>	<i>Target date set</i>	<i>No target date</i>
Accounts Division	7	—	—	7	7	—
Admin Services Division	3	—	1	2	2	—
Development Operations Coordination Office and Administrative Services Division	1	—	—	1	1	—
Office of Audit and Investigations	1	—	1	—	—	—
Office of Finance and Administration Directorate	2	—	—	2	2	—
Office of Human Resources	2	—	—	2	2	—
Operations Support Group	1	—	—	1	1	—
Procurement Support Office	7	—	4	3	3	—
Security Office	1	—	—	1	1	—
Treasury Division	2	—	—	2	2	—
Outstanding recommendations	27	—	6	21	21	—
Implemented/overtaken by events ^a	55		55			
Overall status of prior recommendations	82	—	61	21	21	—

^a As reported by the Board (A/65/5/Add.1, chap. II, annex).

Figure VII
United Nations Development Programme
Overall status of prior-period recommendations



74. UNDP noted that the Board reported in annex I that 27 of the 82 recommendations issued for the biennium ended 31 December 2007 had not been fully implemented. While UNDP acknowledges that eight of the 27 recommendations were not fully implemented at the time of the final audit, UNDP analysis indicates that the apparent disparity between UNDP and the Board concerning the implementation rate is due to (a) differing expectations of the Board with regard to implementation standards; (b) movements of both staff in the audit team and key management staff in the responsible divisions at UNDP; and (c) the relatively short time that the management had in which to rectify its audit action plan, given that the audit implementation status was only fully validated by the Board during its final audit in April 2010. UNDP has already initiated enhancement of its audit database system (CARDS) to facilitate the efficient status update of responsible units (with an audit-trail capability) and the effective evidence-based validation of audit implementation by the Board at regular intervals.

75. As at the time of preparation of the present report, six of the 27 pending audit recommendations have been implemented and the management is requesting their closure of the Board of Auditors. Progress has been made with the implementation of all the remaining 21 recommendations. UNDP internal review indicates the following thematic challenges associated with the full implementation of the remaining 21 recommendations:

(a) Full implementation is linked to the schedule for the adoption of IPSAS (five items);

(b) Full implementation is dependent on action by external parties (three items);

(c) Implementation of the pending recommendation is a residual step of the balance sheet clean-up exercise (four items);

(d) Implementation of the pending recommendation is a residual step of the implementation strategy based on prioritization (five items);

(e) Full implementation is expected to be a challenge given the ongoing nature of the recommendation (four items).

76. The implementation of five recommendations is linked to the schedule for the adoption of IPSAS, in January 2012. Those recommendations concern: (i) reassessment of all the properties under the reserve for field accommodation (A/63/5/Add.1, chap. II, para. 106); (ii) full provision for after-service health insurance liabilities on the face of the financial statements and establishment of a matching funding strategy (para. 166); (iii) disclosure of actual accrued annual leave and repatriation grant liabilities on the face of the financial statements (para. 173); (iv) ongoing mitigation of project risks associated with the adoption of IPSAS (para. 191); and (v) formalization of relevant policies for the recording of direct execution project assets (para. 264).

77. Three recommendations are dependent on the reciprocal actions of external parties, such as donors and programme Governments. UNDP is committed to implementing these recommendations, although full implementation may be a challenge. The recommendations concern: (i) the refund of interest due to donors (A/63/5/Add.1, chap. II, para. 72); (ii) reprogramming of fund balances based on donors' instructions (para. 76); and (iii) changes to previously agreed outcome

indicators with programme Governments to make them specific, measurable, achievable, realistic and time-bound (para. 194).

78. Four recommendations relate to residual steps of the balance sheet clean-up exercise started by UNDP that is expected to be finalized in the new biennium. During its audit, the Board commended UNDP for the progress it had achieved to date. Those recommendations concern: (i) follow-up of certain accounts receivable balances (para. 53); (ii) assessment of the recoverability of certain staff debtor balances (para. 60); (iii) follow-up of miscellaneous accounts payable balances (para. 81); and (iv) determination of refunds for certain financially closed projects (para. 94).

79. Another five audit recommendations are expected to be fully implemented within the next 18 months as residual steps of the Procurement Roadmap implementation strategy and the human resource strategy. They concern: (i) the implementation of procurement planning (para. 239); (ii) the enhancement of the existing procurement planning tool (para. 240); (iii) the implementation of selective procurement benchmarks for centrally procured items managed by the Global Procurement Unit at Copenhagen (para. 232); (iv) the progressive roll-out of the leave module in Atlas and strengthening of the quality of leave records at country offices (para. 291); and (v) the development of business continuity plans for UNDP country offices (para. 305).

80. There are four pending recommendations; their full implementation may be a challenge given its ongoing nature. UNDP will continue to monitor the issues and proactively alert the management to address them before they become a concern. They relate to: (i) European Commission-funded trust funds in deficit owing to a clause in the standard agreement with the Commission which states that final payment will be released only upon the completion of the project and the submission of the final report (para. 110); (ii) inactive trust funds (para. 117); (iii) financial closure of all operationally closed projects (para. 348); and (iv) controls to ensure that memorandums of understanding are completed for all common services at the country level (para. 438).

81. The details of each of the above-mentioned pending recommendations and its action plan are set out below.

C. Implementation of the recommendations contained in the report of the Board for the financial period ended 31 December 2009⁶

82. In paragraph 23, the Board recommended that UNDP carry out project risk management to mitigate the risks arising from the implementation of International Public Sector Accounting Standards throughout the life of the project.

<i>Department responsible:</i>	Office of Administration and Finance Directorate
<i>Status:</i>	In progress
<i>Priority:</i>	High
<i>Target date:</i>	First quarter of 2012

⁶ A/65/5/Add.1, chap. II.

83. In paragraph 36, the Board reiterated its recommendation that UNDP review individual biennial support budget obligations to ensure that only valid obligations remain open at the end of the biennium.

Department responsible: Office of Planning and Budgeting

Status: In progress

Priority: Medium

Target date: First quarter of 2011

84. In paragraph 40, UNDP agreed with the Board's recommendation that it (a) perform a review of Atlas user rights for journal entries to address incompatible functions; and (b) perform regular reviews of the journals captured and approved to ensure that journal entries have not been captured and approved by the same person.

Department responsible: Office of Finance and Administration Directorate

Status: In progress

Priority: High

Target date: Fourth quarter of 2010

85. In paragraph 46, UNDP agreed with the Board's recommendation that it (a) ensure that all country offices certify their unliquidated obligations; and (b) clear balances included in unliquidated obligations that do not represent open purchase orders.

Department responsible: Accounts Division

Status: In progress

Priority: High

Target date: First quarter of 2011

86. In paragraph 58, the Board reiterated its recommendation that UNDP (a) implement processes to monitor the ageing of receivable balances; (b) intensify its efforts to follow up and recover receivable balances; (c) review long-outstanding receivable balances during the preparation of its financial statements; and (d) continue to investigate all staff debtors balances and assess recoverability in compliance with UNDP rules.

Department responsible: Accounts Division

Status: In progress

Priority: High

Target date: Fourth quarter of 2011

87. In paragraph 59, the Board recommended that UNDP establish an urgent deadline to clear all legacy balances.

Department responsible: Accounts Division

Status: In progress

Priority: High

Target date: Fourth quarter of 2011

88. In paragraph 65, the Board reiterated its previous recommendation that UNDP continue to (a) reclassify and disclose interest due to donors in its presentation of financial statements; and (b) periodically reconcile the account to reflect interest refunds due to donors.

Department responsible: Treasury Division

Status: In progress

Priority: High

Target date: Fourth quarter of 2011

89. In paragraph 66, the Board recommended that UNDP continue to follow up with donors to ensure that interest earned on contributions is refunded or reprogrammed.

Department responsible: Treasury Division

Status: In progress

Priority: High

Target date: To be determined (pending clarification of expected standards)

90. In paragraph 71, UNDP agreed with the Board's reiterated recommendation that it implement measures to fully analyse and review the accounts related to refunds pending to donors and take steps to clear those accounts regularly.

Department responsible: Treasury Division

Status: In progress

Priority: High

Target date: To be determined (pending clarification of expected standards)

91. In paragraph 75, UNDP agreed with the Board's reiterated recommendation that it continue its efforts to clear other accounts payable accounts.

Department responsible: Accounts Division

Status: In progress

Priority: Medium

Target date: Fourth quarter of 2011

92. In paragraph 78, the Board recommended that UNDP consider revising its presentation of the notes to the financial statements to ensure alignment with

the face of the financial statements to ensure they are complete and understandable.

Department responsible: Accounts Division

Status: In progress

Priority: High

Target date: Second quarter of 2011

93. In paragraph 85, the Board reiterated its previous recommendation that UNDP continue its efforts to close all inactive trust funds.

Department responsible: Accounts Division

Status: In progress

Priority: High

Target date: Fourth quarter of 2011

94. In paragraph 86, UNDP agreed with the Board's recommendation that it perform a review of trust funds with minimal activity and address any reasons for delay in execution of projects or inform/consult with the donor to determine whether additional funding can be made available to cover the excess expenditure.

Department responsible: Accounts Division

Status: In progress

Priority: High

Target date: Fourth quarter of 2010

95. In paragraph 91, the Board reiterated its previous recommendation that UNDP (a) continue to follow up all trust funds in deficit; and (b) recover from the donors expenditure incurred in excess of the funding received.

Department responsible: Accounts Division

Status: In progress

Priority: High

Target date: To be determined (pending clarification of expected standards)

96. In paragraph 97, UNDP agreed with the Board's reiterated recommendation that it implement processes to reassess its position in relation to the reserve for field accommodation in line with the decision of the Executive Board.

Department responsible: Administrative Services Division

Status: In progress

Priority: Medium

Target date: First quarter of 2012

97. **In paragraph 108, the Multi-Donor Trust Fund Office agreed with the Board's recommendation and indicated that it had already taken action to perform the mandatory review of the policy directive considering the changes to the reporting structure and the timelines for reporting to the Administrator.**

Department responsible: Multi-Donor Trust Fund Office

Status: Implemented

Priority: Medium

Target date: Not applicable

98. **In paragraph 112, the Board recommended that the Multi-Donor Trust Fund Office liaise with the Advisory Group of the United Nations Development Group to implement additional controls to ensure that participating organizations submit progress reports to allow for timely donor reporting.**

Department responsible: Multi-Donor Trust Fund Office

Status: In progress

Priority: High

Target date: Third quarter of 2010

99. **In paragraph 119, the Multi-Donor Trust Fund Office agreed with the Board's recommendation that, in consultation with the relevant supervision and coordination structures, it review its revenue recognition principles.**

Department responsible: Multi-Donor Trust Fund Office

Status: In progress

Priority: Medium

Target date: Fourth quarter of 2010

100. **In paragraph 125, the Board supported the importance of the initiative of the Multi-Donor Trust Fund Office to carry out the analysis to identify the country offices that are not performing in terms of the delegation document and take the necessary remedial action.**

Department responsible: Multi-Donor Trust Fund Office

Status: In progress

Priority: Medium

Target date: To be determined (pending clarification of expected standards)

101. **In paragraph 132, the Board recommended that the United Nations Development Operations Coordination Office, in collaboration with the responsible decision-making departments and committees, identify and mandate the organs of relevant entities that would be able to perform all the management review, oversight and assurance tasks related to multi-donor trust funds on a proactive basis.**

Department responsible: Development Operations Coordination Office
Status: In progress
Priority: High
Target date: To be determined (pending discussion with the inter-agency forum)

102. In paragraph 139, UNDP agreed with the Board's recommendation that it continue its effort to reconcile inter-agency balances with other United Nations agencies.

Department responsible: Accounts Division
Status: In progress
Priority: Medium
Target date: Second quarter of 2011

103. In paragraph 145, the Board recommended that UNDP, in conjunction with the United Nations Office for Project Services, resolve long-outstanding differences noted in the inter-fund reconciliation.

Department responsible: Accounts Division
Status: In progress
Priority: Medium
Target date: Second quarter of 2011

104. In paragraph 151, the Board reiterated its previous recommendation that UNDP provide fully for all end-of-service liabilities.

Department responsible: Accounts Division
Status: In progress
Priority: High
Target date: First quarter of 2012

105. In paragraph 152, the Board recommended that UNDP consider a funding policy for all end-of-service liabilities.

Department responsible: Office of Finance and Administration Directorate
Status: In progress
Priority: High
Target date: First quarter of 2012

106. In paragraph 168, the Board recommended that UNDP reconsider and formalize its portfolio investment strategy for after-service health insurance related assets.

Department responsible: Treasury Division
Status: In progress
Priority: High
Target date: Fourth quarter of 2011

107. In paragraph 173, the Board reiterated its previous recommendation that UNDP accurately calculate and disclose the actual accrued annual leave and repatriation grant liabilities on the face of the financial statements.

Department responsible: Accounts Division
Status: In progress
Priority: High
Target date: First quarter of 2012

108. In paragraph 175, the Board recommended that the United Nations Capital Development Fund and the United Nations Development Fund for Women (a) fully provide for after-service health insurance and end-of-service liabilities; (b) establish a policy to fund the liabilities; and (c) correctly calculate and accrue for the annual leave liability.

Department responsible: United Nations Capital Development Fund and
United Nations Development Fund for Women
Status: In progress
Priority: High
Target date: First quarter of 2012

109. In paragraph 183, UNDP agreed with the Board's recommendation that it continue with efforts to ensure the timely submission, review and approval of the management workplans within the enhanced results-based management platform.

Department responsible: Office of Planning and Budgeting
Status: In progress
Priority: Medium
Target date: To be determined (pending clarification of
expected standards)

110. In paragraph 187, UNDP agreed with the Board's recommendation that it review all indicators of achievement reflected in the results management database and ensure that they are specific, measurable, attainable, relevant and time-bound.

Department responsible: Operations Support Group
Status: In progress
Priority: Medium
Target date: Second quarter of 2011

111. In paragraph 196, the Board recommended that UNDP ensure that there is segregation of duties in the preparation of bank reconciliations and follow-up of long-outstanding items.

Department responsible: Office of Finance and Administration Directorate
Status: In progress
Priority: Medium
Target date: Fourth quarter of 2010

112. In paragraph 200, UNDP agreed with the Board's recommendation that it continue its efforts to follow up on negative balances that represent pre-2004 take-on balances in Atlas, as well as those advances that have arisen owing to expenditure being incorrectly allocated to projects with no advances.

Department responsible: Accounts Division
Status: In progress
Priority: Medium
Target date: Fourth quarter of 2010

113. In paragraph 206, the Board reiterated its previous recommendation that UNDP (a) follow up on all outstanding audit reports; and (b) include a measurable indicator in the balanced scorecard for timely submission and quality of nationally executed expenditure audit reports.

Department responsible: Office of Audit and Investigations
Status: Implemented
Priority: Medium
Target date: Not applicable

114. In paragraph 209, the Office of Audit and Investigations agreed with the Board's recommendation that it update the terms of reference to give guidance on the materiality of errors that should be considered in qualifying audit opinions, in accordance with the International Standards on Auditing.

Department responsible: Office of Audit and Investigations
Status: Implemented
Priority: Medium
Target date: Not applicable

115. In paragraph 215, the Office of Audit and Investigations agreed with the Board's recommendation that it (a) take note of the identified findings and take them into account when it performs its detailed review of the audit opinions issued; and (b) update the database accordingly.

Department responsible: Office of Audit and Investigations
Status: Implemented
Priority: Medium
Target date: Not applicable

116. In paragraph 216, the Board recommended that UNDP country offices improve national implementation audit processes to ensure that the correct information is captured into the national implementation database.

Department responsible: Office of Audit and Investigations
Status: Implemented
Priority: Medium
Target date: Not applicable

117. In paragraph 221, the Office of Audit and Investigations agreed with the Board's recommendation that it (a) continue to inform the country offices of the requirements of the awards to be covered under the risk-based audit approach; (b) perform adequate reviews of the audit plans of the country office to ensure that all awards that must be included in the audit plan were included in the audit plan; and (c) continue to perform follow-ups with country offices to ensure that audit plans are submitted by the due date.

Department responsible: Office of Audit and Investigations
Status: Implemented
Priority: Medium
Target date: Not applicable

118. In paragraph 222, the Board recommended that UNDP improve its procedures to ensure that all country office plans are complete.

Department responsible: Office of Audit and Investigations
Status: Implemented
Priority: Medium
Target date: Not applicable

119. In paragraph 229, the Board reiterated its previous recommendation that UNDP (a) prioritize the financial closure of all operationally closed projects; and (b) address the causes for delays in the finalization of projects.

Department responsible: Accounts Division
Status: In progress
Priority: High
Target date: Fourth quarter of 2011

120. In paragraph 234, the Board recommended that UNDP (a) provide training to all units on the utilization of the project monitoring tool in Atlas; (b) implement processes to increase the use of Atlas to monitor projects at country offices; and (c) further implement controls to perform monthly reviews of Atlas reports to ensure projects are accurately captured and monitored.

Department responsible: Bureau of Management Directorate

Status: In progress

Priority: Medium

Target date: Fourth quarter of 2011

121. In paragraph 241, the Board recommended that (a) the Harmonized Approach to Cash Transfer process at country offices as it relates to UNDP be reviewed by regional bureaux to provide an independent review of the process; and (b) headquarters take on the responsibility of driving the Harmonized Approach to Cash Transfer implementation, monitoring and oversight of the progress of UNDP country offices.

Department responsible: Regional bureaux

Status: In progress

Priority: High

Target date: To be determined (pending clarification of expected standards)

122. In paragraph 245, the Board considered the findings and recommendations of the joint audit team as important and recommended that UNDP apply the lessons learned and recommendations to other UNDP country offices.

Department responsible: Regional bureaux

Status: In progress

Priority: Medium

Target date: To be determined (pending clarification of expected standards)

123. In paragraph 251, UNDP agreed with the Board's reiterated recommendation that it put in place individual and consolidated procurements plans at all country offices and at headquarters.

Department responsible: Procurement Support Office

Status: In progress

Priority: Medium

Target date: Fourth quarter of 2011

124. In paragraph 252, UNDP agreed with the Board's reiterated recommendation that it implement the procurement planning software tool and ensure that it is used by all country offices and relevant headquarters units.

Department responsible: Procurement Support Office

Status: In progress

Priority: Medium

Target date: Fourth quarter of 2011

125. In paragraph 259, UNDP agreed with the Board's recommendation that it further strengthen controls at the country office level to ensure that, prior to

dealing with prospective vendors, the country offices ensure that the vendors are not on the Security Council list of prohibited suppliers.

Department responsible: Procurement Support Office
Status: Implemented
Priority: High
Target date: Not applicable

126. In paragraph 260, UNDP agreed with the Board's recommendation that it ensure that the newly developed Atlas checking mechanism is implemented.

Department responsible: Procurement Support Office
Status: Implemented
Priority: High
Target date: Not applicable

127. In paragraph 264, UNDP agreed with the Board's recommendation that it (a) perform a regular review of "buyer" profiles in Atlas to ensure that only procurement staff have a "buyer" profile and remove all buyer profiles for non-procurement staff in Atlas; and (b) improve the certification rate.

Department responsible: Procurement Support Office
Status: In progress
Priority: Medium
Target date: Fourth quarter of 2011

128. In paragraph 272, UNDP agreed with the Board's recommendation that it (a) review the purchase vouchers issued without a purchase order and address the shortcomings thereof; (b) implement controls to ensure that all purchase vouchers (except for exceptions provided for in Programme and Operational Policies and Procedures) are issued with a purchase order; and (c) monitor compliance.

Department responsible: Procurement Support Office
Status: In progress
Priority: Medium
Target date: Fourth quarter of 2011

129. In paragraph 276, UNDP agreed with the Board's recommendation that it implement specific controls to monitor instances of long delay in the payment processing time for its vendors.

Department responsible: Procurement Support Office/Accounts Division
Status: In progress
Priority: Medium
Target date: To be determined (pending clarification of expected standards)

130. In paragraph 283, UNDP agreed with the Board's reiterated recommendation that it implement controls in the physical verification procedures, including the identification of unserviceable, redundant or obsolete items.

Department responsible: Administrative Services Division

Status: Implemented

Priority: Medium

Target date: Not applicable

131. In paragraph 288, UNDP agreed with the Board's recommendation that it (a) develop procedures to regulate adjustments made to the Atlas asset master file; (b) consider incorporating within Atlas the functionality of approval of all adjustments made to the Atlas asset master file; and (c) retain supporting documents for all asset adjustments.

Department responsible: Administrative Services Division

Status: In progress

Priority: Medium

Target date: To be determined (pending clarification of feasibility studies and cost-benefit analysis)

132. In paragraph 295, UNDP agreed with the Board's recommendation that it (a) address the discrepancies identified and update the asset register accordingly; and (b) make improvements in the Atlas input controls to avoid errors and discrepancies in asset records from recurring.

Department responsible: Administrative Services Division

Status: In progress

Priority: Medium

Target date: To be determined (pending clarification of feasibility studies and cost-benefit analysis)

133. In paragraph 302, UNDP agreed with the Board's recommendation that it review the risks associated with the use of "project type" as a field to classify assets as management or development, with a view to exploring other classification options that address some of the current noted weaknesses.

Department responsible: Administrative Services Division

Status: In progress

Priority: Medium

Target date: To be determined (pending clarification of feasibility studies and cost-benefit analysis)

134. In paragraph 306, UNDP agreed with the Board's reiterated recommendation that it (a) establish a formal policy for the recording and accounting of direct expenditure modality assets on the Atlas asset module at

the country office level and at headquarters; and (b) implement procedures to control direct expenditure modality assets.

Department responsible: Administrative Services Division

Status: In progress

Priority: Medium

Target date: Fourth quarter of 2010

135. In paragraph 312, UNDP agreed with the Board's reiterated recommendation that it improve all controls over leave administration to ensure accurate leave balances.

Department responsible: Office of Human Resources

Status: In progress

Priority: High

Target date: Fourth quarter of 2010

136. In paragraph 314, the Office of Audit and Investigations agreed with the Board's recommendation that it perform an internal audit of leave management to ensure the accuracy of leave balances.

Department responsible: Office of Audit and Investigations

Status: Implemented

Priority: High

Target date: Not applicable

137. In paragraph 316, UNDP agreed with the Board's recommendation that it (a) prioritize addressing weaknesses in leave administration; (b) expedite the configuration and use of the Atlas absence management module; and (c) ensure that leave monitors' leave administration is independently reviewed by their direct supervisors.

Department responsible: Office of Human Resources

Status: In progress

Priority: High

Target date: Fourth quarter of 2010

138. In paragraph 321, UNDP agreed with the Board's reiterated recommendation that it (a) fully utilize the vacancy rate tool to monitor appointment processes; and (b) implement human resources planning methods, such as succession planning and demand forecasting for high volume hiring units.

Department responsible: Office of Human Resources

Status: In progress

Priority: Medium

Target date: Fourth quarter of 2010

139. In paragraph 323, UNDP agreed with the Board's recommendation that it consider developing a tool that would enable it to track the vacancy rate and vacancy lead times throughout the organization.

Department responsible: Office of Human Resources

Status: In progress

Priority: Medium

Target date: Second quarter of 2011

140. In paragraph 329, UNDP agreed with the Board's recommendation that it comply with the Results and Competency Assessment Guidelines regarding the timely performance of the midterm reviews.

Department responsible: Office of Human Resources

Status: Overtaken by events

Priority: Medium

Target date: Overtaken by events

141. In paragraph 336, the Board emphasized all matters identified by the Office of Audit and Investigations in its audit of the global payroll, benefits and entitlements function.

Department responsible: Office of Human Resources

Status: In progress

Priority: Medium

Target date: Fourth quarter of 2010

142. In paragraph 340, the Board reiterated its previous recommendation that UNDP implement controls to ensure that performance evaluations relating to special service agreement contracts are performed in a timely manner.

Department responsible: Procurement Support Office

Status: Implemented

Priority: Medium

Target date: Not applicable

143. In paragraph 341, the Board reiterated its previous recommendation that UNDP ensure that all country offices and headquarters units maintain rosters of consultants in compliance with the special service agreement policies and procedures.

Department responsible: Procurement Support Office

Status: In progress

Priority: Medium

Target date: Third quarter of 2010

144. In paragraph 349, UNDP agreed with the Board's recommendation that it (a) implement procedures to ensure that travel advances are reconciled to the

F-10 travel reports, travel checklists and travel expense reports; and (b) ensure its staff comply with the UNDP travel policies with regard to timely submission of F-10 forms and travel checklists and expenditure reports.

Department responsible: Administrative Services Division

Status: In progress

Priority: Medium

Target date: Fourth quarter of 2011

145. In paragraph 355, the Board recommended that UNDP consider implementing compensating controls in the absence of the implementation of the travel and expenditure module at the country offices.

Department responsible: Administrative Services Division

Status: Implemented

Priority: Medium

Target date: Not applicable

146. In paragraph 362, the Board recommended that UNDP (a) consider approval of the information technology security policy; (b) communicate the formalized information technology security policy to all relevant stakeholders; and (c) monitor compliance on a regular basis.

Department responsible: Office of Information Systems and Technology

Status: Implemented

Priority: High

Target date: Not applicable

147. In paragraph 363, the Board further recommended that UNDP conduct an information and communication technology security risk assessment regularly.

Department responsible: Office of Information Systems and Technology

Status: In progress

Priority: High

Target date: Third quarter of 2010

148. In paragraph 368, the Board recommended that UNDP (a) perform regular quality assurance checks of all data fixes made in the production environment; (b) ensure that all types of changes are signed off by business owners; (c) ensure that mandatory fields are captured in TeamTrack; and (d) regularly review the activities of database administrators and access to the production environment.

Department responsible: Office of Information Systems and Technology

Status: In progress

Priority: High

Target date: Fourth quarter of 2010

149. In paragraph 373, the Board recommended that UNDP (a) review access of all users on the deviation report; (b) review the appropriateness of users with multiple profiles on a periodic basis; and (c) monitor the actions and the activities of security administrators on a regular basis.

Department responsible: Office of Information Systems and Technology
Status: In progress
Priority: High
Target date: Fourth quarter of 2010

150. In paragraph 376, the Board recommended that, when duly completed, UNDP obtain a SAS 70 Type II report from the United Nations Information Computer Centre to gain assurance that the key controls at the hosting provider were operating with sufficient effectiveness.

Department responsible: Office of Information Systems and Technology
Status: In progress
Priority: High
Target date: Fourth quarter of 2011

151. In paragraph 379, the Board repeated its previous recommendation that UNDP implement controls to ensure that country offices and business units develop business continuity and disaster recovery plans.

Department responsible: Office of Information Systems and Technology
Status: In progress
Priority: Medium
Target date: Fourth quarter of 2010

152. In paragraph 380, the Board further recommended that UNDP implement procedures for country offices and business units to regularly test the business continuity and disaster recovery plans.

Department responsible: Office of Information Systems and Technology
Status: In progress
Priority: Medium
Target date: Fourth quarter of 2010

153. In paragraph 382, the Board recommended that UNDP implement controls to ensure country offices meet the minimum technology guidelines issued, including the requirement for physical access and environmental controls in the management of server rooms at country offices.

Department responsible: Office of Information Systems and Technology
Status: In progress
Priority: Medium
Target date: Fourth quarter of 2011

154. **In paragraph 386, the Board considered the findings of the internal audit with regard to information technology governance as important and recommended that UNDP address those findings.**

Department responsible: Office of Information Systems and Technology
Status: Implemented
Priority: Medium
Target date: Not applicable

155. **In paragraph 391, the Board considered the recommendation of the Office of Audit and Investigations in relation to the review of Atlas to be important and recommended that UNDP fully implement all the recommendations.**

Department responsible: Bureau of Management Directorate
Status: In progress
Priority: Medium
Target date: To be determined (pending clarification of expected standards)

156. **In paragraph 395, the Board recommended that UNDP ensure that all country offices comply with the Minimum Operating Security Standards.**

Department responsible: Security Office
Status: In progress
Priority: High
Target date: Fourth quarter of 2011

157. **In paragraph 399, the Board reiterated its previous recommendation that UNDP, in collaboration with the Development Operations Coordination Office, implement controls to ensure that standard memorandums of understanding are completed for all common service agreements at the country level.**

Department responsible: Administrative Services Division
Status: In progress
Priority: High
Target date: To be determined (pending clarification of expected standards and responsibility of the Development Operations Coordination Office)

158. **In paragraph 404, the Board recommended that UNDP ensure that all regional centres, in consultation with regional bureaux, sign all long-term corporate agreements within the set deadlines.**

Department responsible: Regional bureaux
Status: In progress
Priority: High
Target date: To be determined (pending clarification of expected standards)

159. **In paragraph 410, the Board recommended that UNDP ensure that regional service centres (a) align their activities to ensure that the annual workplans of the regional service centre are prepared in time, taking into account all the necessary consultations and reviews by the relevant stakeholders; and (b) adhere to the requirements of the UNDP guidelines in relation to the establishment of the Regional Service Centre Advisory Board.**

Department responsible: Regional bureaux
Status: In progress
Priority: Medium
Target date: To be determined (pending clarification of expected standards)

160. **In paragraph 413, the Board recommended that UNDP ensure that results and competency assessments are performed for directors of regional service centres.**

Department responsible: Regional bureaux
Status: In progress
Priority: Medium
Target date: Fourth quarter of 2010

161. **In paragraph 417, the Board considered the findings of the Office of Audit and Investigations in relation to regional bureaux as important and recommended that UNDP address those issues across all regional bureaux.**

Department responsible: Regional bureaux
Status: In progress
Priority: Medium
Target date: To be determined (pending clarification of expected standards)

162. **In paragraph 420, the United Nations Capital Development Fund agreed with the Board's recommendation that it (a) implement controls to ensure that cash advances are applied in a timely manner; and (b) adjust its cash balance and reclassify the amounts accordingly.**

Department responsible: United Nations Capital Development Fund
Status: In progress
Priority: High
Target date: Fourth quarter of 2010

163. **In paragraph 423, the United Nations Capital Development Fund agreed with the Board's recommendation that it clear invalid purchase orders and record unliquidated obligations using valid purchase orders at the end of the biennium.**

Department responsible: United Nations Capital Development Fund

Status: In progress

Priority: Medium

Target date: Fourth quarter of 2010

164. In paragraph 425, the United Nations Capital Development Fund agreed with the Board's recommendation that it clear all legacy system balances.

Department responsible: United Nations Capital Development Fund

Status: In progress

Priority: Medium

Target date: Fourth quarter of 2010

165. In paragraph 427, the United Nations Development Fund for Women (UNIFEM) agreed with the Board's recommendation that it (a) perform adequate bank reconciliation processes in order to identify duplicate payments and other reconciling items; and (b) follow up to obtain clarification of the unexplained amount.

Department responsible: UNIFEM

Status: In progress

Priority: High

Target date: Fourth quarter of 2010

166. In paragraph 429, UNIFEM agreed with the Board's recommendation that it clear all legacy system balances.

Department responsible: UNIFEM

Status: In progress

Priority: Medium

Target date: Fourth quarter of 2010

167. In paragraph 431, UNIFEM agreed with the Board's recommendation that it clear invalid purchase orders and record unliquidated obligations using valid purchase orders at the end of the biennium.

Department responsible: UNIFEM

Status: In progress

Priority: Medium

Target date: Fourth quarter of 2010

168. In paragraph 438, the Board recommended that the Office of Audit and Investigations continue to strive for improvement in the six remaining internal audit standards.

Department responsible: Office of Audit and Investigations

Status: In progress

Priority: Medium

Target date: Fourth quarter of 2010

169. In paragraph 441, the Board recommended that the Office of Audit and Investigations expedite the filling of vacant posts.

Department responsible: Office of Audit and Investigations

Status: Implemented

Priority: Medium

Target date: Not applicable

170. In paragraph 454, the Board shared the recommendations contained in reports of the Office of Audit and Investigations and underscored the need for UNDP to address the matters highlighted.

Department responsible: Bureau of Management Directorate

Status: In progress

Priority: Medium

Target date: Fourth quarter of 2011

D. Recommendations issued by the Board for the biennium ended 31 December 2007 and earlier bienniums

171. In paragraph 53 of its report for the biennium ended 31 December 2007 (A/63/5/Add.1, chap. II), the Board recommended that UNDP (a) implement processes to monitor the ageing of receivable balances; (b) intensify its efforts to follow up and recover receivable balances; and (c) review long-outstanding receivable balances during the preparation of its financial statements.

172. Residual major balance sheet clean-up efforts are being conducted.

Department responsible: Accounts Division

Status: In progress

Priority: High

Target date: Fourth quarter of 2011

173. In paragraph 60, UNDP agreed with the Board's recommendation that it continue to investigate all staff debtors' balances and assess recoverability in compliance with UNDP rules.

174. Residual major balance sheet clean-up efforts are being conducted.

Department responsible: Accounts Division

Status: In progress

Priority: Medium

Target date: Fourth quarter of 2011

175. In paragraph 72, UNDP agreed with the Board's recommendation that it (a) reclassify and disclose interest due to donors in its presentation of financial statements; and (b) periodically reconcile the account to reflect interest refunds due to donors.

176. Implementation of the recommendation involves the actions of external parties.

Department responsible: Treasury Division

Status: In progress

Priority: High

Target date: Subject to further discussion with the Board on the expected scope of the implementation of the recommendation

177. In paragraph 76, UNDP agreed with the Board's recommendation that it implement measures to fully analyse and review the accounts related to refunds pending to donors and take steps to clear those accounts regularly.

178. Implementation of the recommendation involves the actions of external parties.

Department responsible: Treasury Division

Status: In progress

Priority: High

Target date: Subject to further discussion with the Board on the expected scope of the implementation of the recommendation

179. In paragraph 81, the Board recommended that UNDP implement stricter controls to ensure regular review and follow-up of accounts payable balances included in the "Other accounts payable" account.

180. Residual major balance sheet clean-up efforts are being conducted.

Department responsible: Accounts Division

Status: In progress

Priority: Medium

Target date: Fourth quarter of 2011

181. In paragraph 94, UNDP agreed with the Board's recommendation that it (a) implement measures to fully analyse all financially closed projects and raise a liability for refunds that may be due; and (b) review its project closure procedures to ensure it properly accounts for refunds to donors.

182. Residual major balance sheet clean-up efforts are being conducted.

Department responsible: Accounts Division

Status: In progress

Priority: High

Target date: Fourth quarter of 2011

183. In paragraph 106, UNDP agreed with the Board's recommendation that it implement processes to reassess its position in relation to the reserve for field accommodation, in line with the Executive Board's decision.

184. Implementation is linked to the schedule for the adoption of IPSAS.

Department responsible: Administrative Services Division

Status: In progress

Priority: Medium

Target date: Fourth quarter of 2011

185. In paragraph 110, UNDP agreed with the Board's reiterated recommendation that it (a) continue to follow up all trust funds in deficit; and (b) recover from the donors expenditure incurred in excess of the funding received (from 2004-2005).

186. The recommendation is ongoing in nature.

Department responsible: Accounts Division

Status: In progress

Priority: High

Target date: Fourth quarter of 2011

187. In paragraph 117, UNDP agreed with the Board's recommendation that it continue its efforts to close all inactive trust funds.

188. The recommendation is ongoing in nature.

Department responsible: Accounts Division

Status: In progress

Priority: Medium

Target date: Fourth quarter of 2011

189. In paragraph 166, the Board recommended that UNDP (a) provide fully for after-service health insurance liabilities on the face of the financial statements; and (b) establish the matching funding.

190. Implementation is linked to the schedule for the adoption of IPSAS.

Department responsible: Accounts Division

Status: In progress

Priority: High

Target date: First quarter of 2012

191. **In paragraph 173, UNDP agreed with the Board's recommendation that it accurately calculate and disclose accrued annual leave and repatriation grant liabilities on the face of the financial statements.**

192. Implementation is linked to the schedule for the adoption of IPSAS.

Department responsible: Accounts Division

Status: In progress

Priority: High

Target date: First quarter of 2012

193. **In paragraph 191, the Board recommended that UNDP carry out project risk management to mitigate the risks arising from implementation of the International Public Sector Accounting Standards throughout the life of the project.**

194. Implementation is linked to the schedule for the adoption of IPSAS.

Department responsible: Accounts Division

Status: In progress

Priority: High

Target date: First quarter of 2012

195. **In paragraph 194, the Board recommended that UNDP review all indicators of achievement reflected in the results management database and ensure that they are specific, measurable, attainable, relevant and time-bound.**

196. Implementation involves actions of external parties.

Department responsible: Operations Support Group

Status: In progress

Priority: High

Target date: Second quarter of 2011

197. **In paragraph 232, UNDP agreed with the Board's reiterated recommendation that it establish benchmarks for procurement lead times, for both exigency and normal situations (from 2004-2005).**

198. This is a residual step of the implementation strategy, based on prioritization.

Department responsible: Procurement Support Office

Status: In progress

Priority: Medium

Target date: First quarter of 2011

199. **In paragraph 236, the Board recommended that UNDP ensure, prior to dealing with prospective vendors, that they are not listed on the Security Council list of prohibited suppliers.**

200. This was a residual step of the implementation strategy, based on prioritization.

Department responsible: Procurement Support Office

Status: Implemented

Priority: Medium

Target date: Not applicable

201. In paragraph 239, UNDP agreed with the Board's recommendation that it put in place individual and consolidated procurement plans, at country offices and at headquarters (from 2004-2005).

202. This is a residual step of the implementation strategy, based on prioritization.

Department responsible: Procurement Support Office

Status: In progress

Priority: High

Target date: Fourth quarter of 2011

203. In paragraph 240, UNDP agreed with the Board's recommendation that it develop a software tool to assist units in procurement planning.

204. This is a residual step of the implementation strategy, based on prioritization.

Department responsible: Procurement Support Office

Status: In progress

Priority: Medium

Target date: Fourth quarter of 2011

205. In paragraph 245, the Board recommended that UNDP implement measures to make procurement certification a prerequisite for a "buyer" profile in Atlas.

206. This was a residual step of the implementation strategy, based on prioritization.

Department responsible: Procurement Support Office

Status: Implemented

Priority: Medium

Target date: Not applicable

207. In paragraph 264, UNDP agreed with the Board's recommendation that it (a) establish a formal policy for the recording and accounting of direct expenditure modality assets on the Atlas asset module at the country office level and at headquarters; and (b) implement procedures to effectively control direct expenditure modality assets.

208. Implementation is linked to the schedule for the adoption of IPSAS.

Department responsible: Administrative Services Division

Status: In progress

Priority: High

Target date: First quarter of 2012

209. **In paragraph 272, UNDP agreed with the Board's recommendation that it implement controls in the physical verification procedures, including the identification of unserviceable, redundant or obsolete items.**

210. This was a residual step of the implementation strategy, based on prioritization.

Department responsible: Administrative Services Division

Status: Implemented

Priority: High

Target date: Not applicable

211. **In paragraph 291, UNDP agreed with the Board's recommendation that it (a) improve all controls over leave administration in both the IMIS and Atlas systems to ensure accurate leave balances; and (b) perform an internal audit of leave management to ensure the accuracy of leave balances (from 2004-2005).**

212. This is a residual step of the implementation strategy, based on prioritization.

Department responsible: Office of Human Resources

Status: In progress

Priority: High

Target date: Third quarter of 2010

213. **In paragraph 298, UNDP agreed with the Board's recommendation that it implement controls to ensure that performance evaluations relating to special service agreements are performed in a timely manner, as required by the special service agreement policies and procedures.**

214. This was a residual step of the implementation strategy, based on prioritization.

Department responsible: Procurement Support Office

Status: Implemented

Priority: Medium

Target date: Not applicable

215. **In paragraph 301, UNDP agreed with the Board's recommendation that it ensure that all country offices maintain rosters of local consultants, in compliance with special service agreement policies and procedures.**

216. This was a residual step of the implementation strategy, based on prioritization.

Department responsible: Procurement Support Office

Status: Implemented

Priority: Medium

Target date: Not applicable

217. **In paragraph 305, UNDP agreed with the Board's recommendation that it implement controls to ensure that country offices and business units develop business continuity plans, disaster recovery plans and change control policies.**

218. This is a residual step of the implementation strategy, based on prioritization.

Department responsible: Security Office
Status: In progress
Priority: High
Target date: Fourth quarter of 2010

219. **In paragraph 348, the Board recommended that UNDP (a) prioritize the financial closure of all operationally closed projects; and (b) address the causes for delays in the finalization of projects.**

220. The recommendation is ongoing in nature.

Department responsible: Accounts Division
Status: In progress
Priority: High
Target date: Fourth quarter of 2011

221. **In paragraph 392, UNDP agreed with the Board's recommendation that it ensure that the country offices comply with the deadlines prescribed in the call for audit.**

Department responsible: Office of Audit and Investigations
Status: Implemented
Priority: High
Target date: Not applicable

222. **In paragraph 438, the Board recommended that UNDP, in collaboration with the Development Operations Coordination Office, implement controls to ensure that standard memorandums of understanding are completed for all common service agreements at the country level.**

223. The recommendation is ongoing in nature.

Department responsible: Administrative Services Division and United Nations Development Operations Coordination Office
Status: In progress
Priority: Medium
Target date: Fourth quarter of 2011

V. United Nations Children's Fund

A. Implementation of the recommendations contained in the report of the Board of Auditors for the financial period ended 31 December 2009⁷

224. The status of implementation of recommendations as at July 2010 is summarized in tables 9 and 10 and figures VIII and IX.

⁷ A/65/5/Add.2, chap. II.

Table 9
Status of implementation of main recommendations

<i>Department responsible</i>	<i>Number of recommendations</i>	<i>Not accepted</i>	<i>Implemented or closure requested</i>	<i>In progress</i>	<i>Target date set</i>	<i>No target date</i>
Division of Financial and Administrative Management	6	1	—	5	4	1
Division of Human Resources	2	—	—	2	2	—
Division of Policy and Practice	1	—	1	—	—	—
Supply Division	1	—	—	1	1	—
Public Sector Alliance and Resources Mobilization Office	3	—	—	3	3	—
Evaluation Office	1	—	—	1	1	—
Private Fundraising and Partnerships Division	1	—	—	1	1	—
Internal Audit Office	1	—	—	1	1	—
One Enterprise Resource Planning Team	1	—	—	1	1	—
Regional and country offices	4	1	1	2	2	—
Total	21	2	2	17	16	1

Figure VIII
UNICEF
Status of implementation of main recommendations

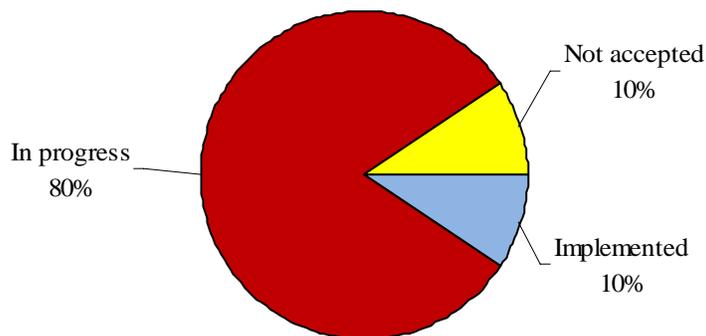
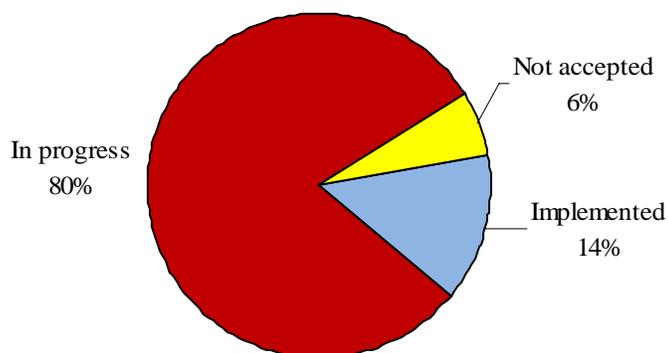


Table 10
Status of implementation of all recommendations

<i>Department responsible</i>	<i>Number of recommendations</i>	<i>Not accepted</i>	<i>Implemented or closure requested</i>	<i>In progress</i>	<i>Target date set</i>	<i>No target date</i>
Division of Financial and Administrative Management	11	2	—	9	7	2
Division of Human Resources	5	—	—	5	5	—
Division of Policy and Practice	2	—	1	1	1	—

<i>Department responsible</i>	<i>Number of recommendations</i>	<i>Not accepted</i>	<i>Implemented or closure requested</i>	<i>In progress</i>	<i>Target date set</i>	<i>No target date</i>
Supply Division	4	—	—	4	4	—
Public Sector Alliance and Resources Mobilization Office	5	—	—	5	5	—
Evaluation Office	1	—	—	1	1	—
Private Fundraising and Partnerships Division	2	—	—	2	2	—
Office of Internal Audit	1	—	—	1	1	—
One Enterprise Resource Planning Team	1	—	—	1	1	—
Office of Emergency Programmes	1	—	—	1	1	—
Information Technology Solutions and Services Division	2	—	1	1	1	—
Regional and country offices	15	1	5	9	9	—
Total	50	3	7	40	38	2

Figure IX
UNICEF
Status of implementation of all recommendations



225. In paragraph 22, the United Nations Children's Fund (UNICEF) agreed with the Board's recommendation that it update its IPSAS communication and training plan according to the new timeline for full IPSAS adoption.

Department responsible: Division of Financial and Administrative Management

Status: In progress

Priority: High

Target date: Fourth quarter of 2010

226. In paragraph 26, the Board recommended that UNICEF review its current practice of obtaining assurance on programme expenditures and take

appropriate measures to obtain such assurance to ensure the validity of the programme expenditures.

227. UNICEF considers that this recommendation has been implemented. In accordance with the Harmonized Approach to Cash Transfers, audits should be scheduled at least once during the programme cycle if more than US\$ 500,000 in cash transfers is received/disbursed (or is expected to be received/disbursed) collectively from the agencies during the period covered by the country programme action plans, or for implementing partners who receive less than US\$ 500,000, if considered necessary by one or more agency. UNICEF obtains audit reports at least once during the programme cycle if the Harmonized Approach to Cash Transfers criteria are met.

Department responsible: Division of Policy and Practice

Status: Implemented

Priority: High

Target date: Not applicable

228. In paragraph 36, the Board recommended that UNICEF consider amending its Financial Regulations to ensure that under the accounting treatment in relation to cash transfers, such transfers provided in advance to the implementing partners are recorded as advances and are only recognized as programme expenditure when the appropriate financial utilization reports have been received.

229. UNICEF does not accept this recommendation. The original recommendation of the United Nations Board of Auditors in 1969 was to treat cash transfers made to partners as expenditure and discussions held with the Board in 1995 and 2002 led to the same conclusion concerning accounting treatment.

Department responsible: Division of Financial and Administrative Management

Status: Not accepted

Priority: High

Target date: Not applicable

230. In paragraph 40, the Board recommended that UNICEF review its costing methodology on the provision of procurement services so that indirect costs could be appropriately allocated and charged to the handling fee income.

231. UNICEF has initiated a review of its methodology so that more transparency is achieved in the use of handling fee income.

Department responsible: Supply Division

Status: In progress

Priority: Medium

Target date: Fourth quarter of 2011

232. In paragraph 45, the Board reiterated its previous recommendation that UNICEF ensure that all field offices monitor and update the document

authorization table, the table of authority and the signatory panel in a timely manner to ensure their consistency.

233. UNICEF has reconciled differences at the country offices where exceptions were noted. UNICEF continues to remind its country offices of their responsibilities.

Department responsible: Regional and country offices

Status: Implemented

Priority: Medium

Target date: Not applicable

234. In paragraph 50, the Board recommended that UNICEF (a) strictly comply with the provisions of UNICEF financial circular 34 relating to segregation of duties between the certification and approval functions; and (b) establish approving control over freight invoices of less than \$50,000.

235. UNICEF is analysing compliance with financial circular 34, while still efficiently managing the volume of invoices and the financial risk involved with low-value invoices.

Department responsible: Supply Division

Status: In progress

Priority: Medium

Target date: First quarter of 2011

236. In paragraph 54, UNICEF agreed with the Board's recommendation that it intensify its efforts to reconcile its accounts receivable and payable balances with other United Nations agencies.

237. Rigorous balance reconciliation and recovery activities were initiated in 2009 and are being pursued actively to date.

Department responsible: Division of Financial and Administrative Management

Status: In progress

Priority: Medium

Target date: Fourth quarter of 2012

238. In paragraph 58, UNICEF agreed with the Board's recommendation that it disclose the value of all land under its control as well as the basis of the valuation in the notes to the financial statements.

239. UNICEF agreed to reference "land" in the financial statements, including in the note on accounting policies.

Department responsible: Division of Financial and Administrative Management

Status: In progress

Priority: Medium

Target date: Fourth quarter of 2012

240. **In paragraph 62, the Board recommended that UNICEF revise its accounting policy and disclose its end-of-service liabilities on the face of the financial statements in conjunction with the adoption of IPSAS.**

241. The policy of UNICEF is to report its end-of-service liabilities in the notes to the financial statements, which is in compliance with the United Nations system accounting standards. UNICEF plans to disclose its end-of-service liabilities on the face of the financial statements in conjunction with the adoption of IPSAS, which will take effect from 1 January 2012.

Department responsible: Division of Financial and Administrative Management

Status: In progress

Priority: High

Target date: Fourth quarter of 2012

242. **In paragraph 71, UNICEF agreed with the Board's recommendation that it take appropriate measures to ensure the accuracy of the data used in the computation of end-of-service liabilities (including after-service health insurance) in future financial periods.**

243. UNICEF agrees that reporting from field offices on census data should in future be better synchronized with the valuation timeline agreed upon with the actuary.

Department responsible: Division of Financial and Administrative Management

Status: In progress

Priority: High

Target date: Fourth quarter of 2012

244. **In paragraph 75, the Board recommended that UNICEF set aside adequate reserves to fund the end-of-service liabilities.**

245. UNICEF has taken the approach of prudently building up its reserves over time and taking into consideration the allocation of resources to programme activities. UNICEF continues to monitor the unfunded portion of after-service health insurance and separation costs in order to maintain a balance in the longer term between building up the reserves and delivering on its programme mandate.

Department responsible: Division of Financial and Administrative Management

Status: In progress

Priority: Medium

Target date: Ongoing

246. **In paragraph 84, the Board recommended that UNICEF consider a revision of its policy for the valuation of leave liability in preparation for the implementation of the International Public Sector Accounting Standards.**

247. UNICEF notes that the valuation used as at 31 December 2009 is in compliance with the United Nations system accounting standards. UNICEF

considers the following interpretation of the relevant requirements under IPSAS 25 related to the commutation of annual leave to be appropriate. Annual leave is only payable when a staff member separates from UNICEF and, in accordance with conventionally applied last in-first out protocols, is derived from unused annual leave days that have gradually accrued over the entire active careers of staff members. As such, this benefit does not meet the requirements of a short-term benefit under paragraph 10 of IPSAS 25, in which, as noted by the external auditors, short-term employee benefits are defined as “benefits (other than termination benefits) which fall due wholly within twelve months after the end of the period in which the employees render the related service”. It has, therefore, been treated as a post-employment benefit and has been measured at the present value of the obligation in accordance with the projected unit credit methodology prescribed under IPSAS.

248. However, given that the audit recommendation has been assumed across the United Nations system, UNICEF intends to discuss the matter further with the IPSAS system-wide group with a view to the development of a harmonized approach across the United Nations system.

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

249. In paragraph 96, the Board recommended that UNICEF: (a) develop training courses for staff members in respect of results-based budgeting methodology; (b) include in future budget submissions resource estimates as well as activities for each expected result; and (c) establish a monitoring mechanism to facilitate the tracking of budget implementation as well as progress towards the achievement of results.

250. UNICEF agrees with the recommendations in components (a) and (c). With regard to component (b), UNICEF notes that strengthening results-based budgeting with specific focus on detailing activities and related costs and including them in budget submissions is an item to be worked out as part of the joint review being undertaken together with UNDP and the United Nations Population Fund (UNFPA). As requested by their respective Executive Boards, UNICEF, together with UNDP and UNFPA, is reviewing the practices of other bilateral agencies as well as of United Nations agencies to identify “best” practices in the area of results-based budgeting. The findings of this review will be implemented in conjunction with the Executive Board-endorsed road map with a view to achieving an integrated budget presentation for the period starting in 2014.

Department responsible: Division of Financial and Administrative Management
Status: In progress
Priority: High
Target date: Fourth quarter of 2014

251. In paragraph 102, UNICEF agreed with the Board’s recommendation that it: (a) provide necessary support to the offices with higher programme budget

allotment extension rates to improve programme implementation; and (b) put in place measures to monitor the timeliness of submission of requests for programme budget allotment extensions by field offices.

252. As a part of the enterprise resource planning VISION project, the Systems Applications and Products grants reporting schedule has been redesigned to enable fund recipient offices to log their requests for extension in the One ERP system so that the date of submission can be tracked along with the rationale for the request for extension and the date of approval or rejection of the request. This solution allows for the electronic collection of data, the analysis of trends and the identification of gaps in performance, and will lead to recommendations for corrective action.

Department responsible: Public Sector Alliance and Resource Mobilization Office

Status: In progress

Priority: High

Target date: First quarter of 2012

253. In paragraph 106, UNICEF agreed with the Board's recommendation that it establish a policy to regulate the process for refunds.

254. UNICEF is currently working on updating its regulatory framework, which includes a requirement to create a policy on the valuation of refunds to donors and on the provision of refunds. The policy will be formulated in the context of the implementation of IPSAS. It will define: accountability; the basis for refunds; the time frame; the refund clause in donor agreements; UNICEF refund provision; and how the value of refunds will be determined.

Department responsible: Public Sector Alliance and Resource Mobilization Office

Status: In progress

Priority: Medium

Target date: Fourth quarter of 2011

255. In paragraph 115, UNICEF agreed with the Board's recommendation that it ensure that all country offices plan and implement monitoring/assurance activities in accordance with financial circular No. 15 and the Framework for Cash Transfers to Implementing Partners.

256. UNICEF will continue to remind all its country offices of the requirements of financial circular No. 15 and the Harmonized Approach to Cash Transfers (HACT) Guidelines on Cash Transfer to Implementing Partners.

Department responsible: Division of Policy and Practice

Status: In progress

Priority: Medium

Target date: Fourth quarter of 2010

257. In paragraph 123, UNICEF agreed with the Board's reiterated recommendation that it intensify its efforts to settle long-outstanding cash transfers.

258. UNICEF continues to monitor long-outstanding cash transfers rigorously. Owing to the nature of the environment in which UNICEF works, this will continue to be an ongoing effort.

Department responsible: Division of Financial and Administrative Management

Status: In progress

Priority: High

Target date: Ongoing

259. In paragraph 128, the Board reiterated its previous recommendation that UNICEF ensure that its field offices comply with financial circular No. 15 on the issuance of official receipts by the recipients of cash transfers.

260. UNICEF has implemented this recommendation in many country offices and will continue to work with its country offices to ensure official receipts are received from the recipients of cash assistance.

Department responsible: Regional and country offices

Status: In progress

Priority: High

Target date: Fourth quarter of 2010

261. In paragraph 134, UNICEF agreed with the Board's recommendation that it ensure that all the completed evaluation reports are submitted and rated in a timely manner, in accordance with the provisions of the UNICEF evaluation policy (E/ICEF/2008/4).

262. A new strategy currently being implemented has already produced improved results.

Department responsible: Evaluation Office

Status: In progress

Priority: High

Target date: Fourth quarter of 2010

263. In paragraph 138, UNICEF agreed with the Board's recommendation that it ensure that all regional offices request country offices to regularly provide feedback on the support given by regional offices, so as to strengthen their support activities.

264. Surveys have already been conducted in several regions or are planned to be conducted by the end of 2010. The results of completed surveys are currently under analysis.

Department responsible: Regional offices

Status: In progress

Priority: Medium

Target date: Fourth quarter of 2010

265. **In paragraph 142, the Board recommended that UNICEF ensure that all country offices strictly comply with the provisions of the UNICEF Programme Policy and Procedures Manual in relation to the preparation and implementation of annual management plans.**

266. UNICEF has completed annual management plans, which are closely monitored by all offices audited.

Department responsible: Country offices
Status: Implemented
Priority: Medium
Target date: Not applicable

267. **In paragraph 145, UNICEF agreed with the Board's recommendation that it ensure that all country offices: (a) prepare realistic integrated monitoring and evaluation plans; and (b) make every effort to improve the completion rate of the integrated monitoring and evaluation plans.**

268. UNICEF has completed its integrated monitoring and evaluation plans and has taken the audit recommendation into account in their preparation.

Department responsible: Country offices
Status: Implemented
Priority: Medium
Target date: Not applicable

269. **In paragraph 149, UNICEF agreed with the Board's recommendations that it ensure that all field offices: (a) establish mechanisms to follow up on the recommendations made during field trips; and (b) comply with procedures included in the field trip checklist.**

Department responsible: Regional and country offices
Status: In progress
Priority: Medium
Target date: Fourth quarter of 2010

270. **In paragraph 153, UNICEF agreed with the Board's recommendation that it ensure that all country offices update their emergency preparedness and response plans in a timely manner, in accordance with the UNICEF Programme Policy and Procedures Manual.**

Department responsible: Office of Emergency Programmes
Status: In progress
Priority: Medium
Target date: Fourth quarter of 2010

271. **In paragraph 158, UNICEF agreed with the Board's recommendation that it strictly comply with the provisions of the Supply Manual in relation to competitive bidding, and maintain written justifications in related files for exceptions.**

Department responsible: Country offices

Status: Implemented

Priority: High

Target date: Not applicable

272. In paragraph 163, the Board reiterated its previous recommendation that UNICEF ensure that all offices include in purchase orders a penalty clause for late delivery, in accordance with the provisions of the UNICEF Supply Manual.

273. UNICEF notes that its Supply Manual does not require offices to include in purchase orders a penalty clause for late delivery. UNICEF notes that the cases mentioned are in compliance with the Supply Manual because liquidated damages are optional.

Department responsible: Regional and country offices

Status: Not accepted

Priority: High

Target date: Not applicable

274. In paragraph 168, UNICEF agreed with the Board's recommendation that it ensure that all country offices submit vaccine arrival reports to the Supply Division within the time frame specified in the Supply Manual.

Department responsible: Supply Division

Status: In progress

Priority: Medium

Target date: First quarter of 2011

275. In paragraph 172, UNICEF agreed with the Board's recommendations that it ensure that all offices update the supplier database in a timely manner and maintain proper records of listed suppliers, in accordance with the requirements of the Supply Manual.

Department responsible: Country offices

Status: In progress

Priority: Medium

Target date: Third quarter 2010

276. In paragraph 177, the Board recommended that UNICEF take appropriate measures to improve its management of non-expendable property, including ensuring the completeness and accuracy of the non-expendable property records.

277. UNICEF is in the process of reviewing and strengthening its manual on non-expendable property management procedures, while awaiting the implementation of One ERP in 2012, including the new asset accounting module which will automate many of the current manual processes. As part of this new system roll-out, non-expendable property policies and procedures will also be reviewed and revised to reflect system changes, as well as the roles and responsibilities of the purchasing divisions in terms of accountability for assets purchased by them.

Department responsible: Division of Financial and Administrative Management

Status: In progress

Priority: High

Target date: Fourth quarter of 2011

278. In paragraph 181, UNICEF agreed with the Board's recommendation that it ensure that the Regional Office for South Asia and the Eastern and Southern Africa Regional Office take appropriate measures to expedite disposal of their non-expendable properties.

279. The UNICEF Regional Office for South Asia and Eastern and Southern Africa Regional Office have implemented the recommendation.

Department responsible: Regional offices

Status: Implemented

Priority: Medium

Target date: Not applicable

280. In paragraph 185, UNICEF agreed with the Board's recommendation that it ensure that the Supply Division adheres strictly to Supply Division procedure 006 to deal with stock materials nearing the end of their shelf life.

281. UNICEF agrees to adhere to relevant Supply Division procedures in order to deal with stock nearing the end of its shelf life, while ensuring that those procedures support appropriate decision-making.

Department responsible: Supply Division

Status: In progress

Priority: High

Target date: First quarter of 2011

282. In paragraph 188, UNICEF agreed with the Board's recommendation that it ensure that the Niger and Senegal country offices take measures to avoid the long-term storage and expiration of supply items.

283. Tools have been created and are being used to improve warehouse/stock management.

Department responsible: Country offices

Status: In progress

Priority: Medium

Target date: Fourth quarter of 2010

284. In paragraph 192, the Board recommends that UNICEF ensure that all country offices, in coordination with implementing partners when necessary, improve the conditions for the storage of programme supplies.

285. Discussions have taken place with implementing partners where exceptions were noted and improvements are being made.

Department responsible: Country offices

Status: In progress

Priority: Medium

Target date: Fourth quarter of 2010

286. In paragraph 195, UNICEF agreed with the Board's recommendations that it: (a) review the necessity for posts that had been vacant for long periods; and (b) take appropriate measures to fill the remaining vacancies.

287. Current vacancies in e-Recruitment are monitored closely. The Division of Human Resources engages in concerted continuous dialogue with regional office and country office human resources representatives.

Department responsible: Division of Human Resources

Status: In progress

Priority: High

Target date: Fourth quarter of 2011

288. In paragraph 200, UNICEF agreed with the Board's recommendation that it set up a clear timeline for requesting offices/divisions to make recommendations relating to the shortlists so as to expedite the recruitment process.

289. UNICEF recommends that the selection process be completed within 90 days. Communication from the Division of Human Resources to regional and country offices reiterating clear timelines, roles and accountabilities is planned.

Department responsible: Division of Human Resources

Status: In progress

Priority: Medium

Target date: Fourth quarter of 2010

290. In paragraph 205, UNICEF agreed with the Board's recommendation that it: (a) adhere strictly to the provisions of the UNICEF Human Resources Manual in relation to performance evaluation; and (b) establish a mechanism to monitor the overall completion rate of the performance evaluation reports.

291. e-PAS was launched in February 2010 for internationally recruited Professional staff, and compliance metrics are available in real time.

Department responsible: Division of Human Resources and regional and country offices

Status: In progress

Priority: High

Target date: Fourth quarter of 2010

292. In paragraph 211, UNICEF agreed with the Board's recommendation that it strictly comply with the requirements of the UNICEF Human Resources Manual relating to the selection of consultants and individual contractors.

293. UNICEF has initiated a communications and training plan that ensures that country offices are fully aware of the UNICEF human resources policies and are fully able to apply them consistently.

Department responsible: Division of Human Resources and regional offices

Status: In progress

Priority: Medium

Target date: Fourth quarter of 2011

294. In paragraph 216, UNICEF agreed with the Board's recommendation that it ensure that all country offices strictly comply with the requirements of the UNICEF Human Resources Manual in relation to the performance evaluation of consultants and individual contractors.

295. UNICEF has initiated a communications and training plan that ensures that country offices are fully aware of UNICEF human resources policies and are fully able to apply them consistently.

Department responsible: Division of Human Resources and country offices

Status: In progress

Priority: Medium

Target date: Fourth quarter of 2011

296. In paragraph 220, UNICEF agreed with the Board's recommendation that it close user accounts in a timely manner, in accordance with the requirements of the user provisioning and password policy and the Systems, Applications and Products (SAP) Security administration procedures.

297. UNICEF has in place report-based procedures to determine users that have not logged on to the system for a year. Those reports are generated on a monthly basis and any accounts that are found to be inactive are closed.

Department responsible: Information Technology Solutions and Services Division

Status: Implemented

Priority: Medium

Target date: Not applicable

298. In paragraph 222, UNICEF agreed with the Board's recommendation that it ensure that the Niger and Cambodia country offices establish and enforce specific guidelines or procedures to improve the physical controls at their data centres.

299. UNICEF is currently revising all applicable information and communications technology security policies. As part of that effort, physical security controls have been incorporated in those policies and supplemented with guidelines. The policies are currently under review by the Information Technology Review Board and will be published for the benefit of field offices in the third quarter of 2010.

Department responsible: Information Technology Solutions and Services Division

Status: In progress

Priority: Medium

Target date: Third quarter of 2010

300. In paragraph 226, the Board recommended that UNICEF expedite the implementation of the One ERP project, in accordance with its project plan.

301. The One ERP project is on schedule for roll-out to all UNICEF locations by the end of 2011.

Department responsible: Enterprise Resource Planning Team

Status: In progress

Priority: High

Target date: First quarter of 2012

302. In paragraph 233, UNICEF agreed with the Board's recommendation that it accelerate the implementation of the internal audit recommendations stemming from headquarters and regional office audits.

Department responsible: Office of Internal Audit

Status: In progress

Priority: High

Target date: Fourth quarter of 2012

303. In paragraph 240, UNICEF agreed with the Board's recommendation that it strengthen advocacy and communication with current and potential donors to increase regular resources and global thematic funds.

304. UNICEF fund-raising strategy documents for public- and private-sector donors are currently being finalized. The strategy focuses on securing quality, predictable, multi-year and flexible funding with the overall aim of achieving the financial targets set in the Medium-Term Strategic Plan.

Department responsible: Public Sector Alliances and Resource Mobilization Office

Status: In progress

Priority: High

Target date: Third quarter of 2010

305. In paragraph 245, the Board reiterated its previous recommendation that the Private Fundraising and Partnerships Division adhere strictly to the provisions of the UNICEF Financial Regulations and Rules in relation to the retention of income by National Committees.

306. The revised Cooperation Agreement with National Committees, which is currently under negotiation, includes a clause regarding the need for National Committees to strive to meet a minimum annual contribution rate of 75 per cent.

However, it is also recognized that this may not be appropriate or feasible in all cases and therefore flexibility is provided to negotiate a lower rate through the joint strategic planning process. Once the revised agreement has been finalized, the special supplement on the greeting card operation, which refers to the 25 per cent retention rate, will be updated accordingly.

Department responsible: Private Fundraising and Partnerships Division

Status: In progress

Priority: High

Target date: Fourth quarter of 2010

307. In paragraph 247, UNICEF agreed with the Board's recommendation that it ensure that the Private Fundraising and Partnerships Division accelerates the negotiations with National Committees and signs the joint strategic plan as early as possible.

308. Since the audit, an additional nine joint strategic plans have been finalized and signed. Ongoing internal restructuring or management changes have delayed the remaining committees, but it is still anticipated that the plans will be finalized by the end of 2010.

Department responsible: Private Fundraising and Partnerships Division

Status: In progress

Priority: Medium

Target date: Fourth quarter of 2010

309. In paragraph 252, UNICEF agreed with the Board's reiterated recommendation that it determine the cause of the delays in donor reporting by field offices and institute measures to ensure that reports are submitted in accordance with donor agreements.

310. As a part of the enterprise resource planning/VISION project, the Systems, Applications and Products (SAP) grants reporting schedule has been redesigned to improve capturing of information on the timely submission of donor reports. The system redesign and the reports will make it possible to improve the monitoring and identification of issues related to timely submission of reports.

Department responsible: Public Sector Alliances and Resource Mobilization Office

Status: In progress

Priority: High

Target date: First quarter of 2012

311. In paragraph 255, UNICEF agreed with the Board's recommendation that it ensure that all field offices strictly comply with the Programme Policy and Procedures Manual in the preparation and submission of donor reports.

312. UNICEF will update its manual on donor report preparation. The checklist is a management tool for ensuring the quality of reporting and does not need to be attached to donor reports.

313. UNICEF will share with the regional offices a good practice model of donor report quality review.

Department responsible: Public Sector Alliances and Resource Mobilization Office

Status: In progress

Priority: Medium

Target date: Third quarter of 2010

314. In paragraph 258, UNICEF agreed with the Board's recommendation that it ensure that all regional offices conduct monitoring and sample assessments of country office donor reporting performance, in accordance with the Programme Policy and Procedures Manual.

315. The assessment of country office donor reporting has already been conducted in several regions and it is planned to conduct additional assessments by the end of 2010.

Department responsible: Regional offices

Status: In progress

Priority: Medium

Target date: Fourth quarter of 2010

316. In paragraph 261, UNICEF agreed with the Board's reiterated recommendation that it ensure that all offices prepare a travel plan in compliance with the requirements of the UNICEF Administration Manual.

317. Travel plans have been prepared in the offices where exceptions were noted. UNICEF continues to remind its offices of their accountability with regard to travel.

Department responsible: Country offices

Status: In progress

Priority: Medium

Target date: Fourth quarter of 2010

318. In paragraph 267, the Board reiterated its previous recommendation that UNICEF ensure that travel requests are submitted at least two weeks prior to the anticipated departure dates at all offices, as required by the Human Resources Manual.

319. Travel costs are closely managed and operations officers, division heads and travellers have been reminded of the need for the timely submission of travel requests. WebEx training has been conducted and will continue to be conducted.

Department responsible: Division of Financial and Administrative Management

Status: In progress

Priority: Medium

Target date: Fourth quarter of 2012

B. Implementation of the recommendations of the Board of Auditors for prior financial periods

320. In annex II to its report for the financial period ended 31 December 2009 (A/65/5/Add.2, chap. II), the Board provided a summary of the status of implementation of recommendations for previous financial periods. Information is provided below on: (i) the 12 recommendations listed as outstanding from prior periods; and (ii) the overall status of prior recommendations. The information is set out in the order in which the recommendations are presented in annex II.

321. The overall situation is summarized in table 11 and figure X.

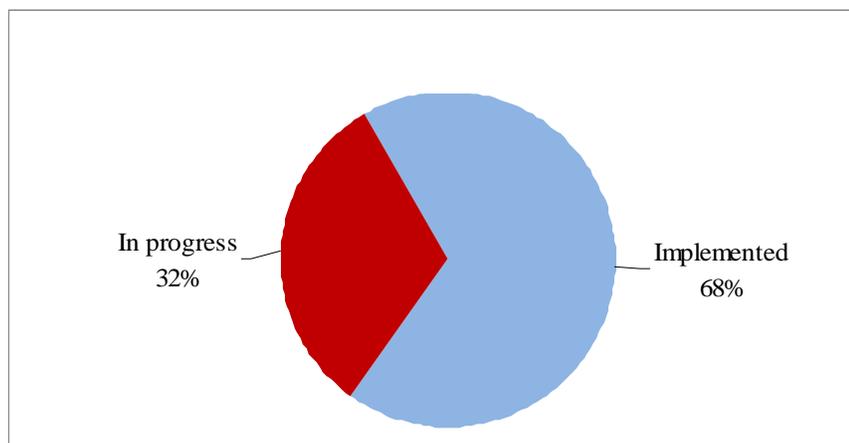
Table 11

Status of implementation of recommendations from prior periods considered not fully implemented in annex II to the report of the Board of Auditors for the financial period ended 31 December 2009

<i>Department responsible</i>	<i>Number of recommendations</i>	<i>Not accepted</i>	<i>Implemented or closure requested</i>	<i>In progress</i>	<i>Target date set</i>	<i>No target date</i>
Division of Financial and Administrative Management	3	—	—	3	2	1
Public Sector Alliances and Resource Mobilization	2	—	—	—	—	—
Private Sector Fundraising and Partnerships	3	—	—	3	2	1
Supply Division	—	—	—	—	—	—
Tokyo Office	—	—	—	—	—	—
Division of Human Resources	—	—	—	—	—	—
Division of Policy and Planning	—	—	—	—	—	—
Country Offices	2	—	1	1	—	1
Regional and Country Offices	4	—	1	3	1	2
Total Outstanding recommendations	12	—	2	10	5	5
Implemented/overtaken by events ^a	26	—	26	—	—	—
Overall status of prior recommendations	38	—	28	10	5	5

^a As reported by the Board (see A/65/5/Add.2, chap. II, annex II).

Figure X
UNICEF
Overall status of prior-period recommendations



Report of the Board for the financial period ended 31 December 2007⁸

322. **In paragraph 42, the Board recommended that UNICEF determine the cause of the delays in donor reporting by field offices and institute measures to ensure that reports are submitted in accordance with donor agreements.**

323. UNICEF has put in place mechanisms to improve the donor reporting process. It plans to introduce further monitoring tools, which would improve donor reporting.

Department responsible: Regional and country offices

Status: In progress

Priority: Medium

Target date: First quarter of 2012

324. **In paragraph 52, the Board recommended that UNICEF ensure that its country offices comply with finance circular No. 15 (Rev.3) on the issuance of official receipts by recipients of cash assistance.**

325. UNICEF has implemented this recommendation in many country offices and will continue to work with its country offices to ensure official receipts are received from recipients of cash assistance.

Department responsible: Country offices

Status: In progress

Priority: Medium

Target date: Fourth quarter of 2010

326. **In paragraph 61, UNICEF agreed with the Board's recommendation that its field offices: (a) monitor closely cash assistance provided to Governments to**

⁸ A/63/5/Add.2.

ascertain that it is utilized in accordance with the objectives of the approved projects; (b) clear all long-outstanding cash assistance/transfers to Governments; and (c) make further cash transfers to implementing partners only upon the submission of cash utilization reports.

327. UNICEF has continued to follow up with country offices by means of the various monitoring tools currently available. Long-outstanding balances were due to different situations of implementing partners, such as staff turnover and delayed implementation of projects.

Department responsible: Regional and country offices

Status: In progress

Priority: High

Target date: Ongoing

328. **In paragraph 69, UNICEF agreed with the Board's recommendation that country offices: (a) monitor regularly the changes made in the document authorization tables; (b) update periodically the tables of authority; and (c) establish procedures to ensure that the assignment of financial authorities in the Programme Manager System is consistent with that contained in the table of authority.**

329. UNICEF has reconciled differences at the country offices where exceptions were noted. UNICEF continues to remind its country offices of their responsibilities.

Department responsible: Country offices

Status: Implemented

Priority: Medium

Target date: Not applicable

330. **In paragraph 114, the Board recommended that UNICEF determine the mechanisms to fully fund its end-of-service liabilities.**

331. UNICEF has taken the approach of prudently building up its reserves over time, taking into consideration the allocation of resources to programme activities. UNICEF continues to monitor the unfunded portion of after-service health insurance and separation costs in order to maintain a balance in the longer term between building up the reserves and delivering on its programme mandate.

Department responsible: Division of Financial and Administrative Management

Status: In progress

Priority: High

Target date: Ongoing

332. **In paragraph 117, the Board recommended that UNICEF disclose the details of the investment portfolio, including the market value of the investments under both the short-term and long-term classifications.**

333. UNICEF will improve the disclosure in conjunction with the adoption of IPSAS in January 2012.

Department responsible: Division of Financial and Administrative Management

Status: In progress

Priority: Medium

Target date: Fourth quarter of 2012

334. In paragraph 146, UNICEF agreed with the Board's recommendation that it take measures to improve the reliability of the inventory records in the field offices.

335. UNICEF is in the process of reviewing and strengthening its manual on non-expendable property management procedures, while awaiting the implementation of One ERP in 2012, including the new asset accounting module which will automate many of the current manual processes. As part of this new system roll-out, non-expendable property policies and procedures would also be reviewed and revised to reflect system changes, as well as the roles and responsibilities of the purchasing divisions in terms of accountability for assets purchased by them.

Department responsible: Division of Financial and Administrative Management

Status: In progress

Priority: High

Target date: Fourth quarter 2011

336. In paragraph 157, the Board recommended that UNICEF comply with the requirements of the Human Resources Manual and the related administrative instructions in respect of selection procedures in the hiring of consultants, the signing of special service agreements before the commencement of work, medical examinations and performance evaluation.

337. UNICEF has initiated a communications and training plan that ensures that country offices are fully aware of UNICEF human resources policies and are fully able to apply them consistently.

Department responsible: Regional and country offices

Status: In progress

Priority: Medium

Target date: Fourth quarter of 2011

338. In paragraph 189, the Board recommended that UNICEF ensure that the Private Sector Division enforce financial rule 9.04 relating to the retention of income by National Committees.

339. The revised Cooperation Agreement with National Committees, which is currently under negotiation, incorporates revised wording regarding the contribution

rate and also specifies additional actions required in those cases where the 25 per cent retention rate is not being met.

Department responsible: Private Sector Fundraising and Partnerships
Division

Status: In progress

Priority: High

Target date: Fourth quarter of 2010

340. In paragraph 190, the Board also recommended that UNICEF evaluate the applicability of the 25 per cent retention rate to all National Committees.

341. The revised Cooperation Agreement, which is currently under negotiation, includes a clause regarding the need for National Committees to strive to meet a minimum annual contribution rate of 75 per cent. However, it is also recognized that this may not be appropriate/feasible in all cases and, therefore, there is flexibility to negotiate a lower rate via the Joint Strategic Planning process. Once the revised agreement has been finalized, the Special Supplement on the Greeting Card Operation, which refers to the 25 per cent retention rate, will be updated accordingly.

Department responsible: Private Sector Fundraising and Partnerships

Status: In progress

Priority: Medium

Target date: Fourth quarter of 2010

342. In paragraph 196 of its report for the biennium 2006-2007, the Board recommended to UNICEF that it ensure that the Private Sector Division, in consultation with the National Committees, revises the reporting calendar for the submission of the final revenue and expenditure reports to coincide with the deadline for financial reporting.

343. UNICEF explained that revising the reporting calendar of National Committees was part of the longer-term strategy discussion of future business models for the card and gift operations.

Department responsible: Private Sector Fundraising and Partnerships

Status: In progress

Priority: Medium

Target date: Ongoing

344. In paragraph 200, UNICEF agreed with the Board's recommendation that it: (a) comply with policies and procedures on the submission of travel reports; and (b) ensure that travel advances are cleared within the 15-day period after the completion of travel.

345. UNICEF had implemented monitoring tools in many country offices to improve the submission of travel claims. This included a revised travel policy implemented in 2009, which clarified the responsibilities of staff with regard to travel claims.

<i>Department responsible:</i>	Regional and country offices
<i>Status:</i>	Implemented
<i>Priority:</i>	Medium
<i>Target date:</i>	Not applicable

VI. 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 financial period ended 31 December 2009⁹

346. The status of implementation of recommendations as at July 2010 is summarized in table 12 and figure XI. As indicated in table 12, the implementation of 32 recommendations is in progress; of these 7 are targeted for implementation before the end of 2010, and 25 by the end of 2011. Table 13 shows the status of all recommendations.

Table 12
Status of implementation of main recommendations

<i>Department responsible</i>	<i>Number of recommendations</i>	<i>Not accepted</i>	<i>Implemented or closure requested</i>	<i>In progress</i>	<i>Target date set</i>	<i>No target date</i>
Executive Office	1	—	—	1	1	—
Department of Administration	7	—	—	7	7	—
Department of Finance	12	—	1	11	11	—
Department of Human Resources	2	—	—	2	2	—
Programme Coordination and Support Unit	4	—	—	4	4	—
Department of Internal Oversight Services	3	—	—	3	2	1
Field Office Jordan	2	—	—	2	2	—
Field Office Gaza	3	—	1	2	3	—
Total	34	0	2	32	31	1

⁹ A/65/5/Add.3, chap. II.

Figure XI
UNRWA
Overall implementation of main recommendations

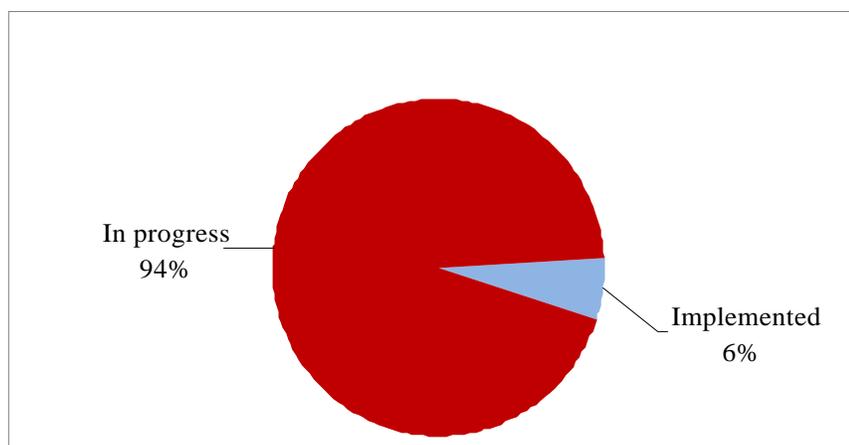
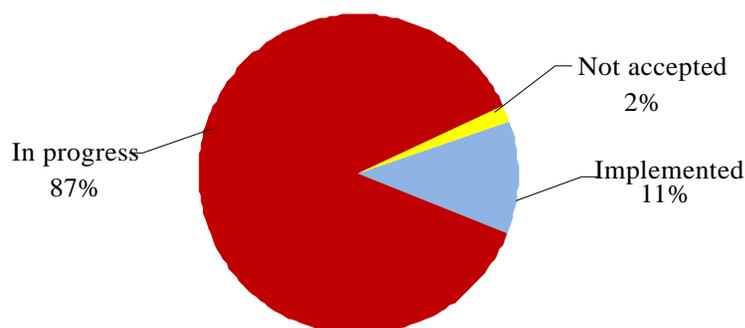


Table 13
Status of implementation of all recommendations

<i>Department responsible</i>	<i>Number of recommendations</i>	<i>Not accepted</i>	<i>Implemented or closure requested</i>	<i>In progress</i>	<i>Target date set</i>	<i>No target date</i>
Executive Office	1	—	—	1	1	—
Department of Administration	12	—	1	11	11	—
Department of Finance	19	1	1	17	17	—
Department of Human Resources	6	—	2	4	4	—
Programme Coordination and Support Unit	4	—	—	4	4	—
Department of Internal Oversight Services	9	—	—	9	8	1
Field Office Jordan	2	—	—	2	2	—
Field Office Gaza	6	—	2	4	4	—
Field Office Syrian Arab Republic	2	—	1	1	1	—
Total	61	1	7	53	52	1

Figure XII
UNRWA
Overall implementation of all recommendations



Status of main recommendations

347. In paragraph 31, UNRWA agreed with the Board's reiterated recommendation that it: (a) update its International Public Sector Accounting Standards (IPSAS) implementation plan and ensure that it is approved; and (b) include all role players and a mechanism for reporting to them in its IPSAS implementation plan.

Department responsible: Department of Finance

Status: In progress

Priority: High

Target date: Fourth quarter of 2010

348. In paragraph 32, UNRWA agreed with the Board's recommendation that it address the gaps identified in its International Public Sector Accounting Standards implementation plan.

Department responsible: Department of Finance

Status: In progress

Priority: High

Target date: Fourth quarter of 2010

349. In paragraph 36, UNRWA agreed with the Board's recommendation that it: (a) allocate areas of responsibility with regard to the preparation and review of financial statements; and (b) maintain evidence that supports its monitoring of compliance with year-end closure instructions.

Department responsible: Department of Finance

Status: In progress

Priority: High

Target date: Fourth quarter of 2011

350. In paragraph 40, UNRWA agreed with the Board's recommendation that it strengthen its controls regarding the preparation and review of its financial statements.

Department responsible: Department of Finance

Status: In progress

Priority: High

Target date: Fourth quarter of 2011

351. In paragraph 43, UNRWA agreed with the Board's recommendation that it continue its process to ensure that it accounts for all its land and buildings in its financial statements.

352. The valuation of land and buildings project has been completed and the data are in the process of being uploaded into the current fixed-assets system.

Department responsible: Department of Finance

Status: In progress

Priority: High

Target date: Fourth quarter of 2010

353. In paragraph 47, UNRWA agreed with the Board's recommendation that it correct the classification of \$20.1 million from contributions receivable under regular funds — earmarked to regular funds unearmarked.

Department responsible: Department of Finance

Status: In progress

Priority: Medium

Target date: Fourth quarter of 2011

354. In paragraph 51, UNRWA agreed with the Board's recommendation that it: (a) implement adequate processes to record and capture outstanding pledges; (b) conduct regular review of outstanding pledges in order for the Agency to keep track of long-outstanding pledges; and (c) implement processes to review the listings of pledges compiled outside the financial management system.

Department responsible: Department of Finance

Status: In progress

Priority: Medium

Target date: Fourth quarter of 2011

355. In paragraph 54, UNRWA agreed with the Board's recommendation that it revise its disclosure notes to its financial statements to include information on account balances affected by the change in accounting policy.

Department responsible: Department of Finance

Status: In progress

Priority: High

Target date: Fourth quarter of 2011

356. In paragraph 59, UNRWA agreed with the Board's recommendation that it implement adequate cut-off procedures to ensure all transactions relating to the reporting period are accounted for.

Department responsible: Department of Finance

Status: In progress

Priority: Medium

Target date: Fourth quarter of 2011

357. In paragraph 60, UNRWA agreed with the Board's further recommendation that, together with the UNRWA Area Staff Provident Fund, it ensure that the amounts per the line items included in the reconciliation of the UNRWA accounts payable and UNRWA Provident Fund accounts receivable are agreed and address any differences noted in amounts disclosed in the financial statements.

Department responsible: Department of Finance

Status: In progress

Priority: Medium

Target date: Fourth quarter of 2011

358. In paragraph 63, UNRWA agreed with the Board's recommendation that it revise note 14.3 to correctly reflect transactions that have occurred.

Department responsible: Department of Finance

Status: In progress

Priority: Medium

Target date: Fourth quarter of 2011

359. In paragraph 65, UNRWA agreed with the Board's recommendation that it: (a) enhance its controls over the review of the accounts payable listings and the ageing analysis; and (b) implement procedures to prepare and review the creditors' reconciliations on a regular basis.

360. A new system generated per field monthly ageing report is now available. Action is being taken to manage old pending accounts payable.

Department responsible: Department of Finance

Status: In progress

Priority: High

Target date: Fourth quarter of 2010

361. In paragraph 71, UNRWA agreed with the Board's recommendation that it implement procedures to perform a regular detailed review of unliquidated commitments.

Department responsible: Department of Finance

Status: In progress

Priority: High

Target date: Fourth quarter of 2011

362. **In paragraph 78, UNRWA agreed with the Board's recommendation that it: (a) implement procedures to ensure that amounts disclosed in the financial statements are fully supported by relevant schedules and that old obligations are treated in accordance with the United Nations system accounting standards; and (b) strengthen its validation process for unliquidated obligations.**

Department responsible: Department of Finance

Status: In progress

Priority: High

Target date: Fourth quarter of 2011

363. **In paragraph 79, UNRWA agreed with the Board's further recommendation that it consider adequate procedures to enable it to have assurance regarding the accuracy of balances included in its financial statements.**

Department responsible: Department of Finance

Status: In progress

Priority: High

Target date: Fourth quarter of 2011

364. **In paragraph 81, UNRWA agreed with the Board's recommendation that it enhance controls over the review of construction completion reports and subsequent sign-off for certification purposes.**

Department responsible: Department of Finance

Status: In progress

Priority: Medium

Target date: Fourth quarter of 2011

365. **In paragraph 85, UNRWA agreed with the Board's recommendation that it: (a) formulate an accounting policy for treatment of construction work in progress in the financial statements; and (b) consider adequate disclosure of the sources of financing for the construction additions as required by the United Nations systems accounting standards.**

Department responsible: Department of Finance

Status: In progress

Priority: High

Target date: Fourth quarter of 2011

366. **In paragraph 92, the Board recommends to UNRWA that it disclose the liabilities for repatriation grant and leave pay encashment in its financial statements.**

Department responsible: Department of Finance

Status: Not accepted

Priority: Medium

Target date: Not applicable

367. In paragraph 95, UNRWA agreed with the Board's recommendation that it ensure that senior officers review all monthly bank reconciliations for headquarters (Gaza).

Department responsible: Department of Finance

Status: Implemented

Priority: High

Target date: Not applicable

368. In paragraph 101, UNRWA agreed with the Board's recommendation that it adopt a policy covering the management of all projects that, inter alia, set out the responsibilities of all role players, as well as the competencies and training they require.

369. Draft Project Management Handbook has been completed and is due to be reviewed by stakeholders including UNRWA Management Committee in July and August this year.

Department responsible: Programme Coordination and Support Unit

Status: In progress

Priority: High

Target date: Fourth quarter of 2010

370. In paragraph 102, UNRWA agreed with the Board's recommendation that it establish a system to record and apply lessons learned in project implementation.

Department responsible: Programme Coordination and Support Unit

Status: In progress

Priority: High

Target date: Fourth quarter of 2011

371. In paragraph 103, UNRWA agreed with the Board's reiterated recommendation that it update the project procedures manual, with input from the field offices, and benchmark it against best practice and international standards.

Department responsible: Programme Coordination and Support Unit

Status: In progress

Priority: High

Target date: Fourth quarter of 2010

372. In paragraph 104, UNRWA agreed with the Board's recommendation that it liaise with field offices to implement the project management support required by them.

Department responsible: Programme Coordination and Support Unit

Status: In progress

Priority: High

Target date: Fourth quarter of 2011

373. In paragraph 111, UNRWA agreed with the Board's recommendation that it implement suitable control mechanisms to review purchase orders on a regular basis and follow up long-outstanding purchase orders.

Department responsible: Gaza field office

Status: In progress

Priority: High

Target date: Fourth quarter of 2011

374. In paragraph 114, UNRWA agreed with the Board's recommendation that the Jordan field office consider measures to enable it to comply with the requirement of UNRWA policies and procedures regarding the raising of purchase orders before the goods are delivered.

Department responsible: Jordan field office

Status: In progress

Priority: High

Target date: Fourth quarter of 2011

375. In paragraph 119, UNRWA agreed with the Board's recommendation that the UNRWA Gaza field office consider measures to enable it to comply with the requirements of the Procurement Manual and Financial Technical Instrument number 16 guidelines with regard to the authorization and payment in advance for goods and services.

Department responsible: Gaza field office

Status: Implemented

Priority: Medium

Target date: Not applicable

376. In paragraph 126, UNRWA agreed with the Board's recommendation that it consider ways to enable it to comply with UNRWA policies and procedures with regard to making payment for goods only after the receipt of the necessary supporting documentation (i.e., suppliers invoice and goods received note).

Department responsible: Gaza field office

Status: Implemented

Priority: High

Target date: Not applicable

377. In paragraph 134, UNRWA agreed with the Board's recommendation that it maintain a consolidated asset register to ensure accountability for its property.

Department responsible: Administration Services Department

Status: In progress

Priority: High

Target date: Fourth quarter of 2010

378. In paragraph 141, UNRWA agreed with the Board's recommendation that it comply with implemented procedures to perform physical verification of the existence of assets and the condition of the assets and investigate and adjust for variances.

Department responsible: Gaza field office

Status: In progress

Priority: High

Target date: Fourth quarter of 2011

379. In paragraph 142, UNRWA agreed with the Board's recommendation that it: (a) review the asset register to ensure that assets exist and are correctly valued; (b) reconcile the asset register with the result of physical counts; and (c) correct the misstatement in the fixed assets register for the asset item overstated by \$176,220.

Department responsible: Gaza field office

Status: In progress

Priority: Medium

Target date: Fourth quarter of 2011

380. In paragraph 146, the UNRWA Gaza field office agreed with the Board's recommendation that it comply with the UNRWA material supply procedures with regard to the movement of assets between locations.

Department responsible: Gaza field office

Status: In progress

Priority: Medium

Target date: Fourth quarter of 2011

381. In paragraph 155, UNRWA agreed with the Board's recommendation that it comply with requirements of the procurement and inventory management system user manual with regard to raising store demand notes when issuing inventory from warehouses.

Department responsible: Department of Administrative Services

Status: In progress

Priority: Medium

Target date: Fourth quarter of 2011

382. In paragraph 161, UNRWA agreed with the Board's recommendation that it: (a) improve its periodic inventory count procedures to address the

discrepancies between the procurement and inventory management system and actual quantities on the warehouse floor; (b) implement procedures to ensure that all items received into the warehouse are recorded in the procurement and inventory management system in a timely manner; and (c) comply with the Manual on Supply Procedures in the recording and storage of inventory.

Department responsible: Jordan field office
Status: In progress
Priority: High
Target date: Fourth quarter of 2011

383. In paragraph 169, UNRWA agreed with the Board's recommendation that it: (a) fully implement the human resource plan; and (b) implement procedures to monitor/address the vacancy rate.

Department responsible: Department of Human Resources
Status: In progress
Priority: High
Target date: Fourth quarter of 2011

384. In paragraph 170, UNRWA agreed with the Board's reiterated recommendation that it develop human resource plans for its field offices taking into account the human resource management strategy.

Department responsible: Department of Human Resources
Status: In progress
Priority: Medium
Target date: Fourth quarter of 2011

385. In paragraph 174, UNRWA agreed with the Board's recommendation that it ensure that vacant positions are filled in a timely manner.

Department responsible: Department of Human Resources
Status: In progress
Priority: High
Target date: Fourth quarter of 2011

386. In paragraph 179, UNRWA agreed with the Board's reiterated recommendation that it compile personal development plans for the rest of its staff as part of the performance appraisal process.

Department responsible: Department of Human Resources
Status: In progress
Priority: Medium
Target date: Fourth quarter of 2011

387. In paragraph 181, UNRWA agreed with the Board's recommendation that the UNRWA Syrian Arab Republic field office comply with UNRWA personnel

guidelines with regard to issuing letters of appointment at the time when the appointments are made.

Department responsible: Syrian Arab Republic field office

Status: Implemented

Priority: Medium

Target date: Not applicable

388. In paragraph 185, UNRWA agreed with the Board's recommendation that UNRWA headquarters Gaza take steps to ensure that all overtime worked is authorized by the delegated official in accordance with personnel directive A1 prior to the actual working of overtime by employees.

389. UNRWA has addressed all overtime cases. An improved personnel directive and staff circular have been issued. Overtime cases at headquarters Gaza are monitored for full compliance with established procedures.

Department responsible: Department of Human Resources

Status: Implemented

Priority: Medium

Target date: Not applicable

390. In paragraph 189, UNRWA agreed with the Board's recommendation that it take steps to ensure that all procedures relating to lump-sum advances for travel are complied with.

391. All outstanding lump-sum cases have been followed up and claims fully settled.

Department responsible: Department of Human Resources

Status: Implemented

Priority: Medium

Target date: Not applicable

392. In paragraph 198, UNRWA agreed with the Board's recommendation that it further develop the Agency-wide risk assessment exercise and formulate cost-effective responses to risks identified.

Department responsible: Executive Office

Status: In progress

Priority: High

Target date: Fourth quarter of 2011

393. In paragraph 200, the UNRWA Syrian Arab Republic field office agreed with the Board's recommendation that it: (a) adhere to due process as stipulated in UNRWA's inter-office memorandum with regard to the convening of the Board of Inquiry and Investigations; and (b) formulate, approve and implement a policy/directive to address the roles and functions of a Board of Inquiry and Investigations.

394. The UNRWA Syrian Arab Republic field office agrees with the recommendation and is operating within the parameters of the inter-office memorandum. There are, however, improvements to be made that will be rectified through the assistance of the newly recruited senior investigator in the latter half of 2010, who has agreed to come to the field to conduct training with staff to better their understanding of process and procedure.

Department responsible: Syrian Arab Republic field office

Status: In progress

Priority: Medium

Target date: Fourth quarter of 2011

395. In paragraph 206, UNRWA agreed with the Board's recommendation that it monitor compliance with its security plan on a regular basis.

Department responsible: Division of Administrative Services

Status: In progress

Priority: Medium

Target date: Fourth quarter of 2011

396. In paragraph 207, UNRWA agreed with the Board's recommendation that the head of the Agency, the Commissioner-General, formally delegate the responsibility for information security at UNRWA in writing to an appropriate individual.

Department responsible: Department of Administrative Services

Status: In progress

Priority: High

Target date: Fourth quarter of 2011

397. In paragraph 210, UNRWA agreed with the Board's recommendation that it: (a) implement procedures to restrict the programmers' access to the production environment; (b) perform regular reviews of all program changes made in the production environment to ensure that the changes relate to valid and approved change requests; and (c) regularly review the activities of the database administrators.

398. Owing to technical limitations of the RAMCO system, manual measures were implemented to control programmers' access to the production environment. Reviews of program changes and database activities will be implemented once new staff (currently under recruitment) is on board.

Department responsible: Department of Administrative Services

Status: In progress

Priority: High

Target date: Fourth quarter of 2011

399. In paragraph 214, UNRWA agreed with the Board's reiterated recommendation that it: (a) develop a comprehensive disaster recovery and

business continuity plan and communicate the plan to all personnel; and (b) test, review and update its disaster recovery plan on a regular basis.

400. A disaster recovery plan was drafted in 2009 and updated in March 2010. Technical elements required for the implementation of the disaster recovery plan were completed. The initial testing of the plan was conducted at headquarters to validate and update the plan before it is communicated Agency-wide. Accordingly, service-level agreements for critical enterprise systems and services will be reviewed and established with the Department of Peacekeeping Operations.

Department responsible: Department of Administrative Services

Status: In progress

Priority: High

Target date: Fourth quarter of 2011

401. In paragraph 215, UNRWA agreed with the Board's further recommendation that it establish a specific arrangement for recovery of critical operational systems with a service-level agreement with the United Nations Logistics Base/Department of Field Support.

Department responsible: Department of Administrative Services

Status: In progress

Priority: High

Target date: Fourth quarter of 2011

402. In paragraph 221, UNRWA agreed with the Board's recommendation that it: (a) implement procedures to monitor the validity of user accounts on a regular basis; (b) implement procedures to log and review irregular system activity; (c) implement procedures to monitor the activities of persons with powerful privileges (administrator privileges) by an independent person on a regular basis; and (d) ensure that access request forms are completed and signed by the respective supervisor and information systems department official before a user is granted access to the system, and maintain a record of those forms.

403. Procedures were implemented to carry out periodic reviews of inactive operation system/application system accounts and to update access request records. Review of irregular system activity and activities of persons with privileges to systems will be implemented once additional staff is on board.

Department responsible: Department of Administrative Services

Status: In progress

Priority: High

Target date: Fourth quarter of 2011

404. In paragraph 225, UNRWA agreed with the Board's recommendation that it improve the environmental and physical access controls by addressing the weaknesses identified.

Department responsible: Department of Administrative Services

Status: In progress

Priority: Medium

Target date: Fourth quarter of 2011

405. In paragraph 231, UNRWA agreed with the Board's recommendation that it: (a) establish an off-site storage facility for back-ups in accordance with UNRWA's back-up policy and procedures; and (b) establish a formal arrangement with regard to the off-site backup facility as prescribed by the back-up policy.

406. Back-up policy and operations were updated and communicated to all locations.

Department responsible: Director of Administrative Services

Status: Implemented

Priority: Medium

Target date: Not applicable

407. In paragraph 236, UNRWA agreed with the Board's recommendation that it review the system parameters and address the weaknesses identified by the security check report on the Windows domain controller.

Department responsible: Director of Administrative Services

Status: In progress

Priority: Medium

Target date: Fourth quarter of 2011

408. In paragraph 240, UNRWA agreed with the Board's recommendation that it ensure that the critical functions for system administration, programming and maintenance are not performed by the same person or alternatively, implement an independent monitoring function as a compensating control.

Department responsible: Director of Administrative Services

Status: In progress

Priority: High

Target date: Fourth quarter of 2011

409. In paragraph 250, UNRWA agreed with the Board's recommendation that it comply with Organizational Directive No. 24 — Charter of the Advisory Committee on Internal Oversight with regard to the review of financial statements.

Department responsible: Department of Internal Oversight Services

Status: In progress

Priority: High

Target date: Fourth quarter of 2011

410. In paragraph 253, UNRWA agreed with the Board's recommendation that it address the vacant positions in the Department of Internal Oversight Services.

Department responsible: Department of Internal Oversight Services

Status: In progress

Priority: High

Target date: Fourth quarter of 2011

411. In paragraph 257, the UNRWA Department of Internal Oversight Services agreed with the Board's recommendation that it plan its activities to address in a timely manner the recommendations of the Advisory Committee on Internal Oversight in relation to its work.

Department responsible: Department of Internal Oversight Services

Status: In progress

Priority: Medium

Target date: Fourth quarter of 2011

412. In paragraph 261, UNRWA, in conjunction with the Department for Internal Oversight Services, agreed with the Board's recommendation that it: (a) institute steps to ensure that cancellation of an audit assignment on the approved audit workplan is properly motivated, reviewed and subsequently approved as required by Organizational Directive No. 24 — Charter of the Advisory Committee on Internal Oversight; and (b) ensure that the Department fully execute its annual workplan.

Department responsible: Department of Internal Oversight Services

Status: In progress

Priority: Medium

Target date: Fourth quarter of 2011

413. In paragraph 266, the UNRWA Department of Internal Oversight Services agreed with the Board's recommendation that it consider the International Public Sector Accounting Standards implementation project and the area staff termination liability for inclusion in its annual audit plans.

Department responsible: Department of Internal Oversight Services

Status: In progress

Priority: High

Target date: To be determined

414. In paragraph 271, the UNRWA Department of Internal Oversight Services agreed with the Board's recommendation that it reconsider the UNRWA Area Staff Provident Fund in its risk-based annual audit workplans.

Department responsible: Department of Internal Oversight Services

Status: In progress

Priority: Medium

Target date: Fourth quarter of 2011

415. In paragraph 273, the UNRWA Department of Internal Oversight Services agreed with the Board's recommendation that it consider the identified areas of improvement in its execution of work.

Department responsible: Department of Internal Oversight Services

Status: In progress

Priority: Medium

Target date: Fourth quarter of 2011

416. In paragraph 287, the Board considered that the findings of the Department of Internal Oversight Services highlighted above reflect deficiencies in the areas concerned and the Board underscored the need for UNRWA to address these deficiencies.

Department responsible: Department of Internal Oversight Services

Status: In progress

Priority: Medium

Target date: Fourth quarter of 2011

417. In paragraph 295, UNRWA agreed with the Board's recommendation that it implement controls that address the weaknesses in controls regarding the management and reporting of cases of fraud and presumptive fraud.

Department responsible: Department of Internal Oversight Services

Status: In progress

Priority: Medium

Target date: Fourth quarter of 2011

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

418. In annex I to its report for the financial period ended 31 December 2009 (A/65/5/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: (a) the 18 recommendations listed as outstanding from prior periods; and (b) the overall status of prior recommendations. The information is set out in the order in which the recommendations are presented in annex I.

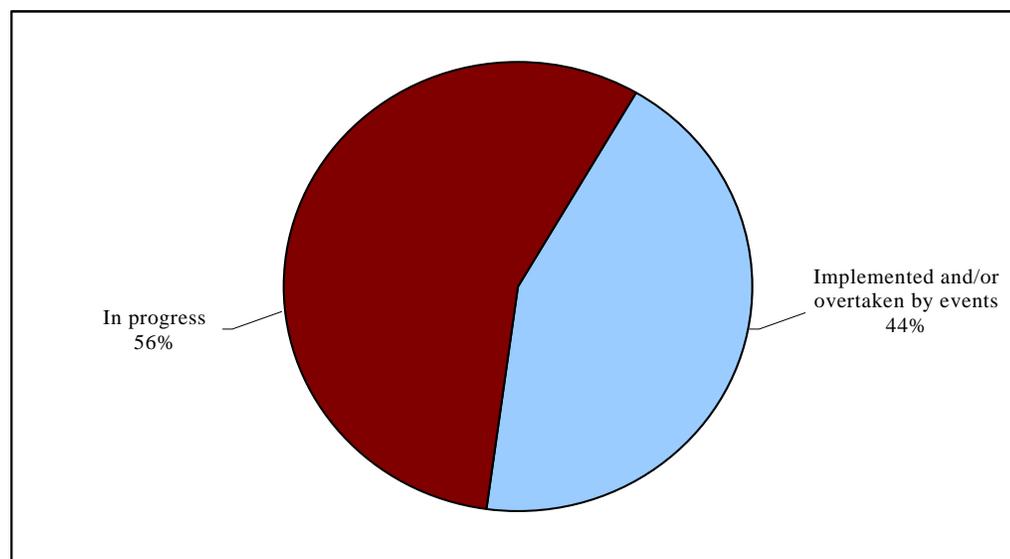
419. The overall situation is summarized in table 14 and figure XIII below.

Table 14
Status of implementation of recommendations from prior periods considered not fully implemented in annex I to the report of the Board of Auditors for the financial period ended 31 December 2009

<i>Department responsible</i>	<i>Number of recommendations</i>	<i>Not accepted</i>	<i>Implemented or closure requested</i>	<i>In progress</i>	<i>Target date set</i>	<i>No target date</i>
Department of Finance	3	—	—	3	3	—
Department of Administrative Services	4	—	—	4	4	—
Department of Human Resources	6	—	1	5	4	1
Department of Internal Oversight Services	1	—	—	1	1	—
Programme Coordination and Support Unit	4	—	—	4	4	—
Outstanding recommendations	18	—	1	17	16	1
Implemented/overtaken by events ^a	13	—	13	—	—	—
Overall status of prior recommendations	31	—	14	17	—	—

^a As reported by the Board in A/65/5/Add.3, chap. II, annex I.

Figure XIII
UNRWA
Overall status of prior-period recommendations



Report of the Board for the financial period ended 2006-2007¹⁰

420. In paragraph 27 of its audit report for the biennium ended 2007, the Board recommended that UNRWA consult with donors with a view to reprogramming resources reflected in balances for unliquidated obligations.

¹⁰ A/63/5/Add.3, chap. II.

421. Full implementation of the recommendation is dependent on factors that are beyond the control of the Agency.

Department responsible: Department of Finance
Status: In progress
Priority: High
Target date: Fourth quarter of 2011

422. In paragraph 37 of that report, UNRWA agreed with the Board's recommendation that it account for all its land and buildings in its financial statements.

423. That recommendation was repeated in the 2008-2009 report.

Department responsible: Department of Finance
Status: In progress
Priority: High
Target date: Fourth quarter of 2010

424. In paragraph 51 of the 2006-2007 audit report, UNRWA agreed with the Board's recommendation that it: (a) update its IPSAS implementation plan and ensure that it is approved; and (b) include all role players and a mechanism for reporting to them in its IPSAS implementation plan.

425. The approval for the revised plan is pending and expected to be completed by 2010.

Department responsible: Department of Finance
Status: In progress
Priority: High
Target date: Fourth quarter of 2010

426. In paragraph 74 of the 2006-2007 audit report, UNRWA agreed with the Board's recommendation that it: (a) maintain an asset register that includes all non-expendable property, including land and buildings, that reflects the cost, description, asset number and date of acquisition, to ensure accountability for this property; and (b) implement procedures to periodically physically verify the existence of assets and the condition of the assets and investigate and adjust for variances.

427. This recommendation was repeated in the 2008-2009 report.

Department responsible: Department of Administrative Support
Status: In progress
Priority: High
Target date: Fourth quarter of 2010

428. In paragraph 85 of the 2006-2007 audit report, UNRWA agreed with the Board's reiterated recommendation that it develop human resources plans for its field offices.

429. Human resources planning is being addressed with fields, the Information System Division and the Programme Coordination and Support Unit. These are long-term projects and implementation will take through 2011.

Department responsible: Department of Human Resources

Status: In progress

Priority: High

Target date: Fourth quarter of 2011

430. In paragraph 88 of the 2006-2007 audit report, UNRWA agreed with the Board's reiterated recommendation that it formalize the process of succession planning.

Department responsible: Department of Human Resources

Status: In progress

Priority: Medium

Target date: Fourth quarter of 2011

431. In paragraph 92 of the 2006-2007 audit report, UNRWA agreed with the Board's reiterated recommendation that it compile personal development plans for staff as part of the performance appraisal process.

432. A new performance management system has been approved and is under implementation. This recommendation was repeated in the 2008-2009 report.

Department responsible: Department of Human Resources

Status: In progress

Priority: High

Target date: Fourth quarter of 2011

433. In paragraph 93 of the 2006-2007 audit report, UNRWA agreed with the Board's recommendation that supervisors provide documented feedback during performance appraisal reviews of staff members.

434. A new performance management system has been approved and is under implementation.

Department responsible: Department of Human Resources

Status: In progress

Priority: Medium

Target date: To be determined

435. In paragraph 98 of the 2006-2007 audit report, UNRWA agreed with the Board's recommendation that it formally establish gender distribution milestones and monitor all new appointments against such milestones.

436. The Agency issued a gender mainstreaming strategy in 2008 and an accompanying gender policy and implementation strategy.

Department responsible: Department of Human Resources

Status: Implemented

Priority: High

Target date: Not applicable

437. In paragraph 101 of the 2006-2007 audit report, UNRWA agreed with the Board's reiterated recommendation that it include in its human resources plan a strategy to manage the timely filling of long-vacant posts.

438. Vacancy rates are being monitored. However, as was pointed out repeatedly to the Auditors, because of austerity measures, a number of posts are not being filled or recruitment is delayed in order to address funding shortfalls.

Department responsible: Department of Human Resources

Status: In progress

Priority: Medium

Target date: Fourth quarter of 2011

439. In paragraph 107 of the 2006-2007 audit report, UNRWA agreed with the Board's reiterated recommendation that it: (a) develop a comprehensive disaster recovery and business continuity plan and communicate it to all personnel; and (b) test, review and update its disaster recovery plan on a regular basis.

Department responsible: Department of Administrative Support

Status: In progress

Priority: High

Target date: Fourth quarter of 2011

440. In paragraph 112 of the 2006-2007 audit report, UNRWA agreed with the Board's recommendation that it address the weaknesses identified in the back-up procedures relating to information technology across the Agency.

Department responsible: Department of Administration Services

Status: In progress

Priority: Medium

Target date: Fourth quarter of 2011

441. In paragraph 125 of the 2006-2007 audit report, UNRWA agreed with the Board's reiterated recommendation that it: (a) develop a change control policy for emergency changes; and (b) enforce standardized procedures relating to requests for changes to the application systems.

Department responsible: Department of Administrative Support

Status: In progress

Priority: Medium

Target date: Fourth quarter of 2011

442. In paragraph 137 of the 2006-2007 audit report, the Board recommended to UNRWA that, in conjunction with the Department of Internal Oversight Services, it: (a) consider desktop reviews or other alternative procedures for assignments where the security situation prevents a field visit from being undertaken; and (b) include the Area Staff Provident Fund in its audit workplan.

Department responsible: Department of Internal Oversight Services

Status: In progress

Priority: High

Target date: Fourth quarter of 2011

443. In paragraph 158 of the 2006-2007 audit report, UNRWA agreed with the Board's recommendation that it adopt a policy covering the management of all projects that, inter alia, set out the responsibilities of all role players, as well as the competencies and training required.

444. This recommendation was repeated in the 2006-2007 report.

Department responsible: Programme Coordination and Support Unit

Status: In progress

Priority: Medium

Target date: Fourth quarter of 2010

445. In paragraph 162 of the 2006-2007 audit report, UNRWA agreed with the Board's recommendation that it establish a system to record and apply lessons learned in project implementation.

Department responsible: Programme Coordination and Support Unit

Status: In progress

Priority: Medium

Target date: Fourth quarter of 2011

446. In paragraph 165 of the 2006-2007 audit report, UNRWA agreed with the Board's reiterated recommendation that it update the project procedures manual, with input from the field offices, and benchmark it against best practice and international standards.

447. This recommendation was repeated in the 2006-2007 report.

Department responsible: Programme Coordination and Support Unit

Status: In progress

Priority: Medium

Target date: Fourth quarter of 2010

448. **In paragraph 169 of the 2006-2007 audit report, UNRWA agreed with the Board's recommendation that it liaise with field offices to implement the project management support required by them.**

449. This recommendation was repeated in the 2006-2007 report.

Department responsible: Programme Coordination and Support Unit

Status: In progress

Priority: Medium

Target date: Fourth quarter of 2011

VII. United Nations Institute for Training and Research

A. Implementation of the recommendations contained in the report of the Board of Auditors for the financial period ended 31 December 2009¹¹

450. Tables 15 and 16 below summarize the status of implementation of recommendations as at July 2010. All four recommendations are in progress, with two targeted for implementation by the end of the year, whereas three are to be implemented by the end of 2011.

Table 15
Status of implementation of main recommendations

<i>Department responsible</i>	<i>Number of recommendations</i>	<i>Not accepted</i>	<i>Implemented or closure requested</i>	<i>In progress</i>	<i>Target date set</i>	<i>No target date</i>
Department of Support Services	2	—	—	2	2	—
Department of Research	1	—	—	1	1	—
Total	3	—	—	3	3	—

¹¹ A/65/5/Add.4, chap. II.

Table 16
Status of implementation of all recommendations

<i>Department responsible</i>	<i>Number of recommendations</i>	<i>Not accepted</i>	<i>Implemented or closure requested</i>	<i>In progress</i>	<i>Target date set</i>	<i>No target date</i>
Department of Support Services	3	—	—	3	3	—
Department of Research	1	—	—	1	1	—
Department of Management-United Nations	1	—	—	1	1	—
Total	5	—	—	5	5	—

451. **In paragraph 32, the Board recommended that UNITAR consider a revision of its policy for the valuation of leave liability in its implementation of the International Public Sector Accounting Standards.**

452. This matter has a system-wide implication, and as noted in the Secretariat's response to paragraph 190 of the report of the Board of Auditors related to Volume I, it will be addressed in the context of the IPSAS system-wide group with a view to developing a harmonized approach across the United Nations.

Department responsible: Department of Management-United Nations

Status: In progress

Priority: Medium

Target date: Fourth quarter of 2011

453. **In paragraph 44, the Board recommended that UNITAR include as part of UNITAR's results-based management processes the evaluation of all its sections in the programme performance report.**

Department responsible: Department of Research

Status: In progress

Priority: High

Target date: Second quarter of 2011

454. **In paragraph 48, the Board recommended that UNITAR, in coordination with the United Nations Office at Geneva, adhere to the requirements of section 15.1.2 of the Procurement Manual (2008 version) concerning vendor performance evaluation.**

Department responsible: Department of Support Services

Status: In progress

Priority: High

Target date: Fourth quarter of 2010

455. **In paragraph 52, the Board recommended that UNITAR, in coordination with United Nations Office at Geneva, update the memorandum of service agreement on the basis of reforms currently being undertaken.**

Department responsible: Department of Support Services
Status: In progress
Priority: Medium
Target date: Fourth quarter of 2010

456. **In paragraph 56, the Board recommended that UNITAR, in collaboration with the Office of Internal Oversight Services, ensure effective internal audit coverage at UNITAR.**

Department responsible: Department of Support Services
Status: In progress
Priority: High
Target date: Fourth quarter of 2011

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

457. In the annex to its report for the financial period ended 31 December 2009 (A/65/5/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 (a) the 12 prior recommendations of the Board; and (b) the overall status of prior recommendations. As shown in the table below, 11 (92 per cent) have been either implemented or overtaken by events, and only 1 (8 per cent) is still outstanding.

458. The following table and chart summarize the overall situation.

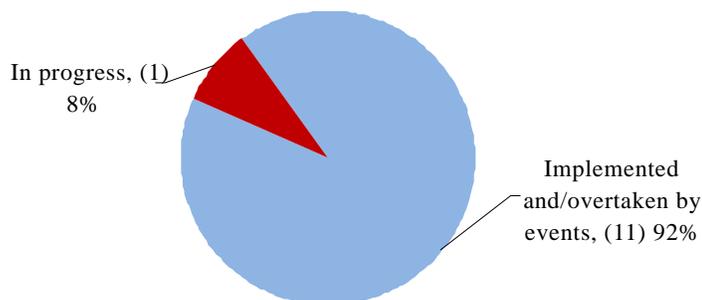
Table 17

Status of implementation of recommendations from prior periods considered not fully implemented in the Annex to the report of the Board of Auditors for the financial period ended 31 December 2009

<i>Department responsible</i>	<i>Number of recommendations</i>	<i>Not accepted</i>	<i>Implemented or closure requested</i>	<i>In progress</i>	<i>Target date set</i>	<i>No target date</i>
Department of Support Services	1	—	—	1	1	—
Outstanding recommendations	1	—	—	1	1	—
Implemented/overtaken by events ^a	11	—	11	—	—	—
Overall status of prior recommendations	12	—	11	1	1	—

^a As reported by the Board in A/65/5/Add.4, chap. II.

Figure XIV
United Nations Institute for Training and Research
Overall status of prior-period recommendations



459. In paragraph 47 of its report for the biennium 2006-2007, the Board recommended that the issue of overlapping financial and accounting functions should be resolved.

460. This recommendation had been subsumed under the recommendations in paragraph 52 above.

Department responsible: Department of Support Services

Status: In progress

Priority: High

Target date: Fourth quarter of 2010

VIII. Voluntary funds administered by the Office of the United Nations High Commissioner for Refugees

A. Implementation of the recommendations contained in the report of the Board of Auditors for the financial period ended 31 December 2009¹²

461. The status of implementation of recommendations as at July 2010 is summarized in tables 18 and 19 below.

¹² A/65/5/Add.5, chap. II.

Table 18
Status of implementation of main recommendations

<i>Department responsible</i>	<i>Number of recommendations</i>	<i>Not accepted</i>	<i>Implemented or closure requested</i>	<i>In progress</i>	<i>Target date set</i>	<i>No target date</i>
Division of Financial and Administrative Management	7	—	—	7	7	—
Supply Management Services	2	—	—	2	2	—
Division of Human Resources	1	—	—	1	1	—
Organizational Development and Management Services	1	—	—	1	1	—
Total	11	—	—	11	11	—

Table 19
Status of implementation of all recommendations

<i>Department responsible</i>	<i>Number of recommendations</i>	<i>Not accepted</i>	<i>Implemented or closure requested</i>	<i>In progress</i>	<i>Target date set</i>	<i>No target date</i>
Division of Financial and Administrative Management	15	—	—	15	15	—
Supply Management Services	3	—	—	3	3	—
Division of Human Resources	2	—	—	2	2	—
Organizational Development and Management Services	2	—	—	2	2	—
Division of Programme Support and Management	2	—	—	2	2	—
Total	24	—	—	24	24	—

462. **In paragraph 27, the Board recommended to UNHCR that it intensify the efforts of the working groups in charge of preparing for the implementation of IPSAS in order to comply with the target of full implementation in 2012.**

Department responsible: Division of Financial and Administrative Management

Status: In progress

Priority: High

Target date: First quarter of 2012

463. **In paragraph 31, the Board recommended to UNHCR that it ensure that its revised financial rules, compliant with IPSAS, are adopted in conjunction with the entry into force of IPSAS.**

Department responsible: Division of Financial Support and Management

Status: In progress

Priority: Medium

Target date: First quarter of 2012

464. In paragraph 33, the Board recommended to UNHCR that it analyse the reasons why certain working groups have made no progress on preparation for the transition to IPSAS and make specific efforts to improve the low rates.

Department responsible: Division of Financial and Administrative Management

Status: In progress

Priority: High

Target date: Fourth quarter of 2010

465. In paragraph 54, the Board recommended to UNHCR that it: (a) ensure that the responsible officials comply strictly with the closing instructions of the Organization; and (b) adjust its internal procedures in order to comply with the audit requirements.

Department responsible: Division of Financial Support and Management

Status: In progress

Priority: Medium

Target date: Fourth quarter of 2010

466. In paragraph 57, the Board recommended to UNHCR that it make every effort to expedite the clearing of unliquidated obligations against accounts payable whenever bills and invoices are available to substantiate the receipt of goods and services.

Department responsible: Division of Financial Support and Management

Status: In progress

Priority: Medium

Target date: Fourth quarter of 2010

467. In paragraph 60, the Board reiterated its recommendation to UNHCR that it comply with the provisions concerning the cancellation of unliquidated obligations and reinforce its mechanisms for controlling the validity of obligations.

Department responsible: Division of Financial and Administrative Management

Status: In progress

Priority: High

Target date: Fourth quarter of 2010

468. In paragraph 73, the Board reiterated its recommendation to UNHCR that it set up specific funding for its accrued end-of-service and post-retirement liabilities.

Department responsible: Division of Financial and Administrative Management

Status: In progress

Priority: High

Target date: First quarter of 2011

469. In paragraph 84, the Board recommended to UNHCR that it modify the notes to its financial statements by including disclosure of the change in the main actuarial assumptions used for the valuation of the after-service health insurance liability, along with the reason for and the effect of this change.

Department responsible: Division of Financial Support and Management

Status: In progress

Priority: Medium

Target date: Fourth quarter of 2010

470. In paragraph 89, the Board recommended to UNHCR that before each structural reform, it establish detailed objectives, indicators and expected impact on management.

Department responsible: Organization Development and Management Services

Status: In progress

Priority: Medium

Target date: Ongoing

471. In paragraph 90, UNHCR agreed with the Board's recommendation that it prepare comparative statistics and indicators in order to measure the improvement in the quality of the services delivered by out posted units.

Department responsible: Organizational Development and Management Services

Status: In progress

Priority: High

Target date: First quarter of 2011

472. In paragraph 96, UNHCR agreed with the Board's recommendation that it ensure that its practices in employing and assigning national Professional Officers complies with the criteria of the International Civil Service Commission and the resolutions of the General Assembly.

Department responsible: Division of Human Resources

Status: In progress

Priority: Medium

Target date: Ongoing

473. In paragraph 100, UNHCR agreed with the Board's recommendation that it: (a) ensure that bank reconciliations are exhaustive; and (b) resolve unexplained differences between bank confirmation statements and general ledger.

Department responsible: Division of Financial and Administrative Management

Status: In progress

Priority: High

Target date: Third quarter of 2010

474. In paragraph 108, the Board reiterated its recommendation to UNHCR that it continue its efforts to improve the rate of timely justification of advances granted to implementing partners.

Department responsible: Division of Financial and Administrative Management

Status: In progress

Priority: High

Target date: First quarter of 2011

475. In paragraph 117, the Board reiterated its recommendation to UNHCR that it: (a) assess the instalments disbursed to implementing partners that have remained unreported for more than a year; and (b) take appropriate measures to have them unreported or recovered from the implementing partners.

Department responsible: Division of Financial and Administrative Management

Status: In progress

Priority: High

Target date: Second quarter of 2011

476. In paragraph 123, the Board reiterated its recommendation to UNHCR that it continue its efforts to obtain the audit certificates from implementing partners by 30 April of each year.

Department responsible: Division of Financial and Administrative Management

Status: In progress

Priority: High

Target date: Second quarter of 2011

477. In paragraph 126, UNHCR agreed with the Board's reiterated recommendation that it continue to make potential adjustments to prior-year expenditure in the financial statements.

Department responsible: Division of Financial Support and Management

Status: In progress

Priority: Medium

Target date: Ongoing

478. In paragraph 130, the Board recommended to UNHCR that it guarantee that all anticipated audit certificates are included in its database.

Department responsible: Division of Financial Support and Management

Status: In progress

Priority: Medium

Target date: Ongoing

479. In paragraph 134, UNHCR agreed with the Board's recommendation that it update the standard contract with its implementing partners.

Department responsible: Division of Programme Support and Management

Status: In progress

Priority: Medium

Target date: End of fourth quarter of 2010

480. In paragraph 139, UNHCR agreed with the Board's recommendation that it put the monitoring of project implementation progress indicators on a formal footing and keep a record of the checks.

Department responsible: Division of Programme Support and Management

Status: In progress

Priority: Medium

Target date: End of fourth quarter of 2011

481. In paragraph 151, UNHCR agreed with the Board's recommendation that it: (a) obtain from its partners their annual inventories; (b) conduct conformity checks between the non-expendable property in its AssetTrak database and the non-expendable property in its partners' inventories during site visits; and (c) conduct checks during the site visits of the inventory of non-expendable property procured with UNHCR funds, as well as of the assets donated by UNHCR.

Department responsible: Supply Management Services

Status: In progress

Priority: Medium

Target date: End of fourth quarter of 2010 and ongoing

482. In paragraph 153, UNHCR agreed with the Board's recommendation that it: (a) record non-expendable property values in a timely and regular manner, as soon as they are recorded in the asset database; (b) take a full physical inventory of its non-expendable property in each field representation so as to

match the assets present with the list of assets found in the database; and (c) monitor more rigorously asset disposal procedures.

Department responsible: Supply Management Services

Status: In progress

Priority: High

Target date: Fourth quarter of 2010

483. In paragraph 158, the Board reiterated its recommendation to UNHCR that it disclose in future financial statements the value of expendable property unused at the end of the year in order to provide a more complete and accurate account of its assets.

Department responsible: Supply Management Services

Status: In progress

Priority: High

Target date: Fourth quarter of 2010

484. In paragraph 173, the Board reiterated its recommendation to UNHCR that it continue its efforts to reduce the number of staff in between assignments and not on temporary duty.

Department responsible: Division of Human Resources

Status: In progress

Priority: High

Target date: First quarter of 2011

485. In paragraph 184, UNHCR agreed with the Board's recommendation that, in collaboration with the Office of Internal Oversight Services, it take appropriate measures to reduce the number of vacancies for internal auditors.

Department responsible: Division of Financial Support and Management

Status: In progress

Priority: Medium

Target date: End of fourth quarter of 2010

486. UNHCR is taking action on all the issues addressed by the Board of Auditors. In the audit report for the financial period ended 31 December 2009, the Board of Auditors reported deficiencies in management of non-expendable property and absence of funding for end-of-service liabilities as emphases of matter, which UNHCR is addressing as utmost priority.

Department responsible: Division of Human Resources

Status: In progress

Priority: High

Target date: First quarter of 2011

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

487. In the annex to its report for the financial period ended 31 December 2009 (A/65/5/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: (a) the 11 recommendations listed as outstanding from prior periods; and (b) the overall status of prior recommendations. The information is set out in the order in which the recommendations are presented in the annex.

488. The overall situation is summarized in table 20 and figure XV below.

Table 20

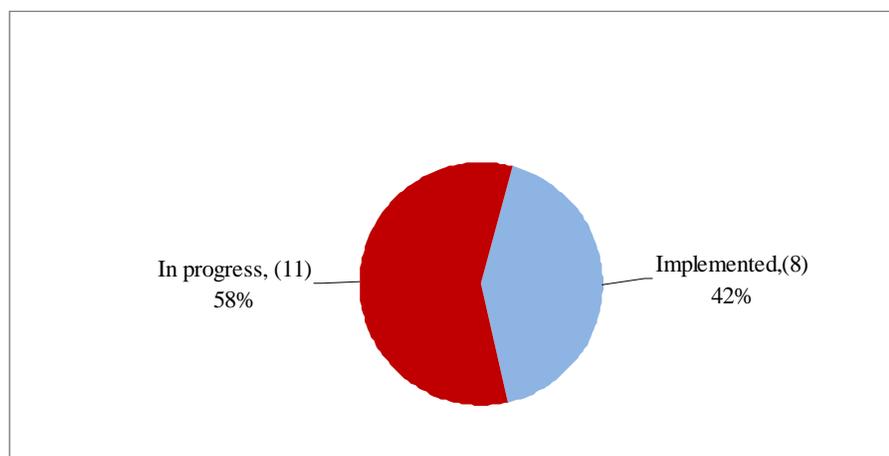
Status of implementation of recommendations from prior periods considered not fully implemented in the Annex to the report of the Board of Auditors for the financial period ended 31 December 2009

<i>Department responsible</i>	<i>Number of recommendations</i>	<i>Not accepted</i>	<i>Implemented or closure requested</i>	<i>In progress</i>	<i>Target date set</i>	<i>No target date</i>
Division of Financial and Administrative Management	14	—	—	7	7	—
Supply Management Services	3	—	—	2	2	—
Division of Human Resources	1	—	—	1	2	—
Inspector-General's Office	1	—	—	1	1	—
Outstanding recommendations	11	—	—	11	11	—
Implemented/overtaken by events ^a	8	—	8	—	—	—
Overall status of prior recommendations	19	—	8	11	11	—

^a As reported by the Board in A/65/5/Add.5, chap. II, annex.

Figure XV

United Nations High Commissioner for Refugees Overall status of prior-period recommendations



489. **In paragraph 37 of the report of the Board of Auditors for the year ended 31 December 2008 (A/64/5/Add.5, chap. II), the Board reiterated its recommendation to UNHCR that it comply with the provisions concerning the cancellation of unliquidated obligations and reinforce its mechanisms for controlling the validity of obligations.**

490. In 2008, UNHCR took a number of measures to address the problem of unliquidated obligations. However, UNHCR was unable to fully resolve this issue. In 2009, numerous training missions were held in the field to address problems with recording of financial transactions, including obligations. To further address this recurring problem, in October 2010, UNHCR will hold a symposium for its Senior Finance staff in the field and one of the topics to be covered during the conference is the year-end closure. Topics will cover explanations of the instructions, important dates to complete year-end tasks, and discussion of recurring year-end closure problems, including cancellation of obligations and validation of obligations.

Department responsible: Division of Financial and Administrative Management

Status: In progress

Priority: High

Target date: Fourth quarter of 2010

491. **In paragraph 61 of the report of the Board of Auditors for the year ended 31 December 2008 (A/64/5/Add.5, chap. II), the Board reiterated its recommendation to UNHCR that it set up specific funding for its accrued end-of-service and post-retirement liabilities, notably those related to after-service benefits.**

492. UNHCR presented possible funding approaches to the Standing Committee in June 2009, but a decision was not taken at that time, pending the outcome of the General Assembly decision on funding the liabilities of the United Nations Secretariat. Subsequently, in its resolution 64/241, the General Assembly deferred its decision on funding proposals for end-of-service and post-retirement liabilities until the sixty-seventh session of the Assembly. During the recently concluded June 2010 Standing Committee, UNHCR again put forward a series of funding options in a conference room paper for consideration by Member States. Member States expressed divergent views and requested to take up discussions on the subject in informal consultations in September 2010, after which UNHCR may have received sufficient guidance from Member States, and will cost various options to present a preferred funding option for end-of-service and post-retirement liabilities.

Department responsible: Division of Financial and Administrative Management

Status: In progress

Priority: High

Target date: First quarter of 2011

493. **In paragraph 83 of the report of the Board of Auditors for the year ended 31 December 2008 (A/64/5/Add.5, chap. II), the Board reiterated its recommendation to UNHCR that it monitor the closing of bank accounts and**

implement controls to ensure the effective oversight of the bank accounts of field offices.

494. UNHCR has reviewed all the inactive accounts identified during the audit for the period ended 31 December 2008, and since that time, UNHCR has put in place a process for periodic review of all inactive accounts to take action for their closure.

Department responsible: Division of Financial and Administrative Management
Status: In progress
Priority: Normal
Target date: Third quarter of 2010

495. In paragraph 96 of the report of the Board of Auditors for the year ended 31 December 2008 (A/64/5/Add.5, chap. II), the Board recommended to UNHCR that it continue efforts to clean up the database for non-expendable property and establish a monitoring system for tracing all corrections made in the database during a financial year.

496. Ensuring the accuracy and completeness of assets in the database is an ongoing process. Since mid-2009, UNHCR has been coordinating a full review of its non-expendable property for every country operation. In the response of UNHCR to the 2008 Board of Auditors recommendation on this matter, it was reported that the necessary systems integration would be in place from 1 January 2010 to ensure the integrity of data in the database. Unfortunately, due to resource constraints caused by conflicting priorities, the IPSAS project suffered delays and the systems and procedures were not in place as of 1 January 2010 as planned; therefore, these improvements will be implemented only in the last quarter of 2010, under the existing accounting standards. Therefore, the staff is continually working to ensure that the database is properly maintained. As at the date of this report, the clean-up of the database of non-expendable property was 95 per cent complete. The Asset Management Unit in the Supply Management Section will continue to work closely with the field to finalize this clean-up exercise and ensure that the new procedures and systems functionality are put in place in 2010. Furthermore, a system of monthly monitoring of all property, plant and equipment has been in place since the beginning of 2009. In order to prevent incorrect registration of property, plant and equipment, the functionality to add assets directly into the database is available only to the Asset Management Unit in Budapest. Regarding the asset disposal procedures, it is worth noting that UNHCR introduced, in January 2010, a system to monitor all disposals and verify that they have been correctly processed by the relevant Asset Management Boards.

Department responsible: Supply Management Services
Status: In progress
Priority: High
Target date: Fourth quarter of 2010

497. In paragraph 106 of the report of the Board of Auditors for the year ended 31 December 2008 (A/64/5/Add.5, chap. II), the Board reiterated its recommendation to UNHCR that it disclose in future financial statements the

value of expendable property unused at the end of the year in order to provide a more complete and accurate account of assets.

498. Measures are being put in place to track and report inventory in the financial statements for the year 2010. To this end, the inventory held at the end of 2009 was subjected to physical count and a valuation exercise is under way to establish an opening balance for the accounts of 2010. UNHCR is currently improving the accuracy of the data and putting in place technical modifications to the management systems renewal project required for go-live, expected in the last quarter of 2010. Once the system changes are implemented, financial transactions will automatically occur whenever there is a corresponding movement of items in or out of inventory, thereby ensuring that data in the financial system reflects correctly the value of inventory.

Department responsible: Supply Management Services

Status: In progress

Priority: High

Target date: Fourth quarter of 2010

499. In paragraph 116 of the report of the Board of Auditors for the year ended 31 December 2008 (A/64/5/Add.5, chap. II), UNHCR agreed with the Board's recommendation that it continue its efforts to reduce the number of staff in between assignments and not on temporary duty.

500. UNHCR has, in the last two years, introduced different human resources reforms, which together contribute to reducing the number of staff in between assignment. UNHCR intends to further explore a more effective policy on the issue of staff in between assignments. To this effect, an internal audit is currently under way on the matter, the results of which will be reviewed in due course.

Department responsible: Division of Human Resources

Status: In progress

Priority: High

Target date: First quarter of 2011

501. In paragraph 123 of the report of the Board of Auditors for the year ended 31 December 2008 (A/64/5/Add.5, chap. II), the Board recommended to UNHCR that it continue its efforts to improve the rate of timely justification of the advances granted to implementing partners.

502. Throughout 2009, weekly reports were produced and sent to field offices, reminding them of the importance of timely clearance of instalments not yet reported upon by implementing partners. In March 2010, UNHCR started a review of roles and accountabilities relating to financial transactions within the organization, and has identified that additional controls and monitoring of instalments to partners are needed. Once the review is complete, discussions will be held with the Bureaux to determine how to further improve controls in this area. In addition, during October 2010, UNHCR will be holding a symposium for its senior finance staff and another for project control officers, at which the importance of promptly recording implementing partner expenditure reports will be stressed.

Department responsible: Division of Financial and Administrative Management

Status: In progress

Priority: High

Target date: First quarter of 2011

503. In paragraph 127 of the report of the Board of Auditors for the year ended 31 December 2008 (A/64/5/Add.5, chap. II), the Board recommended to UNHCR that it assess the instalments made to implementing partners that have remained unjustified for more than one year and take appropriate measures to have them justified or recovered from the implementing partners.

504. As noted in the report of the Board of Auditors for the financial period ended 31 December 2009 (A/65/5/Add.5, chap. II), as at 22 June 2010, the instalments not reported upon for more than one year had been reduced, and all balances to be reported by partnerships concluded in 2006 and prior years had been reduced to zero; for 2007, unreported balances were only \$275,586. Thus, UNHCR considers that very significant improvement has been made to address this issue. Efforts are continuing to ensure that balances are cleared on a timely basis.

Department responsible: Division of Financial and Administrative Management

Status: In progress

Priority: High

Target date: Second quarter of 2011

505. In paragraph 132 of the report of the Board of Auditors for the year ended 31 December 2008 (A/64/5/Add.5, chap. II), the Board recommended to UNHCR that it intensify efforts to obtain the audit certificates from implementing partners by 30 April each year.

506. At the recommendation of the Board of Auditors in 2006, UNHCR agreed to set a deadline of 30 April of each year for the receipt of audit certification, which constituted a reduction of three months compared to the earlier established due date of end of June. Since then, UNHCR has made an enormous effort to ensure compliance by the due date and to provide guidance and support to operations and partners that experience difficulties. Despite these efforts, operational realities have proven that full compliance by the end of April is not feasible. Nevertheless, the concerted efforts have resulted in a remarkable improvement from previous years, and compliance progressed from 55.9 per cent at 30 April 2010 (compared to 15 per cent at the end of April 2009) to reach 98.8 per cent at 22 June 2010 and 98.9 per cent at 28 June 2010 (compared to 58.1 per cent at the end of June 2009). In the report of the Board of Auditors for the year ended 31 December 2009, it was observed that prior years' audit certificates not received as at 22 June 2010 represented 6.1 per cent of the payments made in 2005, 11.5 per cent of the payments made in 2006, 0.5 per cent of the payments in 2007, and 0.7 per cent of the payments in 2008. UNHCR considers that significant improvement has been achieved compared to the same time last year when the statistics were: 10 per cent of 2005 expenditure not supported by audit certificates, 14 per cent for 2006 and 17 per cent for 2007. UNHCR will continue efforts to improve the situation further

by 31 December 2010. While continuing efforts to comply with the exiting policies, UNHCR is concurrently exploring alternative, cost-effective, realistic, and timely approaches to obtain assurance that funds are properly disbursed through implementing partner arrangements. A study began in February 2010 to review current UNHCR policy on implementing partner audit requirements, to identify root causes of deficiencies in implementing partner performance monitoring and compliance, and to research and benchmark policies and related oversight mechanisms across United Nations system agencies. A final report, containing alternative options, modalities for implementation, resource requirements and implications, will be available for consideration by management at the end of 2010.

Department responsible: Division of Financial and Administrative Management

Status: In progress

Priority: High

Target date: Second quarter of 2011

507. In paragraph 144 of the report of the Board of Auditors for the year ended 31 December 2008 (A/64/5/Add.5, chap. II), the Board recommended to UNHCR that, in collaboration with the Office of Internal Oversight Services, it take appropriate measures to reduce the time period for filling the vacant posts for internal auditors.

508. UNHCR shares the Board's concerns regarding vacant internal audit positions, and has raised the issue with senior Office of Internal Oversight Services officials based in New York (October 2009) and in Geneva (May 2010, June 2010). UNHCR has stated that adequate funding was put in place to facilitate timely recruitment activities, since UNHCR does not participate in the recruitment process itself. The Office of Internal Oversight Services has advised UNHCR that every effort will be made to fill the positions as expeditiously as possible. UNHCR is concerned that internal audit coverage is not being provided in key areas of programme activity and will continue to pursue the matter with senior officials of the Office of Internal Oversight Services as a matter of priority.

Department responsible: Division of Financial and Administrative Management

Status: In progress

Priority: High

Target date: Fourth quarter of 2010

509. In paragraph 166 of the report of the Board of Auditors for the year ended 31 December 2008 (A/64/5/Add.5, chap. II), the Board recommended to UNHCR that it: (a) expressly specify the conditions under which the Office of the Inspector General may participate in assignments on behalf of other international organizations, and recover the net costs of doing so; (b) enhance its cooperation with the Office of Internal Oversight Services; and (c) increase its efforts concerning the training of investigators.

510. With regard to item (a), the Inspector General's office has confirmed to the Board of Auditors on several occasions that it will in the future carry out only

exceptional investigation assignments on behalf of other international organizations on a cost-recovery basis. The Inspector General's office will share the revised formal instruction on the role, functions and modus operandi of the Office with the High Commissioner by the end of July 2010. Its revised Inspector General's office investigation guidelines have been finalized and are under review by the UNHCR Legal Affairs Service. With regard to item (b), the Inspector General's office confirms once again its earlier report to the Board of Auditors that close and satisfactory cooperation exists between the Inspector General's office and the Office of Internal Oversight Services. This will be maintained in 2010. With regard to item (c), the Inspector General's office previously advised the Board of Auditors of the three-day investigation training carried out in October 2009, and of the relaunch of the Investigation Learning Programme in 2010. Such training will be continued. UNHCR believes that these recommendations have been fully implemented.

Department responsible: Inspector General's office
Status: In progress
Priority: Normal
Target date: Fourth quarter of 2010

IX. Fund of the United Nations Environment Programme

A. Implementation of the recommendations contained in the report of the Board of Auditors for the biennium ended 31 December 2009¹³

511. The status of implementation of recommendations as at August 2010 is summarized in tables 21 and 22 below.

Table 21
Status of implementation of main recommendations

<i>Department responsible</i>	<i>Number of recommendations</i>	<i>Not accepted</i>	<i>Implemented or closure requested</i>	<i>In progress</i>	<i>Target date set</i>	<i>No target date</i>
Corporate Services Section/Department of Management/United Nations Office at Nairobi	3	—	—	3	1	2
Corporate Services Section/United Nations Office at Nairobi	6	—	—	6	5	1
Corporate Services Section	1	—	—	1	1	0
Department of Management	1	—	—	1	1	0
Total	11	—	—	11	8	3

¹³ A/65/5/Add.6, chap. II.

Table 22
Status of implementation of all recommendations

<i>Department responsible</i>	<i>Number of recommendations</i>	<i>Not accepted</i>	<i>Implemented or closure requested</i>	<i>In progress</i>	<i>Target date set</i>	<i>No target date</i>
Corporate Services Section/Department of Management/United Nations Office at Nairobi	10	—	—	10	5	5
Corporate Services Section/United Nations Office at Nairobi	12	—	—	12	11	1
Corporate Services Section	2	—	—	2	2	
United Nations Office at Nairobi	1	—	—	1	1	0
Department of Management	1	—	—	1	1	0
Office for Internal Oversight Services	1	—	—	1	1	0
Total	27	—	—	27	21	6

512. **In paragraph 14 of its report for the biennium ended 31 December 2009, the Board reiterated its previous recommendation to UNEP that it review its service agreement with the United Nations Office at Nairobi.**

513. The implementation was delayed as a result of changes in United Nations Office at Nairobi senior management and the resignation of the previous Chair of the Client Advisory Committee. That Committee has been reconstituted and work is under way.

Department responsible: United Nations Office at Nairobi/
United Nations Environment Programme

Status: In progress

Priority: Normal

Target date: Fourth quarter of 2011

514. **In paragraph 29 of the report, UNEP agreed with the Board's recommendation that it take advantage of the installation of the new enterprise resource planning system to set up indicators for the regular monitoring of the cash situation.**

Department responsible: United Nations Office at Nairobi/
United Nations Environment Programme/
United Nations Secretariat

Status: In progress

Priority: Medium

Target date: Dependent on implementation of enterprise resource planning

515. **In paragraph 38 of the report, UNEP agreed with the Board's recommendation to: (a) continue to prepare the implementation of International Public Sector Accounting Standards in collaboration with the United Nations Office at Nairobi; and (b) specify its needs for the migration of**

the Crystal software to the future enterprise resource planning system of the Secretariat (Umoja).

Department responsible: United Nations Office at Nairobi/
United Nations Environment Programme

Status: In progress

Priority: Medium

Target date: Dependent on enterprise resource planning implementation

516. In paragraph 47 (a) of the report, the Board recommended to UNEP that it revise the title of its financial statements and the notes thereto to reflect that their scope is limited to the voluntarily funded activities.

Department responsible: United Nations Office at Nairobi/
United Nations Environment Programme

Status: In progress

Priority: Medium

Target date: First quarter of 2011

517. In paragraph 47 (b), the Board recommended to UNEP that it consider preparing financial statements that include the activities funded from the regular budget of the United Nations.

Department responsible: United Nations Office at Nairobi/
United Nations Environment Programme

Status: In progress

Priority: High

Target date: First quarter of 2011

518. In paragraph 52, the Board recommended to UNEP that it clarify the legal situation of the Multilateral Fund and decide accordingly on the consolidation of its financial statements into the financial statements of UNEP.

519. The Administration believes that the current presentation of the financial statements is legally and financially valid and conforms to United Nations system accounting standards but will need to be reviewed in relation to IPSAS (in particular, IPSAS 6: Consolidated Financial Statements — Accounting for Controlled Entities).

Department responsible: United Nations Office at Nairobi/
United Nations Environment Programme
United Nations Secretariat

Status: In progress

Priority: Medium

Target date: IPSAS implementation

520. In paragraph 59, the Board recommended to UNEP that it re-examine the extent of its control over the multilateral environmental agreement funds with a

view to assessing the appropriateness of their inclusion in its financial statements.

521. The Administration believes that the current presentation of the financial statements is legally and financially valid and conforms to United Nations system accounting standards but will need to be reviewed in relation to IPSAS (in particular, IPSAS 6: Consolidated Financial Statements — Accounting for Controlled Entities).

Department responsible: United Nations Office at Nairobi/
United Nations Environment Programme

Status: In progress

Priority: Medium

Target date: IPSAS implementation

522. In paragraph 65, UNEP agreed with the Board's recommendation that it close the Trust Fund for the Establishment of the Interim Secretariat of the Biological Diversity Convention.

Department responsible: United Nations Office at Nairobi/
United Nations Environment Programme

Status: In progress

Priority: Medium

Target date: Fourth quarter of 2011

523. In paragraph 67, UNEP agreed with the Board's recommendation that it prompt the Parties to the multilateral environmental agreements to authorize the closing of inactive trust funds.

Department responsible: United Nations Office at Nairobi/
United Nations Environment Programme

Status: In progress

Priority: Medium

Target date: Fourth quarter of 2010

524. In paragraph 73, UNEP agreed with the Board's recommendation that: (a) in liaison with the United Nations Office at Nairobi, it extend the use of the travel database to include all types of travel and for all persons submitting travel claims; and (b) continue to improve the rate of submission of travel claims within the deadlines.

Department responsible: United Nations Office at Nairobi/
United Nations Environment Programme

Status: In progress

Priority: High

Target date: Fourth quarter of 2011

525. In paragraph 79, UNEP agreed with the Board's recommendation that, in liaison with the United Nations Office at Nairobi, it ensure that: the review of

access rights includes the detection of users who have left the organization or changed functions; and that no employee has more than one identifier for logging into the IMIS data management system.

Department responsible: United Nations Office at Nairobi/
United Nations Environment Programme

Status: In progress

Priority: High

Target date: Fourth quarter of 2010

526. In paragraph 88, the Board recommended to UNEP that, in collaboration with the United Nations Headquarters Administration, it revise its accounting treatment of education grants.

527. As indicated in paragraphs 20 and 21 of the Secretary-General's report (A/65/296), this matter is being addressed at the United Nations Secretariat level.

Department responsible: Department of Management

Status: In progress

Priority: High

Target date: Fourth quarter of 2011

528. In paragraph 95, UNEP agreed with the Board's recommendation that it include more details on the ageing of contributions receivable disclosed in its financial statements.

Department responsible: United Nations Office at Nairobi/
United Nations Environment Programme

Status: In progress

Priority: High

Target date: First quarter of 2011

529. In paragraph 102, the Board recommended to UNEP that it disclose in a note to the financial statements the policy regarding provisions for delays in the collection of the outstanding contributions.

Department responsible: United Nations Office at Nairobi/
United Nations Environment Programme

Status: In progress

Priority: Medium

Target date: First quarter of 2011

530. In paragraph 107, the Board recommended to UNEP that it ensure that all obligations cancelled before the end of the year are no longer recorded as unliquidated obligations.

Department responsible: United Nations Office at Nairobi/
United Nations Environment Programme

Status: In progress

Priority: Medium

Target date: Fourth quarter of 2010

531. In paragraph 112, the Board reiterated its previous recommendation to UNEP that it set up specific funding to balance in its liabilities for end-of-service and post-retirement benefits, for consideration and approval by its Governing Council and the General Assembly.

532. UNEP will seek guidance from the General Assembly and the United Nations Headquarters Administration on this matter for further action.

Department responsible: United Nations Office at Nairobi/
United Nations Environment Programme

Status: In progress

Priority: High

Target date: Dependent upon decision by the General Assembly

533. In paragraph 129, UNEP agreed with the Board's recommendation that it consider a review of its policy for the valuation of leave liability in its implementation of IPSAS.

534. As indicated in the report of the Secretary-General (A/65/296, para. 62), this matter is being reviewed at the United Nations Secretariat-wide level.

Department responsible: United Nations Office at Nairobi/
United Nations Environment Programme/
United Nations Headquarters

Status: In progress

Priority: Medium

Target date: Fourth quarter of 2011

535. In paragraph 134, UNEP agreed with the Board's recommendation that it ensure that all indicators of achievement are supported by documentary evidence.

Department responsible: United Nations Office at Nairobi/
United Nations Environment Programme/
United Nations Headquarters

Status: In progress

Priority: High

Target date: Fourth quarter of 2010

536. In paragraph 141, the Board recommended to UNEP that, in collaboration with the United Nations Office at Nairobi, it establish a uniform system of accounting treatment for projects implemented by external partners, or justify the need for different accounting methods.

Department responsible: United Nations Office at Nairobi/
United Nations Environment Programme

Status: In progress

Priority: High

Target date: Fourth quarter of 2011

537. In paragraph 147, UNEP agreed with the Board's recommendation that, in coordination with the United Nations Office at Nairobi, it periodically review the procurement parameters in IMIS to ensure that they reflect the thresholds set in the delegations of authority for procurement and contract management.

Department responsible: United Nations Office at Nairobi/
United Nations Environment Programme

Status: In progress

Priority: High

Target date: Fourth quarter of 2010

538. In paragraph 153, UNEP agreed with the Board's recommendation that, in coordination with the United Nations Office at Nairobi, it: (a) formally register the vendors of the database before awarding a contract; (b) declare individually the database vendors as active; and (c) carry out a review of the vendor database to designate unused vendors as inactive.

Department responsible: United Nations Office at Nairobi

Status: In progress

Priority: Medium

Target date: Fourth quarter of 2010

539. In paragraph 156, the Board recommended to UNEP that, in coordination with the United Nations Office at Nairobi it: (a) add a required field in the IMIS system so that the relevant contract number can be entered for goods and services orders associated with a particular contract; and (b) keep the contract management database up to date.

540. In the light of the ongoing enterprise resource planning development, the use of implementing this recommendation may not be justifiable. Nevertheless, UNEP, in liaison with the United Nations Office at Nairobi, will consult with the Headquarters, which manages functional changes in the IMIS system.

Department responsible: United Nations Office at Nairobi/United Nations
Environment Programme/United Nations Secretariat

Status: In progress

Priority: Medium

Target date: Fourth quarter of 2011

541. In paragraph 163, UNEP agreed with the Board's recommendation regarding the extension of the inventory management system to outposted and liaison offices.

Department responsible: United Nations Office at Nairobi/United Nations Environment Programme

Status: In progress

Priority: Medium

Target date: Fourth quarter of 2011

542. In paragraph 173, UNEP agreed with the Board's recommendation that, in coordination with the United Nations Office at Nairobi, it: (a) programme the Microsoft Access tool for preparing the financial statements in order to eliminate any residual manual operations; (b) study the possibility of making IMIS process all funds; and (c) refine the description of the checks and controls.

Department responsible: United Nations Office at Nairobi/United Nations Environment Programme/United Nations Secretariat

Status: In progress

Priority: Medium

Target date: First quarter of 2011

543. In paragraph 177, UNEP agreed with the Board's recommendation that, in coordination with the United Nations Office at Nairobi, it: (a) take advantage of the upcoming implementation of the new enterprise resource planning system to eliminate journal voucher entries; and (b) strengthen internal control over journal voucher entries and the access rights to make them.

Department responsible: United Nations Office at Nairobi/United Nations Environment Programme/United Nations Secretariat

Status: In progress

Priority: High

Target date: Enterprise resource planning

544. In paragraph 179, the Board recommended that the Office of Internal Oversight Services improve the rate of completion of its planned audits on UNEP.

Department responsible: Office for Internal Oversight Services

Status: In progress

Priority: Medium

Target date: Fourth quarter of 2010

545. In paragraph 188, UNEP agreed with the Board's recommendation that it obtain the reimbursement of the amount of \$214,058 overpaid to an implementing agency in Africa or consider its write-off.

<i>Department responsible:</i>	United Nations Office at Nairobi/United Nations Environment Programme
<i>Status:</i>	In progress
<i>Priority:</i>	Medium
<i>Target date:</i>	Fourth quarter of 2011

B. Implementation of the recommendations contained in the report of the Board of Auditors for prior periods

546. In the annex to its report for the financial period ended 31 December 2009 (A/65/5/Add.6, chap. II) the Board provided a summary of the status of implementation of recommendations of the Board for previous financial periods. Information is provided below on: (a) the four recommendations listed in the annex as outstanding from prior periods; and (b) the overall status of prior recommendations. The status of implementation of the prior-year recommendations is summarized in the table and figure below.

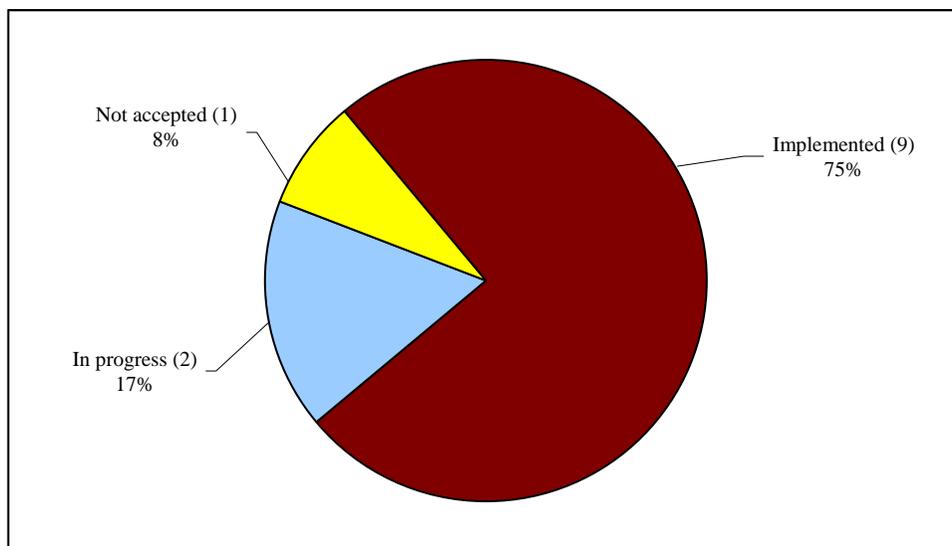
Table 23

Status of implementation of main recommendations from prior periods considered not fully implemented in the Annex to the report of the Board of Auditors for the financial period ended 31 December 2009

<i>Department responsible</i>	<i>Number of recommendations</i>	<i>Not accepted</i>	<i>Implemented or closure requested</i>	<i>In progress</i>	<i>Target date set</i>	<i>No target date</i>
Corporate Services Section/Department of Management/UNON	3	1	—	2	1	1
Corporate Services Section/UNON	1	—	1	—	—	—
Outstanding recommendations	4	1	1	2	1	1
Implemented/overtaken by events ^a	7	—	7	—	—	—
Overall status of prior recommendations	11	1	8	2	1	1

^a As reported by the Board in A/65/5/Add.6, chap. II, annex.

Figure XVI
United Nations Environment Programme
Overall status of prior-period recommendations



547. In paragraph 19 of its report for the biennium 2004-2005, UNEP agreed with the Board's recommendation that it strictly apply the provisions of the administrative instruction relating to travel costs or obtain new measures from the United Nations Secretariat if it is confirmed that the current provisions are inappropriate.

Department responsible: Corporate Services Section/United Nations Office at Nairobi

Status: Implemented

Priority: High

Target date: Not applicable

548. In paragraph 44 of the report, UNEP agreed with the Board's recommendation that it set up specific funding to balance in its accounts its liabilities for end-of-service and post-retirement benefits, particularly health insurance.

549. See response to the Board's recommendation in paragraph 112 above.

Department responsible: Corporate Services Section/United Nations Office at Nairobi/United Nations Headquarters

Status: In progress

Priority: High

Target date: Dependent on decisions by the General Assembly

550. In paragraph 62 of the report, UNEP agreed with the Board's recommendation that it review its service agreement with the United Nations Office at Nairobi.

551. This recommendation was delayed as a result of United Nations Office at Nairobi senior management (Director-General) changes and the resignation of the previous chair of the Client Advisory Committee. This Committee has been reconstituted and this work is under way.

Department responsible: Corporate Services Section/United Nations Office at Nairobi/United Nations Headquarters

Status: In progress

Priority: High

Target date: Fourth quarter of 2011

552. In paragraph 83, UNEP agreed with the Board's recommendation that it look at options for reducing manual processing to a minimum.

553. After consultation, the United Nations Office at Nairobi and UNEP feel that it is not cost-effective to invest in reducing the manual intervention any further while a new enterprise resource planning system is soon to replace IMIS. The new enterprise resource planning system is expected to automatically generate financial reports.

Department responsible: Corporate Services Section/United Nations Office at Nairobi/United Nations Headquarters

Status: Not accepted

Priority: High

Target date: Not applicable

X. United Nations Population Fund

A. Implementation of the recommendations contained in the report of the Board of Auditors for the financial period ended 31 December 2009¹⁴

554. UNFPA acknowledges the modified audit opinion with one qualification on its financial statements that relates to the weaknesses in the nationally executed expenditure modality audit process and results; and one emphasis of matter that relates to non-compliance with procedures at the four country offices visited by the Board of Auditors.

555. UNFPA management has taken very seriously the issues raised by the Board of Auditors, especially those related to the national execution modality (NEX); it has an Executive Coordinator for National Execution supported by a team for 2009-2010 and it has given this highest priority in its objectives for the present and forthcoming biennium. Furthermore, it is revising its programming process to include issues related to national execution.

556. Efforts are also under way to enhance the internal control environment, ensure better compliance with policies and procedures and develop UNFPA capacity in

¹⁴ A/65/5/Add.7, chap. II.

certain areas. In addition, UNFPA is also considering further action to address the issues related to implementing partners capacity-development per se, taking into consideration new approaches to accountability, in the light of the changing aid environment that requires an even stronger emphasis on country ownership.

557. The status of implementation of recommendations as at August 2010 is summarized in tables 24 and 25 below.

Table 24
Status of implementation of main recommendations

<i>Department responsible</i>	<i>Number of recommendations</i>	<i>Not accepted</i>	<i>Implemented or closure requested</i>	<i>In progress</i>	<i>Target date set</i>	<i>No target date</i>
Division for Management Services	26	—	3	23	23	3
Executive Coordinator for National Execution	9	—	—	9	9	—
Division for Human Resources	4	—	1	3	3	1
Country offices	2	—	2	—	—	2
Information and External Relations Division	3	—	1	2	—	3
Total	44	—	7	37	35	9

Figure XVII
United Nations Population Fund
Initial implementation of main recommendations

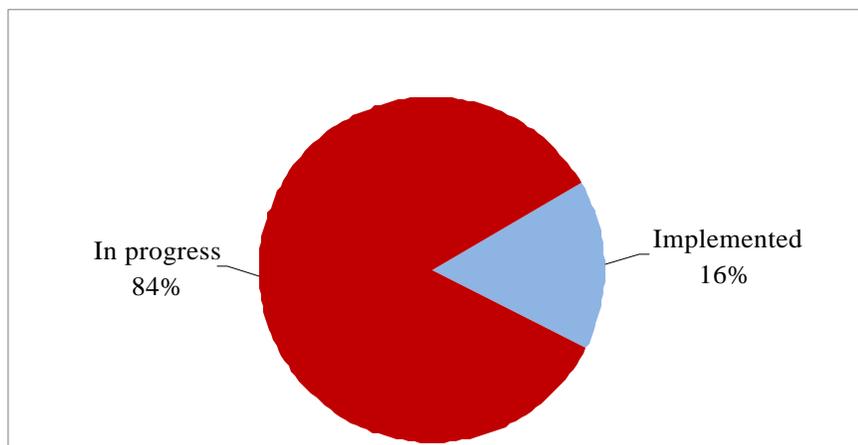
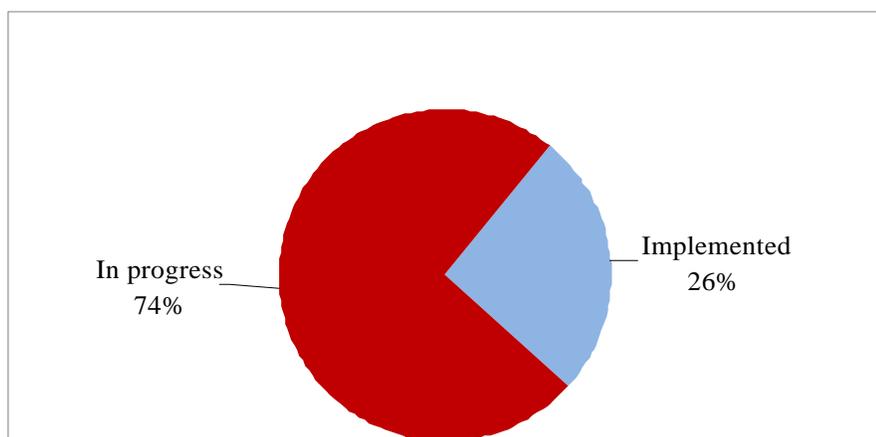


Table 25
Status of implementation of all recommendations

<i>Department responsible</i>	<i>Number of recommendations</i>	<i>Not accepted</i>	<i>Implemented or closure requested</i>	<i>In progress</i>	<i>Target date set</i>	<i>No target date</i>
Division for Management Services	52	—	6	46	46	6
Executive Coordinator for National Execution	13	—	—	13	13	—
Division for Human Resources	6	—	2	4	4	2
Country offices	16	—	13	3	3	13
Division for Oversight Services	2	—	1	1	1	1
Information and External Relations Division	3	—	1	2	—	3
Programme Division	1	—	1	—	—	1
Total	93	—	24	69	67	26

Figure XVIII
United Nations Population Fund
Initial implementation of all recommendations



558. In paragraph 27 of the report, UNFPA agreed with the Board's recommendation that it: (a) define measurable milestones to be achieved in each phase of its International Public Sector Accounting Standards (IPSAS) implementation plan; (b) monitor its progress towards IPSAS implementation, as stipulated in its IPSAS plan, with reference to the established milestones; and (c) maintain an adequate audit trail in support of the progress made in the execution of its IPSAS plan.

Department responsible: Division for Management Services

Status: In progress

Priority: High

Target date: Third quarter of 2010

559. In paragraph 31 of the report, UNFPA agreed with the Board's recommendation that it: (a) consider the gaps identified in its International Public Sector Accounting Standards implementation plan; and (b) take steps to formally define the role of regional and subregional offices and other headquarters units.

Department responsible: Division for Management Services

Status: In progress

Priority: High

Target date: Third quarter of 2010

560. In paragraph 35 of the report, UNFPA agreed with the Board's recommendation that it consider activities that will be required after the IPSAS implementation date in terms of budget and resources in order to provide for continuous support and development.

Department responsible: Division for Management Services

Status: In progress

Priority: Medium

Target date: Third quarter of 2010

561. In paragraph 41 of the report, UNFPA agreed with the Board's recommendation that it ensure reconciliations for major control accounts, namely: accounts payable, accounts receivable and the expense accrual account, are reviewed by a senior official on a regular basis.

Department responsible: Division for Management Services

Status: Implemented

Priority: High

Target date: Not applicable

562. In paragraph 44 of the report, UNFPA agreed with the Board's recommendation that it reflect the ageing for the other accounts receivable balances.

Department responsible: Division for Management Services

Status: In progress

Priority: High

Target date: Fourth quarter of 2010

563. In paragraph 49 of the report, UNFPA agreed with the Board's recommendation that it follow up with UNDP to: (a) clear all long-outstanding amounts (debits and credits) from staff education grants; and (b) regularly reconcile the account to comply with paragraph 11 of information circular ST/IC/2002/5.

Department responsible: Division for Management Services

Status: In progress

Priority: Medium

Target date: Fourth quarter of 2010

564. In paragraph 50 of the report, UNFPA agreed with the Board's recommendation that, in conjunction with UNDP, it consider a revision to the separation processes to ensure that outstanding education grants are recovered from staff prior to separation.

Department responsible: Division for Management Services

Status: In progress

Priority: Medium

Target date: Third quarter of 2010

565. In paragraph 53, UNFPA agreed with the Board's recommendation that it: (a) review its process with Global Payroll Services to ensure timely recovery of staff advances through payroll deductions; and (b) assess the payroll system (Atlas) to ensure it is correctly configured to recover advances.

Department responsible: Division for Management Services

Status: Implemented

Priority: High

Target date: Not applicable

566. In paragraph 58, UNFPA agreed with the Board's recommendation that it implement procedures for the monitoring and follow-up of accounts payable that would include an age analysis for all accounts payable.

Department responsible: Division for Management Services

Status: In progress

Priority: High

Date: Fourth quarter of 2010

567. In paragraph 62, UNFPA agreed with the Board's recommendation that it provide country offices with clear guidance on how to analyse and review accounts that are under the responsibility of country offices and monitor performance of such reviews.

Department responsible: Division for Management Services

Status: In progress

Priority: High

Target date: Fourth quarter of 2010

568. In paragraph 65, UNFPA Nigeria country office agreed with the Board's recommendation that it: (a) address the misclassifications of expenditure line items; (b) review the remaining expenditures incurred to ensure all

classifications are correct for the biennium; and (c) implement control procedures to ensure that expenditure items are posted to the correct general ledger accounts.

Department responsible: Nigeria country office

Status: In progress

Priority: Medium

Target date: Third quarter of 2010

569. In paragraph 68, UNFPA agreed with the Board's recommendation that it follow up with donors to ensure that available donor funds are utilized for programme implementation, or paid back to donors in a timely manner.

Department responsible: Information and External Relations Division

Status: In progress

Priority: High

Target date: Ongoing

570. In paragraph 72, UNFPA agreed with the Board's recommendation that it monitor the issuing of progress reports to donors for projects by country offices, as required by the donor agreements.

Department responsible: Information and External Relations Division

Status: Implemented

Priority: High

Target date: Not applicable

571. In paragraph 76, UNFPA agreed with the Board's recommendation that it address, through its operational and management processes, the matter of ensuring that operationally complete projects are financially closed in a timely manner.

Department responsible: Information and External Relations Division/
country offices

Status: In progress

Priority: High

Target date: Ongoing

572. In paragraph 87, UNFPA agreed with the Board's recommendation that it consider a revision of its policy for the valuation of the annual leave liability in its implementation of the International Public Sector Accounting Standards.

Department responsible: Division for Management Services

Status: In progress

Priority: High

Target date: Fourth quarter of 2010

573. In paragraph 90, UNFPA agreed with the Board's recommendation that it take appropriate measures to ensure the validity, accuracy and completeness of the data used in the computation of all post-retirement and end-of-service liabilities in the future financial periods by ensuring that the information pertains to the correct reporting period.

Department responsible: Division for Management Services

Status: In progress

Priority: High

Target date: Fourth quarter of 2011

574. In paragraph 95, UNFPA agreed with the Board's recommendation that it develop a funding plan for the end-of-service liabilities.

Department responsible: Division for Management Services

Status: In progress

Priority: High

Target date: Fourth quarter of 2010

575. In paragraph 99, UNFPA agreed with the Board's recommendation that it implement monitoring and review processes over office management plans to ensure that for every output indicator there is a baseline and target against which performance can be measured.

Department responsible: Programme Division

Status: Implemented

Priority: Medium

Target date: Not applicable

576. In paragraph 106, UNFPA agreed with the Board's reiterated recommendation that it reconcile and review the country office bank accounts.

Department responsible: Division for Management Services

Status: In progress

Priority: High

Target date: Fourth quarter of 2010

577. In paragraph 107, UNFPA agreed with the Board's recommendation that it consider adequate controls to address the issue of UNFPA Oman bank accounts.

Department responsible: Division for Management Services

Status: In progress

Priority: High

Target date: Fourth quarter of 2010

578. In paragraph 111, UNFPA agreed with the Board's recommendation that it review its processes to ensure that amounts in unapplied deposits account are identified and allocated correctly in the financial statements.

Department responsible: Division for Management Services

Status: In progress

Priority: High

Target date: Fourth quarter of 2010

579. In paragraph 114, UNFPA agreed with the Board's recommendation that, in conjunction with UNDP, it ensure that payments made to staff through the payroll are reflected in staff advances in the general ledger in a timely manner.

Department responsible: Division for Management Services

Status: In progress

Priority: Medium

Target date: Fourth quarter of 2010

580. In paragraph 116, the UNFPA Nigeria country office agreed with the Board's recommendation that it: (a) ensure that petty cash is replenished in a timely manner; (b) comply with UNFPA policies and procedures with regard to maintenance of supporting documents relating to petty cash, which could be by way of declaration by the expending official; and (c) ensure that petty cash counts are performed on a regular basis, in accordance with UNFPA financial accountability reporting.

Department responsible: Nigeria country office

Status: Implemented

Priority: Medium

Target date: Not applicable

581. In paragraph 128, UNFPA agreed with the Board's reiterated recommendation that it ensure that consideration is given to auditors' independence, affiliation with professional bodies, and compliance with International Standards of Auditing when selecting nationally executed expenditure auditors.

Department responsible: Executive Coordinator for National Execution/
country offices

Status: In progress

Priority: Medium

Target date: First quarter of 2011

582. In paragraph 133, UNFPA agreed with the Board's reiterated recommendation that it ensure that its nationally executed expenditure auditors issue audit engagement letters prior to the commencement of the nationally executed audit.

Department responsible: Executive Coordinator for National Execution/
country offices

Status: In progress

Priority: Medium

Target date: First quarter of 2011

583. In paragraph 134, the UNFPA Nigeria country office agreed with the Board's recommendation that it comply with UNFPA procurement policies and procedures in its appointment of nationally executed expenditure auditors, and ensure that all relevant documentation relating to this process is maintained.

Department responsible: Nigeria country office

Status: Implemented

Priority: High

Target date: Not applicable

584. In paragraph 142, UNFPA agreed with the Board's recommendation that it: (a) ensure that all country offices, with adequate monitoring by the regional offices, complete and submit their audit plans before the deadline; and (b) the nationally executed expenditure headquarters unit review the database to ensure that audit plans are complete.

Department responsible: Executive Coordinator for National Execution/
regional offices

Status: In progress

Priority: High

Target date: First quarter of 2011

585. In paragraph 149, the Board recommended to UNFPA that it consider processes to enable it to have assurance that projects that should be audited as required by the terms of reference have been included in the plans.

Department responsible: Executive Coordinator for National Execution

Status: In progress

Priority: High

Target date: First quarter of 2011

586. In paragraph 154, UNFPA agreed with the Board's recommendation that it implement measures to review the information captured on the database to ensure: (a) the appropriateness of the adequate audit opinions expressed by nationally executed expenditure auditors; and (b) the information captured on the database is accurate.

Department responsible: Executive Coordinator for National Execution

Status: In progress

Priority: High

Target date: Fourth quarter of 2010

587. In paragraph 159, UNFPA agreed with the Board's reiterated recommendation that it ensure that country offices complete and submit their nationally executed expenditure audit reports before the deadline.

Department responsible: Executive Coordinator for National Execution/
regional offices

Status: In progress

Priority: High

Target date: Third quarter of 2011

588. In paragraph 160, UNFPA agreed with the Board's recommendation that it address the discrepancy in the expected number of audit reports and number of implementing partners in accordance with the nationally executed expenditure audit database.

Department responsible: Executive Coordinator for National Execution

Status: In progress

Priority: Medium

Target date: Fourth quarter of 2010

589. In paragraph 161, the Board reiterated its recommendation to UNFPA that it consider methods to improve the submission rate of nationally executed expenditure project audit reports.

Department responsible: Executive Coordinator for National Execution

Status: In progress

Priority: High

Target date: Third quarter of 2011

590. In paragraph 165, UNFPA agreed with the Board's reiterated recommendation that country offices implement controls to ensure that information is accurately and completely recorded on the nationally executed expenditure audit management system.

Department responsible: Executive Coordinator for National Execution/
country offices

Status: In progress

Priority: High

Target date: First quarter of 2011

591. In paragraph 175, UNFPA agreed with the Board's reiterated recommendation that it address, through its operational and management processes, the matter of qualified audit reports and audit reports without audit opinion on nationally executed expenditure, as well as expenditure that could not be supported.

Department responsible: Executive Coordinator for National Execution

Status: In progress

Priority: High

Target date: Fourth quarter of 2010

592. In paragraph 181, UNFPA agreed with the Board's reiterated recommendation that it correctly categorize qualified audit opinions in accordance with the severity of opinions to ensure that the significance and impact of the qualification are noted on the database and analytical reports.

Department responsible: Executive Coordinator for National Execution

Status: In progress

Priority: Medium

Target date: Fourth quarter of 2010

593. In paragraph 188, UNFPA agreed with the Board's recommendation that it: (a) consider the possibility of an interface between Atlas and the nationally executed expenditure database; (b) reconcile nationally executed expenditure on Atlas to the nationally executed expenditure in accordance with the database; and (c) validate that the nationally executed expenditure database is complete and includes all projects in accordance with the National Execution terms of reference.

Department responsible: Executive Coordinator for National Execution/Division for Management Services

Status: In progress

Priority: High

Target date: First quarter of 2011

594. In paragraph 192, UNFPA agreed with the Board's recommendation that it implement measures to ensure that country offices and implementing partners submit certified financial forms in accordance with nationally executed expenditure terms of reference in a timely manner.

Department responsible: Executive Coordinator for National Execution

Status: In progress

Priority: High

Target date: Third quarter of 2011

595. In paragraph 197, UNFPA agreed with the Board's reiterated recommendation that it take steps to follow up on long-outstanding operating fund advances in a timely manner and to ensure that funds advanced are utilized for their intended purposes.

Department responsible: Division for Management Services

Status: In progress

Priority: High

Target date: Fourth quarter of 2010

596. In paragraph 198, UNFPA agreed with the Board's recommendation that it consider reallocating credit balances in operating funds and advances to accounts payable.

Department responsible: Division for Management Services

Status: In progress

Priority: Medium

Target date: Fourth quarter of 2010

597. In paragraph 201, UNFPA agreed with the Board's recommendation that it implement procedures to monitor overspending on projects.

Department responsible: Nigeria country office

Status: In progress

Priority: Medium

Target date: Third quarter of 2010

598. In paragraph 205, the UNFPA Yemen country office agreed with the Board's recommendation that it: (a) implement controls to ensure that all minutes of the programme steering committee meetings are recorded and filed accordingly; (b) formulate and implement action plans that will facilitate follow-up of the matters raised by the programme steering committee; and (c) take steps to ensure that the programme steering committee meets regularly.

Department responsible: Yemen country office

Status: Implemented

Priority: Medium

Target date: Not applicable

599. In paragraph 209, the UNFPA Uzbekistan country office agreed with the Board's recommendation that it take the initiative to ensure that the United Nations Development Assistance Framework annual review is performed so that programme interventions are revised and/or directed as necessary.

Department responsible: Uzbekistan country office

Status: Implemented

Priority: Medium

Target date: Not applicable

600. In paragraph 215, the UNFPA Nigeria country office agreed with the Board's recommendation that it comply with Rule 114.4 (c) of the UNFPA Financial Regulations and Rules with regard to payments made with no obligating documents.

Department responsible: Nigeria country office

Status: Implemented

Priority: High

Target date: Not applicable

601. In paragraph 220, UNFPA agreed with the Board's recommendation that it consider adequate mitigating controls before making payment against documentation that is not the original supplier documentation.

Department responsible: Nigeria country office

Status: Implemented

Priority: Medium

Target date: Not applicable

602. In paragraph 225, UNFPA agreed with the Board's recommendation that it comply with the requirements of the United Nations Procurement Manual with regard to maintaining adequate documentation for vendor registration.

Department responsible: Division for Management Services

Status: In progress

Priority: Medium

Target date: Fourth quarter of 2010

603. In paragraph 229, UNFPA agreed with the Board's recommendation that it: (a) improve its input controls to detect and prevent duplicated vendors from being registered in the vendor database; and (b) implement controls to periodically review its vendor database for duplicated vendors and update its vendor database accordingly.

Department responsible: Division for Management Services

Status: In progress

Priority: Medium

Target date: Fourth quarter of 2010

604. In paragraph 232, UNFPA agreed with the Board's recommendation that it comply with its policies and procedures regarding the evaluation of vendor performance.

Department responsible: Division for Management Services

Status: In progress

Priority: Medium

Target date: Fourth quarter of 2010

605. In paragraph 237, UNFPA agreed with the Board's recommendation that it ensure that country offices comply with UNFPA procurement policies and procedures with regard to: (a) maintenance of adequate documentation to support all procurement activities; (b) its selection of methods of solicitation of bids; (c) submission of contracts for review by the Contract, Assets and Procurement Committee for approval; and (d) awarding of contracts to winning bidders.

Department responsible: Division for Management Services

Status: In progress

Priority: High

Target date: Fourth quarter of 2010

606. In paragraph 238, UNFPA agreed with the Board's recommendation that it implement procedures to ensure that: (a) the detailed specifications of the goods or services required as well as the procurement method are determined prior to initiation of the procurement process; and (b) purchase orders are in accordance with winning bids.

Department responsible: Division for Management Services

Status: In progress

Priority: Medium

Target date: Fourth quarter of 2010

607. In paragraph 241, the Board recommended to UNFPA that the Yemen country office comply with UNFPA policies and procedures regarding the recording of purchase orders before the procurement of goods and services.

Department responsible: Yemen country office

Status: Implemented

Priority: Medium

Target date: Not applicable

608. In paragraph 244, the Yemen country office agreed with the Board's recommendation that it implement procedures to manage the bids receiving process in accordance with UNFPA procurement policies and procedures.

Department responsible: Yemen country office

Status: Implemented

Priority: Medium

Target date: Not applicable

609. In paragraph 246, UNFPA agreed with the Board's recommendation that it implement procedures to ensure that invoices and supporting documents are adequately marked to indicate that the documents had been processed for payment after payment had been made.

Department responsible: Division for Management Services

Status: In progress

Priority: Medium

Target date: Fourth quarter of 2010

610. In paragraph 251, the UNFPA Nigeria country office agreed with the Board's recommendation that it: (a) comply with the requirements of the UNFPA asset management policy with regard to the bidding process and the award of bids for disposal of UNFPA assets; and (b) review the cases of disposals that were not consistent with UNFPA policies and procedures.

Department responsible: Nigeria country office

Status: Implemented

Priority: Medium

Target date: Not applicable

611. In paragraph 256, UNFPA agreed with the Board's recommendation that it continue to take steps to ensure that all country offices submit asset certifications in a timely manner in compliance with the UNFPA asset management policy.

Department responsible: Division for Management Services

Status: In progress

Priority: High

Target date: Fourth quarter of 2010

612. In paragraph 262, UNFPA agreed with the Board's recommendation that it update the asset management module in Atlas with the correct location information for each asset in compliance with the asset management policy.

Department responsible: Division for Management Services

Status: In progress

Priority: Medium

Target date: Fourth quarter of 2010

613. In paragraph 267, UNFPA agreed with the Board's recommendation that it: (a) implement procedures to reconcile or update the asset register with the results of its inventory count procedures; and (b) address the weaknesses in its inventory count procedures.

Department responsible: Division for Management Services

Status: In progress

Priority: High

Target date: Fourth quarter of 2010

614. In paragraph 270, UNFPA agreed with the Board's recommendation that the Yemen country office comply with the UNFPA asset management policy regarding the maintenance of records relating to attractive assets.

Department responsible: Yemen country office

Status: Implemented

Priority: Medium

Target date: Not applicable

615. In paragraph 273, UNFPA agreed with the Board's recommendation that it regularly update the status of assets in the asset register and identify obsolete items and assets not in use.

Department responsible: Division for Management Services

Status: In progress

Priority: Medium

Target date: Fourth quarter of 2010

616. In paragraph 277, the UNFPA Nigeria country office agreed with the Board's recommendation that it: (a) comply with the requirement of the

UNFPA asset management policy with regard to recording in its records all the assets purchased through its budget; (b) review its purchases of assets to ensure that similar assets were not incorrectly transferred to the common service operations; and (c) consider a review of the memorandum of understanding to ensure that it is in accordance with the UNFPA asset management policy.

Department responsible: Nigeria Country office

Status: In progress

Priority: Medium

Target date: Fourth quarter of 2010

617. In paragraph 281, UNFPA agreed with the Board's reiterated recommendation that it appropriately record all assets that the organization has title to in the asset register as required by the policies and procedures.

Department responsible: Division for Management Services/country offices

Status: In progress

Priority: High

Target date: Fourth quarter of 2010

618. In paragraph 290, UNFPA agreed with the Board's recommendation that it capitalize the value of Global Contraceptive Commodity Programme stocks in its financial statements.

Department responsible: Division for Management Services

Status: In progress

Priority: High

Target date: Fourth quarter of 2011

619. In paragraph 291, UNFPA agreed with the Board's recommendation that it consider the inclusion in the financial statements of the value of expendable property held by UNFPA in all locations.

Department responsible: Division for Management Services

Status: In progress

Priority: High

Target date: Fourth quarter of 2011

620. In paragraph 296, UNFPA agreed with the Board's recommendation that it address vacant positions.

Department responsible: Division for Human Resources

Status: Implemented

Priority: High

Target date: Not applicable

621. In paragraph 300, UNFPA agreed with the Board's recommendation that it address and shorten the lead time for filling vacancies and ensure that it has sufficient resources to achieve its programme objectives.

Department responsible: Division for Human Resources

Status: Implemented

Priority: Medium

Target date: Not applicable

622. In paragraph 309, UNFPA agreed with the Board's recommendation that it: (a) take steps to ensure that leave transactions for international staff based in the country offices are recorded in the system; and (b) implement procedures/processes to enable it to accurately compute the leave pay provision in its financial statements.

Department responsible: Division for Human Resources/Division for Management Services

Status: In progress

Priority: High

Target date: First quarter of 2011

623. In paragraph 313, UNFPA agreed with the Board's reiterated recommendation that it improve its recording of attendance and leave.

Department responsible: Division for Human Resources

Status: In progress

Priority: High

Target date: Third quarter of 2010

624. In paragraph 314, UNFPA agreed with the Board's reiterated recommendation that it ensure that country offices maintain accurate and complete leave records.

Department responsible: Division for Human Resources

Status: In progress

Priority: High

Target date: Third quarter 2010

625. In paragraph 318, UNFPA agreed with the Board's reiterated recommendation that it implement procedures to improve the rate of submission of semi-annual reports to headquarters to comply with the provisions set out in the guidelines.

Department responsible: Division for Human Resources

Status: In progress

Priority: Medium

Target date: Fourth quarter of 2010

626. In paragraph 323, the UNFPA Uzbekistan country office agreed with the Board's recommendation that it comply with its human resources policy regarding the hiring and contracting of special service agreements.

Department responsible: Uzbekistan country office

Status: Implemented

Priority: Medium

Target date: Not applicable

627. In paragraph 334, the UNFPA Procurement Services Section agreed with the Board's recommendation that it: (a) account for only the portion that relates to its cost recovery fees as income; (b) account for the portion of the advance payment that is not fully utilized as a liability; and (c) derecognize the expenditure incurred for third party procurement as part of its own expenditure.

Department responsible: Division for Management Services

Status: In progress

Priority: High

Target date: Fourth quarter of 2010

628. In paragraph 335, the UNFPA Procurement Services Section agreed with the Board's reiterated recommendation that it account for the portion of expenditure incurred by the UNFPA Procurement Services Section on behalf of a third party and reimbursable to UNFPA, as an asset.

Department responsible: Division for Management Services

Status: In progress

Priority: High

Target date: Fourth quarter of 2010

629. In paragraph 339, the UNFPA Procurement Services Section agreed with the Board's reiterated recommendation that it: (a) develop and implement a process that would allow for updated reports on third-party balances to be easily generated in a regular and timely manner; and (b) implement a process

to regularly reconcile, review and monitor fund code balances to ensure accuracy and completeness.

Department responsible: Division for Management Services

Status: In progress

Priority: High

Target date: Fourth quarter of 2010

630. In paragraph 346, the UNFPA Procurement Services Section agreed with the Board's recommendation that it continue to follow-up long outstanding fund balances and liquidate them in a timely manner either by actual implementation of the programmed activities or if that is not feasible, by refund to the institution that contributed the funds.

Department responsible: Division for Management Services

Status: In progress

Priority: High

Target date: Fourth quarter of 2010

631. In paragraph 347, the UNFPA Procurement Services Section agreed with the Board's recommendation that it take steps to ensure that there are rules at the inception of the fund to regulate how residual fund balances are dealt with.

Department responsible: Division for Management Services

Status: In progress

Priority: High

Target date: Fourth quarter of 2010

632. In paragraph 350, the UNFPA Procurement Services Section agreed with the Board's recommendation that it: (a) take steps to ensure that the residual fund balances that arise from interest earned are resolved in a timely manner; and (b) implement procedures to review and resolve long-outstanding fund balances regularly.

Department responsible: Division for Management Services

Status: In progress

Priority: Medium

Target date: Fourth quarter of 2010

633. In paragraph 359, the UNFPA Procurement Services Section agreed with the Board's reiterated recommendation that it follow an approach consistent with that used in procurement for other United Nations agencies procurement, which requires that advance payments be made.

Department responsible: Division for Management Services

Status: Implemented

Priority: Medium

Target date: Not applicable

634. In paragraph 360, the UNFPA Procurement Services Section agreed with the Board's recommendation that it take steps to ensure that all amounts overspent on the agreed third-party procurement agreements are duly recovered from the third parties in a timely manner.

Department responsible: Division for Management Services

Status: In progress

Priority: Medium

Target date: Fourth quarter of 2010

635. In paragraph 363, the UNFPA Procurement Services Section agreed with the Board's recommendation that it implement improvements in its processes to address the discrepancies relating to the Global Contraceptive Commodity Programme items procured from vendors by: (a) considering a review of the specifications for reproductive health kits in coordination with the Inter-agency Working Group; (b) ensuring that instruction booklets are included in the appropriate language, before shipments of stock; and (c) considering the feasibility of performing more frequent quality inspections.

Department responsible: Division for Management Services

Status: In progress

Priority: Medium

Target date: Fourth quarter of 2010

636. In paragraph 370, the UNFPA Procurement Services Section agreed with the Board's recommendation that it comply with UNFPA procurement policies with regard to bidding procedures.

Department responsible: Division for Management Services

Status: Implemented

Priority: High

Target date: Not applicable

637. In paragraph 371, the UNFPA Procurement Services Section agreed with the Board's recommendation that it consider a review of the identified case to confirm that no breach of UNFPA rules and regulations had taken place and to review any lessons learned.

Department responsible: Division for Management Services

Status: Implemented

Priority: Medium

Target date: Not applicable

638. In paragraph 375, the UNFPA Procurement Services Section agreed with the Board's recommendation that, in coordination with other United Nations agencies and the agencies involved in the procurement of the insurance service, it: (a) ensure that the relationship with the insurance services provider is defined by way of a contract; and (b) consider launching a competitive bidding process for the defined insurance services.

Department responsible: Division for Management Services

Status: In progress

Priority: Medium

Target date: Fourth quarter of 2010

639. In paragraph 379, the UNFPA Procurement Services Section agreed with the Board's reiterated recommendation that it continue to advise suppliers and requisitioners of the importance of utilizing the online tracking system effectively, in monitoring the status of order lead times, quality of goods delivered and evaluating suppliers, while the online tracking system is still in use.

Department responsible: Division for Management Services

Status: Implemented

Priority: Medium

Target date: Not applicable

640. In paragraph 383, the UNFPA Procurement Services Section agreed with the Board's reiterated recommendation that it continue to address the submission of plans to ensure that all country offices submit their procurement plans in the required time frames, in accordance with the procurement procedures as well as financial regulations.

Department responsible: Division for Management Services

Status: In progress

Priority: Medium

Target date: Fourth quarter of 2010

641. In paragraph 387, the UNFPA Procurement Services Section agreed with the Board's reiterated recommendation that it: (a) review open purchase orders regularly and close them on time; and (b) consider ways to address the causes of discrepancies relating to long-outstanding purchase orders.

Department responsible: Division for Management Services

Status: In progress

Priority: Medium

Target date: Fourth quarter of 2010

642. In paragraph 392, the UNFPA Procurement Services Section agreed with the Board's recommendation that it comply with UNFPA policies and procedures regarding the splitting of requisitions and consolidation of orders.

Department responsible: Division for Management Services

Status: In progress

Priority: Medium

Target date: Fourth quarter of 2010

643. In paragraph 395, the UNFPA Procurement Services Section agreed with the Board's recommendation that it consider steps to provide a status of cases reported, within the boundaries of maintaining confidentiality of the investigation.

Department responsible: Division for Management Services

Status: In progress

Priority: Medium

Target date: Fourth quarter of 2010

644. In paragraph 401, UNFPA agreed with the Board's recommendation that it implement procedures to ensure timely classification of audit recommendations issued, as listed on the Comprehensive Audit Recommendations Database (CARDS) maintained by the Division for Oversight Services.

Department responsible: Division for Oversight Services

Status: In progress

Priority: Medium

Target date: Second quarter of 2011

645. In paragraph 405, the UNFPA Division for Oversight Services agreed with the Board's recommendation that it review its procedures leading to the issuance of audit reports so as to decrease the lead time for the release of its reports.

Department responsible: Division for Oversight Services

Status: Implemented

Priority: Medium

Target date: Not applicable

646. In paragraph 424, UNFPA agreed with the Board's reiterated recommendation that it: (a) enforce the requirement that divisions/sections submit travel requests in accordance with the duty travel policy and to justify all late travel requests with written reasons; and (b) that divisions/sections take responsibility and accountability for the monitoring and control of the duty travel of their staff members.

Department responsible: Division for Management Services

Status: In progress

Priority: Medium

Target date: Fourth quarter of 2010

647. In paragraph 425, the UNFPA Uzbekistan and Indonesia country offices agreed with the Board's recommendation that they consider developing and implementing an internal procedure on travel requests in accordance with the UNFPA duty travel policy.

Department responsible: Uzbekistan and Indonesia country offices

Status: Implemented

Priority: Medium

Target date: Not applicable

648. In paragraph 429, UNFPA agreed with the Board's recommendation that headquarters, country offices and country technical services team's offices: (a) enforce the requirement that trip reports and F.10 travel claims be submitted within the approved time frames after completion of duty travel; and (b) that divisions/sections take responsibility and accountability for the monitoring and control of the duty travel of their staff members.

Department responsible: Division for Management Services/regional offices/country offices

Status: In progress

Priority: Medium

Target date: Fourth quarter of 2010

649. In paragraph 434, UNFPA agreed with the Board's reiterated recommendation to ensure that country offices compile and sign the memorandum of understanding for common services at the commencement of the agreement period.

Department responsible: Division for Management Services

Status: In progress

Priority: Medium

Target date: Fourth quarter of 2010

650. In paragraph 436, UNFPA Nigeria agreed with the Board's recommendation that it consider the revision of its memorandum of understanding for services with UNDP Nigeria to include all the common services and related activities.

Department responsible: Nigeria country office

Status: Implemented

Priority: Medium

Target date: Not applicable

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

651. In the annex to its report for the biennium ended 31 December 2009 (A/65/5/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 (a) the 30 recommendations listed as outstanding from prior periods; and (b) the overall status of prior recommendations. The information is set out in the order in which the recommendations are presented in the annex.

652. Table 26 and figure XIX below summarize the overall situation.

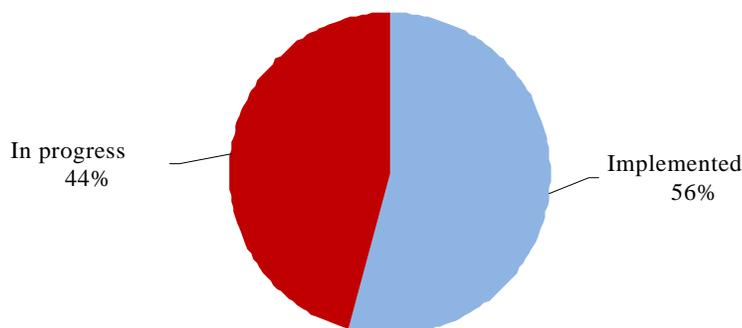
Table 26

Status of implementation of recommendations from prior periods considered not fully implemented in the annex to the report of the Board of Auditors for the biennium ended 31 December 2009

<i>Department responsible</i>	<i>Number of recommendations</i>	<i>Not accepted</i>	<i>Implemented or closure requested</i>	<i>In progress</i>	<i>Target date set</i>	<i>No target date</i>
Division for Management Services	17	—	3	14	14	—
Executive Coordinator for National Execution	8	—	—	8	8	—
Division for Human Resources	5	—	1	4	4	—
Outstanding recommendations	30	—	4	26	26	—
Implemented/overtaken by events ^a	29	—	29	—	—	—
Overall status of prior recommendations	59	—	33	26	26	—

^a As reported by the Board (A/65/5/Add.7, chap. II, annex).

Figure XIX
United Nations Population Fund
Implementation status of prior-period recommendations



653. **In paragraph 26 of its report for the biennium ended 31 December 2007 (A/63/5/Add.7, chap. II), the Board recommended that UNFPA clear all long-outstanding amounts (debits and credits) from staff education grants and regularly reconcile the account to comply with paragraph 11 of information circular ST/IC/2002/5.**

654. Ongoing efforts with UNDP will have to continue.

Department responsible: Division for Management Services

Status: In progress

Priority: Medium

Target date: Fourth quarter of 2010

655. **In paragraph 43, UNFPA agreed with the Board's recommendation that it develop a financing plan for the unfunded portion of end-of-service liabilities.**

656. This is not IPSAS-related issued and hence being prioritized on the basis of expected resources.

Department responsible: Division for Management Services

Status: In progress

Priority: High

Target date: Fourth quarter of 2010

657. **In paragraph 84, the Board recommended that UNFPA reconcile and review the country office bank accounts.**

658. The only remaining account is for the Oman country office.

Department responsible: Division for Management Services

Status: In progress

Priority: Medium

Target date: Fourth quarter of 2010

659. **In paragraph 88, the Board recommended that UNFPA ensure that country offices implement adequate controls over petty cash to comply with the petty cash management guidelines.**

660. The Nigeria country office, where this weakness has been identified, has reported that the recommendation has been implemented.

Department responsible: Division for Management Services

Status: Implemented

Priority: Medium

Target date: Not applicable

661. **In paragraph 93, the Board recommended that UNFPA identify the facts surrounding the highlighted procurement action and that steps be taken to address shortcomings in the bidding processes.**

662. Training and continuous monitoring is being undertaken by the Procurement Services Section.

Department responsible: Division for Management Services

Status: In progress

Priority: Medium

Target date: Fourth quarter of 2010

663. **In paragraph 99, UNFPA agreed with the Board's recommendation that it appropriately record all assets that the organization has title to in the fixed asset register as required by the policies and procedures.**

664. This is an ongoing effort and the recommendation is country-specific. Despite best efforts, there are likely to be exceptions where the organization's policies have not been fully adhered to.

Department responsible: Division for Management Services

Status: In progress

Priority: Medium

Target date: Fourth quarter of 2010

665. **In paragraph 102, UNFPA agreed with the Board's recommendation that it dispose of all assets authorized for disposal and adjust the asset register accordingly.**

666. This is an ongoing effort and the recommendation is country-specific. Despite best efforts, there are likely to be exceptions where the organization's policies have not been fully adhered to.

Department responsible: Division for Management Services

Status: In progress

Priority: Medium

Target date: Fourth quarter of 2010

667. In paragraph 115, the Board recommended that UNFPA capitalize the value of Global Contraceptive Commodity Programme stocks in its financial statements.

668. This recommendation is linked to IPSAS implementation and the subject of ongoing discussions between UNFPA and the Board of Auditors.

Department responsible: Division for Management Services

Status: In progress

Priority: Medium

Target date: Fourth quarter of 2010

669. In paragraph 140, UNFPA agreed with the Board's reiterated recommendation that it improve the recording of attendance and leave.

670. Leave management is a decentralized function. There have been several communications to headquarters division directors about the responsibilities of line managers, absence processors and staff with regard to leave management. In March 2010, all headquarters leave monitors and alternates received Atlas absence processor training from UNDP to prepare them to use the system the following month. In April 2010, all headquarters leave monitors and alternates began using the system. Atlas Wave 2 absence processing for leave recording of international staff will be released to country offices in August 2010.

Department responsible: Division for Human Resources

Status: In progress

Priority: Medium

Target date: Third quarter of 2010

671. In paragraph 145, UNFPA agreed with the Board's recommendation that it ensure that country offices maintain accurate and complete leave records.

672. UNFPA has decentralized the maintenance of leave records to country offices. A new UNFPA-specific absence processor profile has been tested and applied to the Atlas user rights of the country office leave monitors. Atlas Wave 2 absence processing for leave recording of international staff will be released to country offices in August 2010.

Department responsible: Division for Human Resources

Status: In progress

Priority: Medium

Target date: Third quarter of 2010

673. In paragraph 146, UNFPA agreed with the Board's recommendation that it require its common services provider (UNDP) to provide detailed leave accrual reports that are reconciled with the leave provision in the financial statements.

674. Leave accruals that will accurately provide the estimated liabilities are a part of the IPSAS employee benefits implementation planned for January 2011. For international and locally recruited staff globally, it is expected that with the joint UNDP/UNFPA/UNOPS IPSAS implementation, there will be an automated process that will generate monthly leave accrual reports reconciled with the leave provision in the financial statements.

Department responsible: Division for Human Resources/Division for Management Services

Status: In progress

Priority: Medium

Target date: First quarter of 2011

675. In paragraph 154, UNFPA agreed with the Board's reiterated recommendation that it address and shorten the lead time for filling vacancies and finalize its succession planning framework.

676. The recruiter console that enables UNFPA to track vacancies and report on vacancy timelines for headquarters-managed vacancies was introduced in July 2009.

677. The target recruitment time is four months. In 2009, the Division for Human Resources advertised 127 vacancies (including 34 re-advertisements) with the average recruitment time of 4.2 months (from the time the vacancy closes to the time the initial offer is made). UNFPA continues its efforts to address and shorten the lead times for filling vacancies through the use of rosters and also through recruitment missions.

678. UNFPA finalized its succession planning framework, which was endorsed by the Executive Committee in December 2008.

Department responsible: Division for Human Resources

Status: Implemented

Priority: Medium

Target date: Not applicable

679. In paragraph 182, UNFPA agreed with the Board's recommendation that it implement procedures to improve the rate of submission of semi-annual reports to headquarters on special service agreements and special contracts to comply with the provisions set out in the guidelines.

680. The Division for Human Resources had developed a Web-based system to allow country offices to submit, on a semi-annual basis, their lists of special service agreement and special contract holders. As the response rate was low, despite follow-ups from headquarters, and because UNFPA wanted to reduce the need for additional reporting by country offices (since data were already contained in the enterprise resource planning system), the Division requested the Management

Information Services Branch to prepare a report based on an extract of special service agreements and special contracts data from the Atlas finance module. The Branch has recently been able to produce a report that provides the lists of special service agreements and special contracts by country and the Division is in the process of reviewing the data for completeness.

Department responsible: Division for Human Resources

Status: In progress

Priority: Medium

Target date: Fourth quarter of 2010

681. **In paragraph 201, UNFPA agreed with the Board's recommendation that it (a) categorize qualified audit opinions, such as "except for", "disclaimer" or "emphasis of matter", in the database to ensure that the significance and impact of the qualifications are noted; (b) ensure that audit reports are captured correctly on the database; and (c) clarify the terms of reference for project auditors, including the exact coverage of project expenditure and the basis for expressing audit opinions.**

682. For 2008, summary information from audit reports was captured by UNFPA staff in the old nationally executed expenditure database. Sometimes, staff had difficulty reading audit reports correctly and data entry mistakes were made.

683. For 2009, the auditors entered their reports directly into the Nationally Executed Expenditure Audit Management System (NEXAMS). Some data entry mistakes were also made.

684. For 2010, UNFPA is centrally recruiting one global audit firm to undertake all nationally executed expenditure audits and enter them into NEXAMS. This is expected to ensure that audit reports are captured correctly.

Department responsible: Executive Coordinator for National Execution

Status: In progress

Priority: High

Target date: Third quarter of 2011

685. **In paragraph 202, UNFPA agreed with the Board's recommendation that it apply methods to improve the submission rate of nationally executed expenditure project audit reports.**

686. UNFPA is undertaking rigorous measures to ensure the submission of audit reports on time. UNFPA is also seeking the assistance of regional offices and representatives to ensure timely submission.

Department responsible: Executive Coordinator for National Execution

Status: In progress

Priority: High

Target date: Third quarter of 2011

687. **In paragraph 203, UNFPA agreed with the Board's recommendation that it urgently address, through its operational and management processes, the matter of qualified nationally executed expenditure audit reports.**

688. Implementing partners are entities external to UNFPA and therefore UNFPA is increasingly applying approaches to identify and mitigate the risk posed by working with them. By 31 December 2010, UNFPA will have addressed outstanding qualifications from 2008 and 2009 nationally executed expenditure audit reports.

Department responsible: Executive Coordinator for National Execution

Status: In progress

Priority: High

Target date: Fourth quarter of 2010

689. **In paragraph 208, the Board recommended that UNFPA (a) ensure that consideration is given to independence, affiliation with professional bodies and compliance with the International Standards of Auditing when selecting auditors; and (b) ensure that its auditors issue engagement letters before audit work is performed.**

690. While there has been substantial progress in addressing this recommendation, it will be fully resolved with the engagement of a centrally recruited audit firm and the discontinuation of hiring at the country level.

Department responsible: Executive Coordinator for National Execution

Status: In progress

Priority: High

Target date: First quarter of 2011

691. **In paragraph 221, UNFPA agreed with the Board's recommendation that it ensure (a) that all country offices submit the nationally executed expenditure audit reports by 31 March following the year's end; and (b) that financial forms be individually certified by the nationally executed expenditure auditors.**

692. The deadline is 30 April. Audit reports are submitted in an electronic form.

693. The control of country offices over the nationally executed expenditure auditors' adherence to deadlines and terms of reference has been challenging. In addition, implementing partners play a role in the auditors' ability to comply with the expectations of UNFPA. Implementing partners are entities external to UNFPA. The engagement of a centrally recruited audit firm is expected to substantially improve submission rates, including certification of financial forms.

Department responsible: Executive Coordinator for National Execution

Status: In progress

Priority: Medium

Target date: Third quarter of 2011

694. **In paragraph 223, the Board recommended that UNFPA (a) implement controls to ensure that information is accurately recorded and is complete on both the reports submission log and on the nationally executed expenditure projects database; and (b) include a measurable indicator in the “balanced scorecard” for each country office to assess progress in the submission of nationally executed expenditure audit reports.**

695. For 2008, summary information from audit reports was captured by UNFPA staff in the old nationally executed expenditure database. Sometimes, staff had difficulty reading audit reports correctly and data entry mistakes were made.

696. For 2009, the auditors entered their reports directly into NEXAMS. Some data entry mistakes were made.

697. For 2010, UNFPA is centrally recruiting one global audit firm to undertake all nationally executed expenditure audits and enter them into NEXAMS. This is expected to ensure that audit reports are captured correctly.

Department responsible: Executive Coordinator for National Execution

Status: In progress

Priority: Medium

Target date: Third quarter of 2011

698. **In paragraph 229, UNFPA agreed with the Board’s recommendation that it (a) ensure that all country offices complete and submit their audit plans before the deadline; and (b) review the database to ensure that all audit plans are complete.**

699. UNFPA has been reviewing audit plans and will continue efforts to ensure that country offices submit their audit plans on time.

Department responsible: Executive Coordinator for National Execution

Status: In progress

Priority: Medium

Target date: First quarter of 2011

700. **In paragraph 233, the Board recommended that the Division for Oversight Services extend its review of projects to be audited to ensure that projects are audited at least once in their lifetime, as required by the terms of reference.**

701. The information related to completion of projects is only available at the country offices, so UNFPA is relying on these self-reported data. The system includes a record of past audits. It was agreed to undertake spot checks of the accuracy of this information for 2008 and 2009. In the future, UNFPA will include information on both the start and end date of partnerships with implementing partners and information on the country programme cycle to determine the “final year”. In doing so, it will ensure that implementing partners that discontinue their partnerships before the end of the country programme cycle are identified for audits and, similarly, that implementing partners that are in their final year of implementation are also identified.

Department responsible: Executive Coordinator for National Execution

Status: In progress

Priority: Medium

Target date: Third quarter of 2011

702. In paragraph 259, the Board recommended that UNFPA (a) take steps to follow up on long-outstanding operating fund advances and to ensure that funds advanced are utilized for their intended purposes; and (b) ensure that the ageing schedule of operating fund advances is accurate.

703. This is an ongoing effort and the recommendation is country-specific. Despite best efforts, there are likely to be some exceptions where the organization policies have not been fully adhered to.

Department responsible: Division for Management Services

Status: In progress

Priority: Medium

Target date: Fourth quarter of 2010

704. In paragraph 274, UNFPA agreed with the Board's recommendation that it (a) ensure that divisions and offices submit travel requests in accordance with the duty travel policy and justify all late travel requests with written explanations; (b) enforce the requirement that trip reports and F.10 travel claims be submitted within the approved time frame after completion of duty travel; (c) ensure that divisions and offices take responsibility and accountability for the monitoring and control of their staff members' duty travel; and (d) perform a review of all outstanding trip reports and travel claims to ensure that all advances are cleared and possible overpayments recovered.

705. The organization is continuously making efforts to ensure 100 per cent compliance across the board.

Department responsible: Division for Management Services

Status: In progress

Priority: Medium

Target date: Fourth quarter of 2010

706. In paragraph 297, the Board recommended that UNFPA (a) only account for the portion that relates to its cost-recovery fees as income; (b) account for the portion of the advance payment that is not fully utilized as a liability; and (c) derecognize the expenditure incurred for third-party procurement as part of its own expenditure.

707. This is linked to revenue accounting policy under IPSAS which has been recently adopted by UNFPA.

Department responsible: Division for Management Services

Status: In progress

Priority: High

Target date: Fourth quarter of 2010

708. In paragraph 304, the Board recommended that UNFPA (a) develop a system to integrate the commitment control and general ledger modules in Atlas to allow for updated reports on third-party balances to be easily generated; and (b) implement processes to regularly reconcile, review and monitor fund code balances to ensure accuracy and completeness.

709. UNFPA has a full-time staff member ensuring that third-party balances are monitored. This work is also ongoing as it requires constant attention. The process to document control of third-party procurement has undergone audit according to standard ISO 9001:2008 of the International Organization for Standardization and UNFPA has been certified now for four consecutive years.

Department responsible: Division for Management Services

Status: In progress

Priority: Medium

Target date: Fourth quarter of 2010

710. In paragraph 305, UNFPA agreed with the Board's recommendation that it follow an approach consistent with that used in procurement for other United Nations agencies that require advance payments to be made.

Department responsible: Division for Management Services

Status: Implemented

Priority: Medium

Target date: Not applicable

711. In paragraph 316, UNFPA agreed with the Board's recommendation that it review open purchase orders regularly and close them in time to reduce the purchase order clearing exercise at year's end, and that it provide more accurate procurement and expenditure reporting during the year.

712. UNFPA will take extra measures to ensure that the prescribed procedures related to this recommendation are fully adhered to at all times.

Department responsible: Division for Management Services

Status: In progress

Priority: Medium

Target date: Fourth quarter of 2010

713. **In paragraph 321, the Board recommended that UNFPA (a) comply with the procurement guidelines regarding post facto approvals; and (b) implement controls to limit the waiver of competitive bidding.**

714. UNFPA has made progress in this area. Actions are under way to prevent such incidents and to establish zero tolerance for post-facto submissions.

Department responsible: Division for Management Services

Status: In progress

Priority: Medium

Target date: Fourth quarter of 2010

715. **In paragraph 336, UNFPA agreed with the Board's recommendation that it advise suppliers and requisitioners of the importance of using the online tracking system effectively in monitoring the status of order lead times and the quality of the goods delivered and to evaluate suppliers.**

716. UNFPA continuously reminds suppliers to use the online tracking system.

Department responsible: Division for Management Services

Status: Implemented

Priority: Medium

Target date: Not applicable

717. **In paragraph 344, UNFPA agreed with the Board's recommendation that it implement mechanisms and controls to ensure that appropriate procurement plans are submitted by all country offices, in accordance with the procurement manual as well as financial regulations.**

718. UNFPA will continue to work with country offices to ensure that the procurement plans are submitted on time.

Department responsible: Division for Management Services

Status: In progress

Priority: Medium

Target date: Fourth quarter of 2010

XI. United Nations Human Settlements Programme

A. Implementation of the recommendations contained in the report of the Board of Auditors for the financial period ended 31 December 2009¹⁵

719. Tables 27 and 28 and figures XX and XXI below summarize the status of implementation of recommendations as at July 2010.

¹⁵ A/65/5/Add.8, chap. II.

Table 27
Status of implementation of main recommendations

<i>Department responsible</i>	<i>Number of recommendations</i>	<i>Not accepted</i>	<i>Implemented or closure requested</i>	<i>In progress</i>	<i>Target date set</i>	<i>No target date</i>
Programme Support Division	5	—	—	5	4	1
Monitoring and Evaluation Unit of the Office of the Executive Director	1	—	—	1	1	—
Regional Office for Latin America and the Caribbean	1	—	1	—	—	—
Total	7	—	1	6	5	1

Figure XX
UN-Habitat
Initial implementation of main recommendations

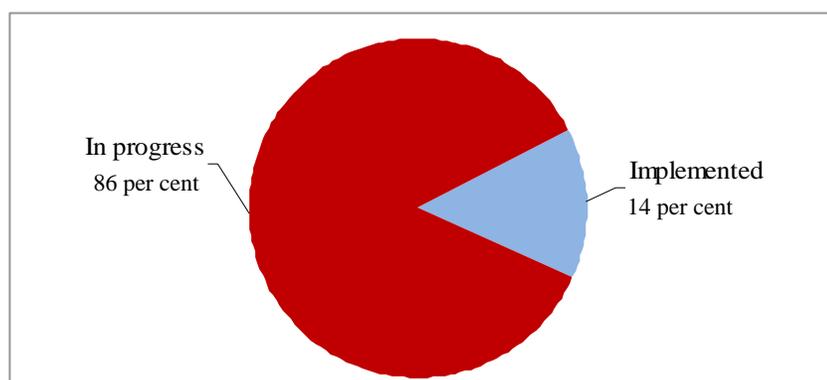
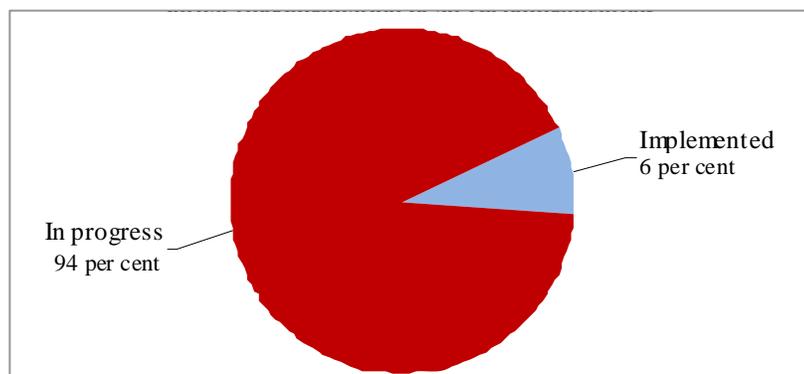


Table 28
Status of implementation of all recommendations

<i>Department responsible</i>	<i>Number of recommendations</i>	<i>Not accepted</i>	<i>Implemented or closure requested</i>	<i>In progress</i>	<i>Target date set</i>	<i>No target date</i>
Programme Support Division	16	—	—	16	12	14
Monitoring and Evaluation Unit of the Office of the Executive Director	1	—	—	1	1	—
Regional Office for Latin America and the Caribbean	1	—	1	—	—	—
Total	18	—	1	17	13	4

Figure XXI
UN-Habitat
Initial implementation of all recommendations



720. In paragraph 32, UN-Habitat agreed with the Board's recommendation that it take advantage of the installation of the new enterprise resource planning system to set up indicators to permanently monitor its liquidity levels.

721. As a matter of practice and sound management, UN-Habitat continuously monitors its level of cash balances. UN-Habitat has shared with the Board documentary evidence of such practice. UN-Habitat accepts this recommendation subject to the implementation of the enterprise resource planning system.

Department responsible: Programme Support Division in liaison with the United Nations Office at Nairobi

Status: In progress

Priority: Medium

Target date: Subject to the implementation of the enterprise resource planning system

722. In paragraph 39, the Board recommended that UN-Habitat (a) continue to prepare the implementation of IPSAS in collaboration with the United Nations Office at Nairobi; and (b) specify its needs for the migration of the Crystal software to the future enterprise resources planning system of the Secretariat (Umoja).

723. The IPSAS project at the United Nations is being centrally led and plans are coordinated with all other Secretariat offices. As part of this process, all of the major offices away from Headquarters are members of the IPSAS Steering Committee. This serves to ensure the widest possible participation and for "local" issues to be fully considered. It is also another means of informing offices with regard to the overall progress and direction of IPSAS. In this structure, it is redundant for offices away from Headquarters and regional commissions to develop their own detailed plans for IPSAS implementation, as resources are to be centrally provided. Nevertheless, UN-Habitat, in collaboration with the United Nations Office at Nairobi, is actively involved in the preparation for the implementation of IPSAS.

724. Concerning part (b) of the recommendation, UN-Habitat would like to point out that Crystal is a reporting tool developed and compatible only with the existing IMIS.

It is therefore most unlikely that it will be transferred to the Umoja system, which will have its own reporting platform. However, the reports being generated by Crystal will be incorporated in Umoja. They have already been given to the Umoja team during the “as is” analysis and will, as appropriate, be incorporated in the final design of the system. Additionally, representatives from the United Nations Office at Nairobi who are among the subject matter experts for the final design of Umoja will ensure that the reporting requirements of UN-Habitat are properly addressed. It should also be noted that the configuration of Umoja is ongoing and is yet to be finalized.

Department responsible: Programme Support Division and United Nations Office at Nairobi

Status: In progress

Priority: Medium

Target date: Subject to the implementation of IPSAS and the enterprise resource planning project

725. In paragraph 48, UN-Habitat agreed with the Board’s recommendation that it (a) revise the title of its financial statements and the notes thereto to reflect that their scope was limited to the activities funded under voluntary contributions; and (b) consider preparing financial statements, in collaboration with United Nations Headquarters, that include the activities funded by the regular budget of the United Nations.

726. The United Nations regular budget is now disclosed in a note in the financial statements of UN-Habitat. UN-Habitat, in liaison with the United Nations Office at Nairobi, will consult with Headquarters to determine whether the inclusion of the regular budget in the financial statements is permissible under the existing rules and regulations of the United Nations and the resolutions of the governing bodies.

Department responsible: Programme Support Division in liaison with the United Nations Office at Nairobi and United Nations Headquarters

Status: In progress

Priority: High

Target date: Fourth quarter of 2010

727. In paragraph 51, UN-Habitat agreed with the Board’s recommendation that it ensure that funds received under inter-organizational arrangements were directly derived from the general ledger.

Department responsible: Programme Support Division and United Nations Office at Nairobi

Status: In progress

Priority: Medium

Target date: Fourth quarter of 2010

728. In paragraph 56, UN-Habitat agreed with the Board’s recommendation that it ensure, in liaison with the United Nations Office at Nairobi, (a) that the review of access rights includes the detection of users who have left the

organization or changed function; and (b) that no employee can have more than one identifier for logging into the IMIS data management system.

Department responsible: Programme Support Division in liaison with the United Nations Office at Nairobi

Status: In progress

Priority: Medium

Target date: Third quarter of 2010

729. In paragraph 64, the Board recommended that UN-Habitat, together with the United Nations Administration at Headquarters, revise its accounting treatment of education grants.

730. A change of accounting treatment of education grants will require a change in the accounting policy at the Secretariat. UN-Habitat, in liaison with the United Nations Office at Nairobi, will consult with the Headquarters for further action on this matter.

Department responsible: Programme Support Division in liaison with the United Nations Office at Nairobi and United Nations Headquarters

Status: In progress

Priority: High

Target date: Fourth quarter of 2011

731. In paragraph 67, UN-Habitat agreed with the Board's recommendation that it disclose in a note the policy regarding provisions for delays in the collection of outstanding contributions.

Department responsible: Programme Support Division in liaison with the United Nations Office at Nairobi

Status: In progress

Priority: Medium

Target date: Fourth quarter of 2010

732. In paragraph 75, the Board reiterated its previous recommendation that UN-Habitat develop a funding plan for end-of-service liabilities for consideration and approval by its Governing Council.

733. UN-Habitat will seek guidance from the General Assembly and the Headquarters Administration and the authorization of its Governing Council on this matter for further action.

Department responsible: Programme Support Division in liaison with the United Nations Office at Nairobi and United Nations Headquarters

Status: In progress

Priority: High

Target date: Dependent upon decisions of the General Assembly

734. In paragraph 91, the Board recommended that UN-Habitat consider revising its policy on the valuation of leave liability in its implementation of IPSAS.

735. A change of policy will require action by the Secretariat. UN-Habitat, in liaison with the United Nations Office at Nairobi, will consult with Headquarters for further action on this matter.

Department responsible: Programme Support Division in liaison with the United Nations Office at Nairobi and United Nations Headquarters

Status: In progress

Priority: Medium

Target date: Fourth quarter of 2011

736. In paragraph 96, UN-Habitat agreed to ensure that all indicators of achievement are supported by documentary evidence.

Department responsible: Monitoring and Evaluation Unit of the Office of the Executive Director

Status: In progress

Priority: High

Target date: First quarter of 2011

737. In paragraph 99, UN-Habitat agreed with the Board's recommendation that it comply with rule 104.8 (a) of the Financial Regulations and Rules of the United Nations regarding petty cash transactions.

738. Petty cash cheques were made payable and withdrawn by the official driver for deposit in the petty cash fund as a security measure. However, the practice has now been discontinued and the cheques are made out to the petty cash custodian.

Department responsible: Regional Office for Latin America and the Caribbean

Status: Implemented

Priority: High

Target date: Not applicable

739. In paragraph 102, UN-Habitat agreed with the Board's recommendation that it systematically obtain from the banks an updated list of persons with joint signatory authority for cheques.

Department responsible: Programme Support Division in liaison with the United Nations Office at Nairobi

Status: In progress

Priority: Medium

Target date: Fourth quarter of 2010

740. **In paragraph 108, UN-Habitat agreed with the Board's recommendation that it, in liaison with the United Nations Office at Nairobi, periodically review the procurement parameters in IMIS to ensure that they reflect the thresholds set in the delegations of authority for procurement and contract management.**

Department responsible: Programme Support Division in liaison with the United Nations Office at Nairobi

Status: In progress

Priority: Medium

Target date: Third quarter of 2010

741. **In paragraph 113, UN-Habitat agreed with the Board's recommendation that it, in liaison with the United Nations Office at Nairobi, (a) formally register the vendors in the database before awarding a contract; (b) individually mark vendors in the database as active; and (c) review the vendor database to mark unused vendors as inactive.**

Department responsible: Programme Support Division in liaison with the United Nations Office at Nairobi

Status: In progress

Priority: Medium

Target date: First quarter of 2011

742. **In paragraph 116, the Board recommended that UN-Habitat, in liaison with the United Nations Office at Nairobi, (a) add a required field in the IMIS system so that the relevant contract number can be entered for goods and services orders associated with a particular contract; and (b) keep the contract management database up to date.**

743. UN-Habitat, in liaison with the United Nations Office at Nairobi, will consult with the Headquarters Administration, which manages functional changes in the IMIS system.

Department responsible: Programme Support Division in liaison with the United Nations Office at Nairobi

Status: In progress

Priority: Medium

Target date: Fourth quarter of 2011

744. **In paragraph 123, UN-Habitat agreed with the Board's recommendation that it extend the inventory management system to the liaison and outposted offices.**

Department responsible: Programme Support Division in liaison with the United Nations Office at Nairobi

Status: In progress

Priority: High

Target date: Fourth quarter of 2010

745. In paragraph 133, the Board recommended that UN-Habitat, in liaison with the United Nations Office at Nairobi, (a) programme the Access tool for preparing the financial statements in order to eliminate any residual manual operations; and (b) refine the description of the checks and controls.

Department responsible: Programme Support Division in liaison with the United Nations Office at Nairobi

Status: In progress

Priority: Medium

Target date: Fourth quarter of 2011

746. In paragraph 137, UN-Habitat agreed with the Board's recommendation that it, in coordination with the United Nations Office at Nairobi, (a) take advantage of the upcoming implementation of the new enterprise resource planning system to eliminate journal voucher entries; and (b) strengthen internal control over journal voucher entries and the access rights to make them.

Department responsible: Programme Support Division in liaison with the United Nations Office at Nairobi

Status: In progress

Priority: Medium

Target date: Subject to the implementation of the enterprise resource planning system

747. In paragraph 140, the Board recommended that the Office of Internal Oversight Services improve the rate of completion of its planned audits of UN-Habitat.

Department responsible: Office of Internal Oversight Services

Status: In progress

Priority: Medium

Target date: Fourth quarter of 2010

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

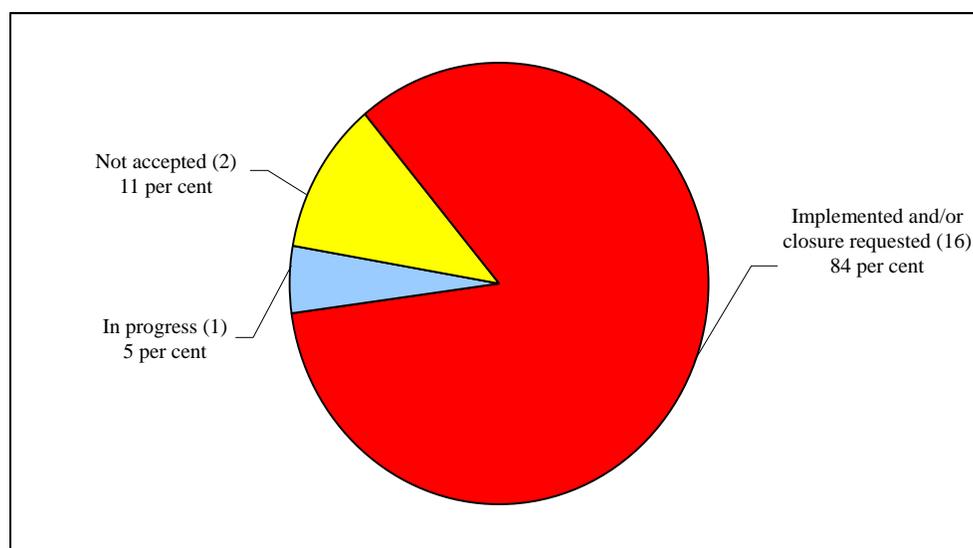
748. In the annex to its report for the biennium ended 31 December 2009 (A/65/5/Add.8, chap. II), the Board provided a summary of the status of implementation of recommendations for previous financial periods. Information is provided below on (a) the four recommendations listed in the annex as outstanding from prior periods; and (b) the overall status of prior recommendations. Table 29 and figure XXII summarize the overall situation.

Table 29
Status of implementation of recommendations from prior periods considered not fully implemented in the annex to the report of the Board of Auditors for the financial period ended 31 December 2009

<i>Department responsible</i>	<i>Number of recommendations</i>	<i>Not accepted</i>	<i>Implemented or closure requested</i>	<i>In progress</i>	<i>Target date set</i>	<i>No target date</i>
Programme Support Division	4	2	1	1	—	1
Outstanding recommendations	4	2	1	1	—	1
Implemented/overtaken by events ^a	13	—	13	—	—	—
Overall status of prior recommendations	17	2	14	1	—	1

^a As reported by the Board (A/65/5/Add.8, chap. II, annex).

Figure XXII
UN-Habitat
Implementation status of prior-period recommendations



749. In paragraph 25 of its report for the biennium ended 31 December 2005,¹⁶ the Board recommended that UN-Habitat conduct an inventory of expendable items as at the end of the biennium and account for and disclose them pursuant to paragraph 49 (iv) of the United Nations system accounting standards.

750. UN-Habitat does not accept this recommendation as it does not own inventory which falls under the definition of paragraph 49 (iv) of the United Nations system accounting standards.

¹⁶ A/61/5/Add.8, chap. II.

Department responsible: Programme Support Division in liaison with the United Nations Office at Nairobi

Status: Not accepted

Priority: High

Target date: Not applicable

751. In paragraph 45 of the Board's report for the biennium ended 31 December 2007,¹⁷ UN-Habitat agreed with the Board's recommendation that it set up specific funding for end-of-service and after-service health insurance liabilities.

752. UN-Habitat will seek guidance from the General Assembly and the Headquarters Administration and the authorization of its Governing Council on this matter for further action.

Department responsible: Programme Support Division in liaison with United Nations Headquarters

Status: In progress

Priority: High

Target date: Dependent upon decisions of the General Assembly

753. In paragraph 73 of the report, UN-Habitat agreed with the Board's recommendation that it cooperate with the United Nations Office at Nairobi to establish an annual training plan for its own staff.

754. UN-Habitat has completed a training needs assessment and now has an annual training plan for its own staff.

Department responsible: Programme Support Division in liaison with the United Nations Office at Nairobi

Status: Implemented

Priority: Medium

Target date: Not applicable

755. In paragraph 87 of the report, UN-Habitat agreed with the Board's recommendation that it consider options for reducing to a minimum manual processing in the course of preparing the financial statements.

756. After consultation, the United Nations Office at Nairobi and UN-Habitat feel that it is not cost-effective to invest in reducing the manual intervention any further, given that a new enterprise resource planning system is soon to replace IMIS. The new system is expected to automatically generate financial reports.

Department responsible: Programme Support Division in liaison with the United Nations Office at Nairobi

Status: Not accepted

Priority: High

Target date: Not applicable

¹⁷ A/63/5/Add.8, chap. II.

XII. United Nations Office on Drugs and Crime: Fund of the United Nations International Drug Control Programme and Fund of the United Nations Crime Prevention and Criminal Justice Programme

A. Implementation of the recommendations contained in the report of the Board of Auditors for the biennium ended 31 December 2009¹⁸

757. Tables 30 and 31 and figures XXIII and XXIV below summarize the status of implementation of recommendations as at July 2010.

Table 30
Status of implementation of main recommendations

<i>Department responsible</i>	<i>Number of recommendations</i>	<i>Not accepted</i>	<i>Implemented or closure requested</i>	<i>In progress</i>	<i>Target date set</i>	<i>No target date</i>
Division for Management	7	2	—	5	4	1
Total	7	2	—	5	4	1

Figure XXIII
United Nations Office on Drugs and Crime
Initial implementation of main recommendations

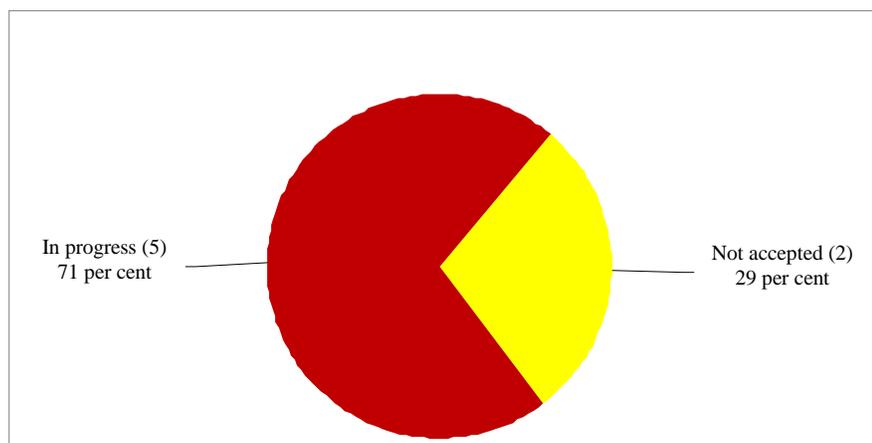
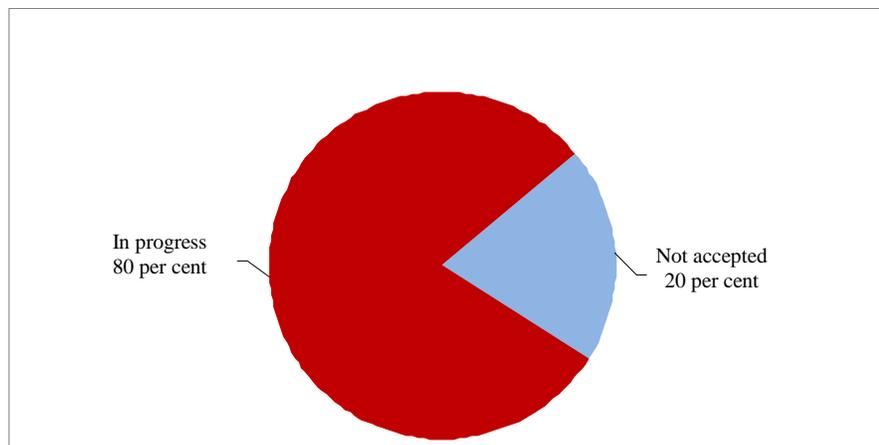


Table 31
Status of implementation of all recommendations

<i>Department responsible</i>	<i>Number of recommendations</i>	<i>Not accepted</i>	<i>Implemented or closure requested</i>	<i>In progress</i>	<i>Target date set</i>	<i>No target date</i>
Division for Management	15	3	—	12	8	4
Total	15	3	—	12	8	4

¹⁸ A/65/5/Add.9, chap. II.

Figure XXIV
United Nations Office on Drugs and Crime
Initial implementation of all recommendations



758. In paragraph 32 of the report, the Board recommended that UNODC draw up an analysis of its needs and the risks posed by the migration and necessary update of its information technology systems, People Soft, Programme and Financial Information System and Field Office Management Ledger, during implementation of the new United Nations enterprise resource planning system.

759. UNODC did not accept the recommendation. Although UNODC agrees that the migration to Umoja carries inherent risks and requires planning and controlled execution, such an undertaking must be coordinated at the global Secretariat level. As such, the Umoja implementation strategy includes plans and has secured funding for the identification, analysis and migration of more than 1,000 systems, stand-alone applications and reporting modules currently in use throughout the Secretariat. An inventory of systems, which includes the mentioned UNODC applications, has been compiled by the Umoja project team, and the underlying data structures are being analysed. The Umoja team has been liaising with UNODC for this purpose.

760. UNODC understands that a detailed migration plan will be proposed by Umoja when the design is completed and the roll-out sequence is firmed up. At that time, UNODC will have a better idea of the exact sequence of system decommissioning and the data migration steps. UNODC is of the opinion that the global migration strategy explained above is a far better approach than a strategy that relies on numerous local and uncoordinated initiatives. The approach has been endorsed by the General Assembly in its resolutions relating to Umoja.

Department responsible: Division for Management

Status: Not accepted

Priority: High

Target date: Not applicable

761. In paragraph 39, the Board recommended that UNODC (a) revise the title of its financial statements and the notes thereto to reflect that their scope is limited to the voluntarily funded activities; and (b) consider preparing financial statements that include the activities funded by the regular budget of the United Nations.

762. UNODC does not accept part (a) of the recommendation. As indicated in the cover page of the financial statements and the letter of transmittal signed by the Executive Director of UNODC, the scope of the statements is that of the funds, namely the Fund of the United Nations International Drug Control Programme and the United Nations Crime Prevention and Criminal Justice Fund. In this context, the scope of the financial statements submitted to the Board of Auditors is that of the funds and does not include the activities funded by the regular budget.

763. UNODC will take part (b) of the recommendation into account and will await final resolution from the United Nations IPSAS team with regard to presentation of regular budget accounts in the UNODC financial statement.

Department responsible: Division for Management

Status: In progress

Priority: High

Target date: Fourth quarter of 2014

764. In paragraph 48, the Board recommended that UNODC revisit its accounting treatment of education grants.

765. UNODC did not accept the recommendation. Payments made for education grants are entitlements of staff members. However, we understand that under paragraph 38 of the United Nations system accounting standards, the point of recognition for expenditures against an appropriation/allocation is when the proof of attendance is submitted by the staff member. Hence, the standard practice is to treat these payments as advances prior to the staff member's submission of the claim.

766. The Board should note that the current practice of recognizing the portion of the education grant that pertains to the current financial period as a deferred charge was first implemented in the 1976-1977 biennium for the United Nations. It arose from an external audit recommendation and was agreed to by the Board of Auditors at that time. There has been no change in the underlying nature of the education grant programme since then.

767. Nevertheless, this matter is being addressed Secretariat-wide so as to arrive at a uniform treatment of education grants.

Department responsible: Division for Management

Status: Not accepted

Priority: Medium

Target date: Not applicable

768. In paragraph 53, UNODC agreed with the Board's recommendation that it (a) continue its efforts to recover voluntary contributions outstanding; and (b) be vigilant in monitoring very old unpaid pledges.

Department responsible: Division for Management in coordination with the
Division for Policy Analysis and Public Affairs

Status: In progress

Priority: Medium

Target date: Implementation is of an ongoing nature

769. In paragraph 58, the Board recommended that UNODC comply with its financial rules regarding prior approval when adopting budgets for the general-purpose funds.

770. UNODC did not accept the recommendation. Although prior approval of the general-purpose budget revision could be desirable, at the moment the recommendation is not feasible because of the timing of the meetings of the governing bodies which UNODC is not authorized to change. A revised budget could not be prepared and approved by the two Commissions in time to implement it for the second year of the biennium. However, UNODC will present a revised general-purpose budget to the governing bodies as part of the implementation report, a practice that was initiated in 2009, and ask for their formal approval when they meet between March and May of the second year of the biennium.

Department responsible: Division for Management

Status: Not accepted

Priority: High

Target date: Not applicable

771. In paragraph 66, the Board reiterated its previous recommendation that UNODC develop a funding plan for end-of-service and post-retirement liabilities, notably for after-service health insurance coverage.

772. As far as the financing of some of the end-of-service liabilities is concerned, this will be dependent upon decisions that are yet to be taken by the General Assembly.

Department responsible: Division for Management

Status: In progress

Priority: High

Target date: Dependent on decision by the General Assembly

773. In paragraph 75, UNODC agreed with the Board's recommendation that it revise its policy for the valuation of leave liability when implementing the International Public Sector Accounting Standards.

Department responsible: Division for Management

Status: In progress

Priority: Medium

Target date: Fourth quarter of 2014

774. In paragraph 79, UNODC agreed with the Board's recommendation that it ensure the accuracy of the data used in the computation of end-of-service liabilities (including after-service health insurance) in the future financial periods.

Department responsible: Division for Management

Status: In progress

Priority: Medium

Target date: First quarter of 2011

775. In paragraph 84, UNODC agreed with the Board's recommendation that it modify the notes to its financial statements by including disclosure of the change in the main actuarial assumptions used (discount rate and health-care escalation rates) for the valuation of the after-service health insurance liability, along with the reason for, and the effect of this change.

Department responsible: Division for Management

Status: In progress

Priority: Medium

Target date: First quarter of 2011

776. In paragraph 104, UNODC agreed with the Board's recommendation that it (a) analyse the conditions of use of the bank account in the country office in question; and (b) ask the United Nations Treasurer for an official opinion about continuing use of this account in its current form.

777. UNODC has reviewed the conditions of use of the bank account in the country in question. Considering the currency export restrictions imposed by the host country, we continue to deem the action taken in consultation with the United Nations Treasurer to be in compliance with the Financial Regulations and Rules of the United Nations. UNODC will follow up with the United Nations Treasurer for an opinion regarding the use of this bank account.

Department responsible: Division for Management

Status: In progress

Priority: High

Target date: First quarter of 2011

778. In paragraph 112, UNODC agreed with the Board's recommendation that it resolve the discrepancies between advances for its own balances and those of the records of UNDP.

Department responsible: Division for Management

Status: In progress

Priority: High

Target date: First quarter of 2012

779. In paragraph 117, UNODC agreed with the Board's reiterated recommendation that it draw up and implement formalized and traceable internal control procedures to guarantee the reliability of information given on the total value of property in service at the end of the period.

Department responsible: Division for Management

Status: In progress

Priority: High

Target date: Fourth quarter of 2010

780. In paragraph 118, UNODC agreed with the Board's reiterated recommendation that it implement an inventory process that is in compliance with the expectations of the controlling bodies and compliant with administrative instruction ST/AI/2003/5.

Department responsible: Division for Management

Status: In progress

Priority: Medium

Target date: Fourth quarter of 2010

781. In paragraph 124, the Board recommends that UNODC review the current memorandum of understanding with the Office of Internal Oversight Services to settle the resources issue.

Department responsible: Division for Management

Status: In progress

Priority: Medium

Target date: Subject to funding and negotiation

782. In paragraph 136, the Board emphasized the need for UNODC to address the matters identified by the Office of Internal Oversight Services.

Department responsible: Division for Management in coordination with the Division for Operations

Status: In progress

Priority: Medium

Target date: Implementation is of an ongoing nature

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

783. In the annex to its report for the biennium ended 31 December 2009 (A/65/5/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 (a) the eight recommendations listed as outstanding from prior

periods; and (b) the overall status of prior recommendations. The information is set out in the order in which the recommendations are presented in the annex.

784. Table 32 and figure XXV below summarize the overall situation.

Table 32

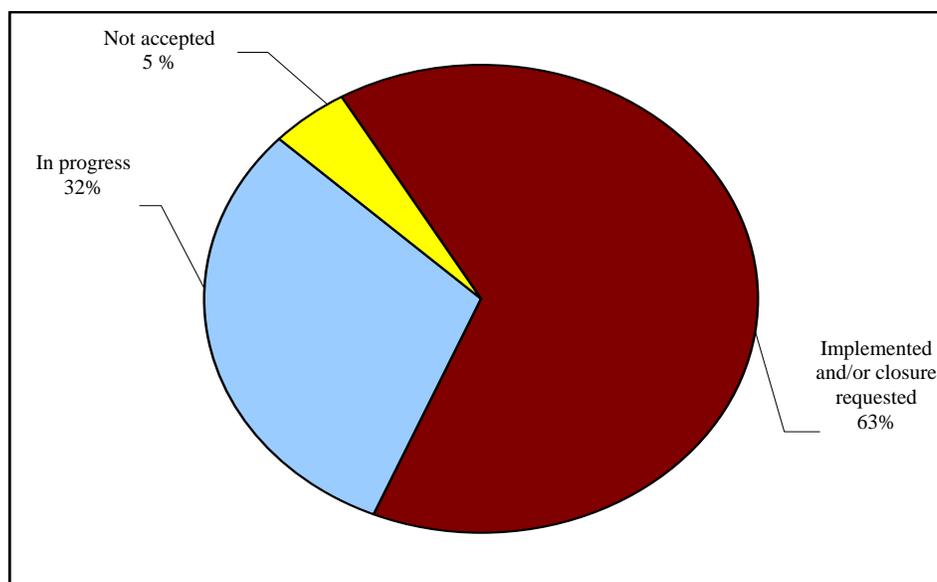
Status of implementation of recommendations from prior periods considered not fully implemented in the annex to the report of the Board of Auditors for the financial period ended 31 December 2009

<i>Department responsible</i>	<i>Number of recommendations</i>	<i>Not accepted</i>	<i>Implemented or closure requested</i>	<i>In progress</i>	<i>Target date set</i>	<i>No target date</i>
Division for Management	7	1	—	6	3	2
Division for Operation	1	—	1	—	1	—
Outstanding recommendations	8	1	1	6	4	2
Implemented/overtaken by events ^a	11	—	11	—	—	—
Overall status of prior recommendations	19	1	12	6	4	2

^a As reported by the Board (A/65/5/Add.9, chap. II, annex).

Figure XXV

**United Nations Office on Drugs and Crime
Implementation status of prior-period recommendations**



785. In paragraph 49 of its report for the financial period ended 31 December 2007 (A/63/5/Add.9, chap. II), the Board recommended that UNODC, in conjunction with the United Nations Office at Vienna, determine the allocation of common staff costs between them and disclose the assumptions made for that allocation.

786. The United Nations Office at Vienna and UNODC are operationally integrated offices. UNODC did not accept this recommendation.

Department responsible: Division for Management

Status: Not accepted

Priority: Not applicable

Target date: Not applicable

787. In paragraph 71, UNODC agreed with the Board's recommendation that it implement a strategy for the reorganization of the Regional Centre for East Asia and the Pacific so as to re-establish programme management and ensure that the Bangkok office remain financially sustainable.

Department responsible: Division for Operations

Status: Implemented

Priority: High

Target date: Not applicable

788. In paragraph 77, the Board recommended that UNODC set up specific funding for end-of-service and post-retirement liabilities, notably for after-service health insurance coverage.

789. The above recommendation was reiterated in paragraph 66 of the report of the Board for the financial period ended 31 December 2009. Please refer to the comments in section A above.

Department responsible: Division for Management

Status: In progress

Priority: High

Target date: Dependent on decision by the General Assembly

790. In paragraph 83, UNODC agreed with the Board's recommendation that it comply with section 3.6 of administrative instruction ST/AI/2003/5 regarding physical inventory of property.

791. The above recommendation was reiterated in paragraph 118 of the report of the Board for the financial period ended 31 December 2009. Please refer to the comments in section A above.

Department responsible: Division for Management

Status: In progress

Priority: Medium

Target date: Fourth quarter of 2010

792. In paragraph 85, UNODC agreed with the Board's recommendation that the Division for Management should upgrade the non-expendable property monitoring software to include a module to value depreciation.

793. UNODC is still waiting for instructions from Headquarters on how to handle depreciation: straight-line depreciation by a fixed percentage every year, or cumulatively as a fixed percentage of the remaining value every year. Furthermore, instructions on depreciation rates per inventory category would also be required.

Department responsible: Division for Management

Status: In progress

Priority: Medium

Target date: Fourth quarter of 2014

794. In paragraph 88, UNODC agreed with the Board's recommendation that it draw up and implement formalized and traceable internal control procedures to guarantee the reliability of information given on the total value of property in service at the end of the period.

795. The above recommendation was reiterated in paragraph 117 of the report of the Board for the financial period ended 31 December 2009. Please refer to the comments in section A above.

Department responsible: Division for Management

Status: In progress

Priority: High

Target date: Fourth quarter of 2010

796. In paragraph 94, UNODC agreed with the Board's recommendation that it continue its efforts to prepare for the implementation of the integrated management system required by the transition to IPSAS, and take measures to reduce the risks related to transactions and consolidation and extraction of data.

Department responsible: Division for Management

Status: In progress

Priority: Medium

Target date: Fourth quarter of 2014

797. In paragraph 106, UNODC agreed with the Board's recommendation that it adopt internal instructions on the prevention, detection and reporting of cases of fraud and alleged fraud.

Department responsible: Division for Management

Status: In Progress

Priority: High

Target date: Ongoing

XIII. United Nations Office for Project Services

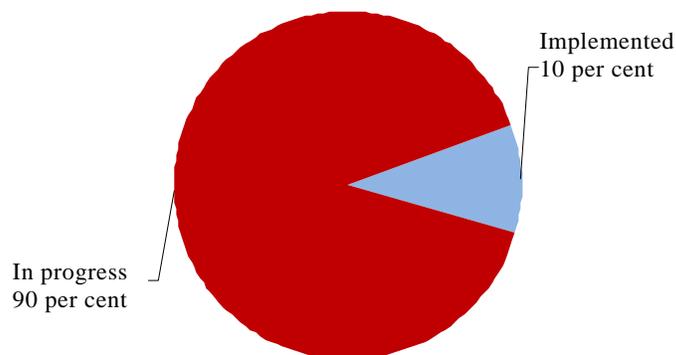
A. Implementation of the recommendations contained in the report of the Board of Auditors for the financial period ended 31 December 2009¹⁹

798. Tables 33 and 34 and figures XXVI and XXVII below summarize the status of implementation of recommendations for the biennium ended 31 December 2009.

Table 33
Status of implementation of main recommendations

<i>Department responsible</i>	<i>Number of recommendations</i>	<i>Not accepted</i>	<i>Implemented or closure requested</i>	<i>In progress</i>	<i>Target date set</i>	<i>No target date</i>
Finance	10	—	1	9	9	—
Project Management	18	—	—	18	18	—
Administrative Services	6	—	1	5	5	—
Human Resources	3	—	1	2	2	—
Information Technology	2	—	1	1	1	—
Executive Office	1	—	—	1	1	—
Total	40	—	4	36	36	—

Figure XXVI
United Nations Office for Project Services
Initial implementation of main recommendations

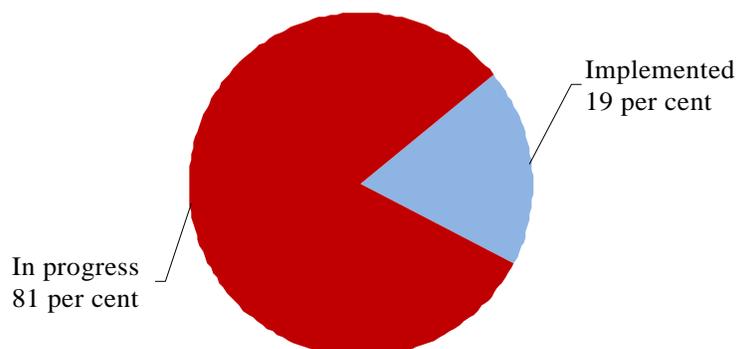


¹⁹ A/65/5/Add.10, chap. II.

Table 34
Status of implementation of all recommendations

<i>Department responsible</i>	<i>Number of recommendations</i>	<i>Not accepted</i>	<i>Implemented or closure requested</i>	<i>In progress</i>	<i>Target date set</i>	<i>No target date</i>
Finance	17	—	3	14	14	—
Project Management	23	—	—	23	23	—
Procurement	1	—	1	—	—	—
Administrative Services	9	—	4	5	5	—
Human Resources	5	—	2	3	3	—
Information Technology	3	—	1	2	2	—
Executive Office	1	—	—	1	1	—
Total	59	—	11	48	48	—

Figure XXVII
United Nations Office for Project Services
Initial implementation of all recommendations



799. **In paragraph 45 of the report, UNOPS agreed with the Board’s reiterated recommendation that it review its accounting policies regarding revenue recognition, as part of its preparation for IPSAS implementation.**

800. UNOPS has established an IPSAS project board to drive the organization-wide transition from the United Nations system accounting standards to IPSAS by January 2012. UNOPS is presently reviewing and drafting its revenue recognition policy for project revenue, which will be based on the percentage completion method.

Department responsible: Finance
Status: In progress
Priority: High
Target date: Fourth quarter of 2010

801. **In paragraph 48, UNOPS agreed with the Board's recommendation that it establish procedures to review the reasonableness of the interest income received from the UNDP Treasury.**

802. UNOPS has conceptualized a methodology to review the interest received from the UNDP Treasury for reasonability on a quarterly basis.

Department responsible: Finance
Status: In progress
Priority: High
Target date: Fourth quarter of 2010

803. **In paragraph 51, UNOPS agreed with the Board's recommendation that it monitor regularly administrative budgets on a line-by-line basis to ensure that budgets are not exceeded.**

804. UNOPS follows a rigorous half-yearly budget review process of administrative expenditure throughout its country offices, regional offices and headquarters.

Department responsible: Finance
Status: In progress
Priority: Medium
Target date: Fourth quarter of 2010

805. **In paragraph 57, UNOPS agreed with the Board's recommendation that it address instances of obligations raised that are not supported with valid and appropriate obligating documents.**

806. UNOPS retired the imprest modality in April 2010 and the instances noted by the Board have been prevented. UNOPS monitors purchase orders on its financial dashboard and random purchase orders are selected for review at headquarters. In addition, quarterly certification of obligating documents is requested from regional directors.

Department responsible: Finance
Status: Implemented
Priority: High
Target date: Not applicable

807. **In paragraph 64, UNOPS agreed with the Board's recommendation that it implement controls and reports to differentiate accurately between project receivable and payable balances and project balances that represent overexpenditure.**

808. UNOPS has implemented a quarterly project quality assurance review process for all projects. Any project overexpenditure is highlighted for action through the

quality assurance process. Furthermore, reports will be prepared for the next audit to clearly differentiate project receivable and project payable balances.

Department responsible: Finance
Status: In progress
Priority: High
Target date: Fourth quarter of 2011

809. In paragraph 65, UNOPS agreed with the Board's recommendation that it improve its system controls to prevent and detect any classification errors in financial reporting in a timely manner.

810. UNOPS will implement monitoring and review controls to detect misclassifications in a timely manner and prior to financial reporting.

Department responsible: Finance
Status: In progress
Priority: High
Target date: Fourth quarter of 2010

811. In paragraph 69, UNOPS agreed with the Board's recommendation that it account for the funds received in advance from donors as a liability upon receipt of the funds and not as a credit entry within the accounts receivable.

812. UNOPS will implement an annual review process to identify credit balances in accounts receivable and reclassify them as accounts payables.

Department responsible: Finance
Status: In progress
Priority: Medium
Target date: Fourth quarter of 2010

813. In paragraph 72, UNOPS agreed with the Board's recommendation that it (a) follow up and clear the credit balances in the accounts receivables; and (b) reclassify credit balances in account receivables and account for them as a payable.

814. UNOPS will implement an annual review process to identify credit balances in accounts receivable and to reclassify them as accounts payables.

Department responsible: Finance
Status: In progress
Priority: Medium
Target date: Fourth quarter of 2010

815. **In paragraph 83, UNOPS agreed with the Board's recommendation that it resolve the disputed inter-fund differences in its accounts with UNDP.**

816. The resolution of the historic UNOPS-UNDP inter-fund differences is sought and is currently under discussion at the level of Executive Director. These negotiations are expected to be finalized by the end of 2010.

Department responsible: Finance
Status: In progress
Priority: High
Target date: Fourth quarter of 2010

817. **In paragraph 86, UNOPS agreed with the Board's recommendation that it (a) follow up the rejected project expenditures and make appropriate accounting entries; (b) improve the validation of information captured on its system to ensure that the incidents of rejection are minimized; and (c) consider alternate arrangements with UNDP to further improve the acceptance rate.**

818. UNOPS continues to submit project expenditure to UNDP on a quarterly basis. In late 2009, UNOPS developed a project expenditure validation system to detect possible rejections and correction of data prior to submission to UNDP. Overall, the validation process reduced the rate of rejections to below 1 per cent for 2009. In addition, UNOPS is implementing new controls to prevent the posting of project expenditure to incorrect chart of accounts codes.

Department responsible: Finance
Status: In progress
Priority: High
Target date: Fourth quarter of 2010

819. **In paragraph 91, UNOPS agreed with the Board's recommendation that it (a) continue to follow up on the unreconciled inter-fund differences in its accounts; and (b) engage with the relevant United Nations entities to resolve the old inter-fund differences.**

820. As part of the UNOPS project closure phase 2 initiative, meetings will be set up with the relevant United Nations entities to negotiate a resolution of the old inter-fund differences.

Department responsible: Finance
Status: In progress
Priority: High
Target date: First quarter of 2011

821. **In paragraph 111, UNOPS agreed with the Board's recommendation that it consider a revision of its policy for the valuation of annual leave liability in its implementation of the International Public Sector Accounting Standards.**

822. The UNOPS selection of policies for the valuation of annual leave liability is based on United Nations-wide decisions. Further guidance on the accounting and disclosure of all end-of-service liabilities in compliance with IPSAS will be addressed at the IPSAS task force meeting to be held in late August/early September 2010.

Department responsible: Finance
Status: In progress
Priority: High
Target date: Fourth quarter of 2010

823. In paragraph 116, UNOPS agreed with the Board's recommendation that it take appropriate measures to ensure the validity, accuracy and completeness of the data used in the computation of all post-retirement and end-of-service liabilities in the future financial periods by ensuring that the information pertains to the correct reporting period.

824. The UNOPS selection of policies for the valuation of all end-of-service liabilities is based on United Nations-wide decisions. Further guidance on the accounting and disclosure of all end-of-service liabilities in compliance with IPSAS will be addressed at the IPSAS task force meeting to be held in late August/early September 2010.

Department responsible: Finance
Status: In progress
Priority: Medium
Target date: Fourth quarter of 2010

825. In paragraph 122, UNOPS agreed with the Board's recommendation that it develop a funding plan for end-of-service liabilities.

826. All UNOPS end-of-service liabilities as of 31 December 2009 are fully funded as mentioned in the notes to the financial statements for the biennium 2008-2009 (see A/65/5/Add.10, chap. IV). In addition, the funds set aside are also invested appropriately so as to enable UNOPS to fully meet its obligations with regard to end-of-service benefits as and when they arise. A funding plan will however be implemented on the basis of the wider IPSAS-related end-of-service liabilities.

Department responsible: Finance
Status: In progress
Priority: High
Target date: Fourth quarter of 2011

827. In paragraph 129, UNOPS agreed with the Board's recommendation that it (a) comply with the imprest account closure guidelines to ensure that all old modality imprest accounts were closed and replaced with Atlas bank accounts; (b) address all unreconciled items in the imprest accounts; (c) ensure that long-outstanding reconciling items were followed up and cleared in a timely manner;

and (d) amend note 7 of the 2008-2009 financial statements to reflect the correct number of imprest accounts operational as at the end of the biennium.

828. By April 2010, UNOPS had accomplished the transition of all imprest accounts to Atlas bank accounts. Full reconciliation of all imprest transactions has been completed and the imprest modality has been successfully retired. Note 7 was appropriately amended to clarify closure subsequent to year's end.

Department responsible: Finance
Status: Implemented
Priority: Medium
Target date: Not applicable

829. In paragraph 134, UNOPS agreed with the Board's recommendation that it obtain appropriate approval for the write-off of losses in accordance with rule 123.12 of the UNOPS financial regulations and rules.

830. As part of 2008-2009 biennium closure, UNOPS obtained authorizations from the Executive Director for all write-offs of losses done during the biennium.

Department responsible: Finance
Status: Implemented
Priority: Medium
Target date: Not applicable

831. In paragraph 147, the UNOPS African Regional Office agreed with the Board's recommendation that it (a) develop a policy on the management of petty cash which addresses the weakness identified in the management of petty cash; (b) investigate and follow up on the discrepancies identified; and (c) perform surprise petty cash counts by a senior official on an ad hoc basis and reconcile the cash on hand to the petty cash records.

832. In September 2009, UNOPS promulgated a petty cash policy with explicit guidance on the management of cash in field locations. The Africa Regional Office is committed to issuing a follow-up instruction and reminder on the implementation of the petty cash policy.

Department responsible: Finance
Status: In progress
Priority: Medium
Target date: Fourth quarter of 2010

833. In paragraph 160, UNOPS agreed with the Board's recommendation that it further review budget-setting methods and controls to ensure that budgets agreed with clients are more in line with project delivery.

834. UNOPS will issue an instruction note to project managers, so that budgets agreed with clients are more in line with expected delivery.

Department responsible: Project management

Status: In progress

Priority: High

Target date: Fourth quarter of 2010

835. In paragraph 161, the UNOPS Africa Regional Office agreed with the Board's recommendation that it improve monitoring controls over the project delivery performance of operations centres and take steps against operations centres that have under-delivered.

836. UNOPS has improved controls by implementing a quarterly online assurance process for every project, which addresses the issues of data quality, delivery, project time, cost and quality.

Department responsible: Project management

Status: In progress

Priority: High

Target date: Fourth quarter of 2010

837. In paragraph 172, UNOPS agreed with the Board's recommendation that it establish a short time frame to address the backlog of projects needing closure.

838. Phase 2 of the UNOPS project closure exercise has been launched, which should lead to the rapid financial closure of operationally closed projects.

Department responsible: Project management

Status: In progress

Priority: High

Target date: Fourth quarter of 2010

839. In paragraph 173, UNOPS agreed with the Board's recommendation that it reconsider the appropriateness of its 18-month project closure timetable.

840. UNOPS will review its project closure timetable as part of the next revision of its financial regulations and rules.

Department responsible: Finance

Status: In progress

Priority: Medium

Target date: Fourth quarter of 2011

841. In paragraph 178, UNOPS agreed with the Board's reiterated recommendation that the Peru Operations Centre should analyse all currently listed projects and identify projects that need to be closed.

842. Phase 2 of the UNOPS project closure exercise has been launched, which should lead to the rapid financial closure of operationally closed projects.

Department responsible: Project management
Status: In progress
Priority: High
Target date: Fourth quarter of 2010

843. In paragraph 179, UNOPS agreed with the Board's reiterated recommendation that the Peru Operations Centre should (a) ensure that the status of projects is regularly monitored and accurately reflected in Atlas; and (b) complete the project closure exercise.

844. UNOPS has improved controls by implementing a quarterly online assurance process for every project, which addresses the issues of data quality, delivery, project time, cost and quality. Phase 2 of the UNOPS project closure exercise has been launched, which should lead to the rapid financial closure of operationally closed projects.

Department responsible: Project management
Status: In progress
Priority: High
Target date: Fourth quarter of 2010

845. In paragraph 185, the UNOPS Africa Regional Office and the Senegal Operations Centre agreed with the Board's reiterated recommendation that they take further steps (a) to ensure that the status of projects is regularly monitored and accurately reflected in Atlas; and (b) to urgently complete the project closure exercise.

846. Phase 2 of the UNOPS project closure exercise has been launched, which should lead to the rapid financial closure of operationally closed projects.

847. UNOPS has improved controls by implementing a quarterly online assurance process for every project in UNOPS, which addresses the issues of data quality, delivery, project time, cost and quality.

Department responsible: Project management
Status: In progress
Priority: High
Target date: Fourth quarter of 2010

848. In paragraph 186, the UNOPS Africa Regional Office further agreed with the Board's recommendation that it maintain project files in support of financially closed projects.

849. Phase 2 of the UNOPS project closure exercise has been launched, which should lead to the rapid financial closure of operationally closed projects.

Department responsible: Project management
Status: In progress
Priority: Medium
Target date: Fourth quarter of 2010

850. In paragraph 194, UNOPS agreed with the Board's reiterated recommendation that it monitor its project-level system controls and project budgets on a regular basis to ensure that budgets are not exceeded.

851. UNOPS has improved controls by implementing a quarterly online assurance process for every project in UNOPS, which addresses the issues of data quality, delivery, project time, cost and quality.

Department responsible: Project management
Status: In progress
Priority: High
Target date: Fourth quarter of 2010

852. In paragraph 199, UNOPS agreed with the Board's recommendation that it (a) review the progress of each project on a regular basis and as part of project oversight and monitoring activities; and (b) improve its procedures to manage the rephasing or extension of projects so that the changes are made and recorded in a timely manner and the correct project information is reflected in Atlas.

853. UNOPS has improved controls by implementing a quarterly online assurance process for every project in UNOPS, which addresses the issues of data quality, delivery, project time, cost and quality.

Department responsible: Project management
Status: In progress
Priority: High
Target date: Fourth quarter of 2010

854. In paragraph 206, UNOPS agreed with the Board's recommendation that it (a) consult with the client prior to changing budget information; (b) ensure that historical budget information is not amended in Atlas; and (c) review budget-setting methods and controls to ensure that the budgets agreed with clients are more in line with expected delivery.

855. UNOPS will issue an instruction note to project managers, so that budgets agreed with clients are more in line with expected delivery.

Department responsible: Project management
Status: In progress
Priority: High
Target date: Fourth quarter of 2010

856. **In paragraph 212, the UNOPS Africa Regional Office agreed with the Board's recommendation that it ensure that it defines and implements correct procedures with regard to project management.**

857. In addition to the quarterly online assurance process, the Africa Regional Office will implement the online implementation analysis note, which allows for enhanced project management from the project initiation stage.

Department responsible: Project management
Status: In progress
Priority: Medium
Target date: Fourth quarter of 2010

858. **In paragraph 220, the UNOPS Africa Regional Office agreed with the Board's recommendation that it (a) take urgent steps to implement procedures to enable it to discharge its oversight roles over the operations centres and maintain evidence of such monitoring activities; and (b) maintain memorandums of understanding or memorandums of agreement in the project files.**

859. In addition to the quarterly online assurance process, the Africa Regional Office will implement the online implementation analysis note, which allows for enhanced project management from the project initiation stage.

Department responsible: Project management
Status: In progress
Priority: High
Target date: Fourth quarter of 2010

860. **In paragraph 221, the Africa Regional Office agreed with the Board's recommendation that it review its approach to project management and ensure that a uniform system, where possible, is implemented within the regional structure.**

861. In addition to the quarterly online assurance process, the Africa Regional Office will implement the online implementation analysis note, which allows for enhanced project management from project initiation stage.

Department responsible: Project management
Status: In progress
Priority: High
Target date: Fourth quarter of 2010

862. **In paragraph 227, the Africa Regional Office agreed with the Board's recommendation that it investigate the differences between the 2008 Atlas project status report and the Atlas project expenditure report, and make corrections accordingly.**

863. This recommendation will be addressed through phase 2 of the UNOPS project closure exercise.

Department responsible: Project management
Status: In progress
Priority: Medium
Target date: Fourth quarter of 2010

864. In paragraph 233, UNOPS agreed with the Board's recommendation that it ensure that the Senegal Operations Centre (a) implements processes to ensure that its projects are implemented in a timely manner; (b) improves its project implementation controls to ensure that projects are charged for productive time only; and (c) reviews the causes of the delay in the implementation of project No. 60168.

865. The Africa Regional Office is considering options regarding measures to be implemented to record only chargeable hours for advisory services rendered. Parts (a) and (c) of the recommendation will be addressed through the quarterly online assurance process.

Department responsible: Project management
Status: In progress
Priority: High
Target date: Fourth quarter of 2010

866. In paragraph 237, UNOPS agreed with the Board's recommendation that the Senegal Operations Centre (a) address the leadership vacancy on project No. 30985; (b) ensure that it maintains appropriate supporting documents for all procurement; and (c) ensure that adequate oversight procedures are in place at all times to oversee the monitoring of project activities.

867. UNOPS has improved controls by implementing a quarterly online assurance process for every project, which addresses the issues of data quality, delivery, project time, cost and quality.

Department responsible: Project management
Status: In progress
Priority: High
Target date: Fourth quarter of 2010

868. In paragraph 244, the Senegal Operations Centre agreed with the Board's recommendation that it implement controls/guidelines to ensure that (a) projects are implemented in a timely manner; (b) vacancies are filled in a timely manner; and (c) the Centre is able to discharge its oversight roles over the projects and maintain evidence that such monitoring activities were performed.

869. UNOPS has improved controls by implementing a quarterly online assurance process for every project, which addresses the issues of data quality, delivery, project time, cost and quality.

Department responsible: Project management
Status: In progress
Priority: High
Target date: Fourth quarter of 2010

870. In paragraph 245, the Senegal Operations Centre further agreed with the Board's recommendation that it establish procedures to monitor deliverables as stated in the project agreements.

871. UNOPS has improved controls by implementing a quarterly online assurance process for every project, which addresses the issues of data quality, delivery, project time, cost and quality.

Department responsible: Project management
Status: In progress
Priority: High
Target date: Fourth quarter of 2010

872. In paragraph 250, UNOPS agreed with the Board's recommendation that the Senegal Operations Centre, in consultation with the Africa Regional Office, should maintain and update risk and quality logs for all projects in a timely manner and adequately address issues associated with new areas of business.

873. In addition to the quarterly online assurance process, the Africa Regional Office will implement the online implementation analysis note, which allows for enhanced project management from project initiation stage.

Department responsible: Project management
Status: In progress
Priority: High
Target date: Fourth quarter of 2010

874. In paragraph 255, the Senegal Operations Centre agreed with the Board's recommendation that it, in consultation with the Africa Regional Office, should (a) review the progress of each project on a regular basis and as part of project oversight and monitoring activities; and (b) implement procedures to avoid the late approval of rephasing or extension of projects.

875. UNOPS has improved controls by implementing a quarterly online assurance process for every project, which addresses the issues of data quality, delivery, project time, cost and quality.

Department responsible: Project management
Status: In progress
Priority: High
Target date: Fourth quarter of 2010

876. **In paragraph 258, the Africa Regional Office agreed with the Board's recommendation that it implement procedures to ensure effective oversight and monitoring of all project activities to ensure that operations centres within the region are performing and delivering according to targets and are not overspending on approved budgets.**

877. UNOPS has improved controls by implementing a quarterly online assurance process for every project, which addresses the issues of data quality, delivery, project time, cost and quality.

Department responsible: Project management
Status: In progress
Priority: High
Target date: Fourth quarter of 2010

878. **In paragraph 265, UNOPS agreed with the Board's recommendation that it (a) take steps to ensure that all projects are assigned or allocated to project managers in Atlas; and (b) implement controls/guidelines to ensure that projects are handed over in a timely manner or as soon as projects are reallocated or reassigned.**

879. With respect to part (a) of the recommendation, in April 2010 UNOPS assigned project managers to all projects in the Atlas system. With respect to part (b), UNOPS has issued a project handover process instruction with a standardized format and has improved controls by implementing a quarterly online assurance process for every project, which address the issues of data quality, delivery, project time, cost and quality.

Department responsible: Project management
Status: In progress
Priority: Medium
Target date: Fourth quarter of 2010

880. **In paragraph 274, UNOPS agreed with the Board's recommendation that it (a) address the incompatible functions and the lead time in the process of registering vendors; and (b) ensure that the vendor review committee performs its functions and duties as outlined in administrative instruction AI/GSC/2008/01.**

881. UNOPS implemented a new procedure to expedite registration of vendors. Furthermore, in February 2010 the temporary backlog issue was resolved. The first meeting of the Vendor Review Committee was held in March 2010.

Department responsible: Procurement
Status: Implemented
Priority: Medium
Target date: Not applicable

882. **In paragraph 283, UNOPS agreed with the Board's reiterated recommendation that it (a) roll out the asset management module in Atlas to all offices; and (b) ensure that all relevant staff receives appropriate training prior to using the module.**

883. The asset module has been implemented and made fully functional in all UNOPS offices. UNOPS has trained personnel in four regions; hands-on training in the fifth region is to be completed by December 2010.

Department responsible: Administrative services

Status: In progress

Priority: High

Target date: Fourth quarter of 2010

884. **In paragraph 292, UNOPS agreed with the Board's reiterated recommendation that it investigate the assets listed as faulty or redundant.**

885. UNOPS has received certification of faulty assets from all offices. In April 2010 UNOPS issued guidance on dealing with faulty or redundant assets.

Department responsible: Administrative services

Status: Implemented

Priority: High

Target date: Not applicable

886. **In paragraph 293, UNOPS agreed with the Board's recommendation that it (a) address the discrepancies noted in its asset records and financial statements for the biennium 2008-2009; and (b) review all asset registers to ensure that other similar discrepancies in the asset registers are addressed.**

887. Part (a) has been implemented: UNOPS correctly reflected the value of assets in note 16 to the financial statements (see A/65/Add.10, chap. IV). Part (b) is subject to periodic reviews: UNOPS conducts annual reviews of its asset registers and through physical verification to ensure that the value of assets is correctly stated.

Department responsible: Administrative services

Status: In progress

Priority: High

Target date: Fourth quarter of 2010

888. **In paragraph 295, UNOPS agreed with the Board's recommendation that it (a) follow up with the Kenya Operations Centre to address assets that were assigned the same asset identification number; and (b) implement procedures to detect all discrepancies in asset registers submitted to headquarters.**

889. UNOPS has implemented an asset duplicate tool to detect duplicate asset identification numbers and UNOPS has addressed duplicate identification numbers in the Kenya Operations Centre.

Department responsible: Administrative services

Status: Implemented

Priority: Medium

Target date: Not applicable

890. In paragraph 300, UNOPS agreed with the Board's recommendation that the Africa Regional Office (a) perform asset inventory counts and asset reconciliations on a regular basis; and (b) maintain proper records relating to asset counts performed.

891. Certified asset verification sheets were obtained by UNOPS headquarters in April 2010 for all regional and field locations.

Department responsible: Administrative services

Status: Implemented

Priority: Medium

Target date: Not applicable

892. In paragraph 304, the UNOPS Peru Operations Centre agreed with the Board's recommendation that it (a) strengthen controls relating to the certification of assets to prevent and detect errors in its asset register; and (b) make the necessary adjustments to the manual fixed asset register to ensure that it includes only assets that belong to UNOPS.

893. UNOPS has made all necessary adjustments to the manual assets register.

Department responsible: Administrative services

Status: Implemented

Priority: Medium

Target date: Not applicable

894. In paragraph 308, UNOPS agreed with the Board's recommendation that it (a) perform asset counts of project assets on a regular basis; and (b) conduct an exercise to tag all project assets and update the project asset registers accordingly.

895. Policies and procedures with respect to project assets will be developed as part of the UNOPS IPSAS implementation plan.

896. However, UNOPS does intend to tag and monitor all project assets by March 2011.

Department responsible: Administrative services

Status: In progress

Priority: High

Target date: Fourth quarter of 2011

897. **In paragraph 312, UNOPS agreed with the Board's recommendation that it (a) implement controls to enable project managers to better control assets purchased with project funds; (b) investigate the circumstances around the use of project funds to purchase the fixtures; and (c) where applicable, return the funds to the project and reverse the revenue recognized on the transactions.**

898. Policies and procedures for project assets will be developed as part of the UNOPS IPSAS implementation plan. However, UNOPS does intend to tag and monitor all project assets by March 2011.

Department responsible: Administrative services

Status: In progress

Priority: High

Target date: Fourth quarter of 2011

899. **In paragraph 324, UNOPS agreed with the Board's recommendation that it (a) reconsider the financial impact of non-capitalized assets in determining the threshold for the inclusion of non-expendable property in the financial statements, and the implication in the asset certification process; and (b) consider certification of assets that are not subject to certification.**

900. UNOPS will reconsider the threshold values as part of its IPSAS implementation plan. However, all attractive assets with a value below \$2,500 are subject to tagging and are being recorded in the asset registers and are thus regarded as "non-capital" assets.

Department responsible: Administrative services

Status: In progress

Priority: High

Target date: Fourth quarter of 2011

901. **In paragraph 329, UNOPS agreed with the Board's recommendation that it (a) continue to monitor procedures and controls to ensure that all staff members undergo assessment of performance results; and (b) ensure that most of those assessments are completed within the specified timelines.**

902. UNOPS is implementing initiatives to improve the monitoring of the performance appraisal process.

Department responsible: Human resources

Status: In progress

Priority: High

Target date: First quarter of 2011

903. **In paragraph 333, UNOPS agreed with the Board's recommendation to develop a computerized system with programme controls that allow all UNOPS offices to capture and monitor leave accurately.**

904. UNOPS has implemented a corporate leave monitoring system that covers all of its offices.

Department responsible: Human resources

Status: Implemented

Priority: Medium

Target date: Not applicable

905. **In paragraph 338, UNOPS agreed with the Board's recommendation that it monitor the gender distribution and consider measures to achieve the target of a 50/50 gender balance.**

906. UNOPS continues to attach utmost the importance to gender distribution and will consider measures to improve the gender balance.

Department responsible: Human resources

Status: In progress

Priority: Medium

Target date: Fourth quarter of 2011

907. **In paragraph 347, UNOPS agreed with the Board's recommendation that it (a) comply with the individual contractor agreement guidelines with regard to retroactive individual contractor agreements; (b) ensure proper planning to avoid retroactive individual contractor agreements; and (c) implement procedures to ensure that individual contractor agreements, payment certifications and other documents are dated when signed by the relevant approving officer.**

908. UNOPS has taken steps to ensure that instances of retroactive signature will not recur. In addition, a comprehensive new policy on individual contractor agreements was introduced in May 2010 and new tools have been provided to facilitate processes and reduce the incidence of human error.

Department responsible: Human resources

Status: Implemented

Priority: High

Target date: Not applicable

909. **In paragraph 351, UNOPS agreed with the Board's recommendation that it comply with the individual contractor agreement guidelines with regard to the release of final payment to such contractors.**

910. UNOPS will implement a standard operating procedure that requires performance evaluation reports to be submitted with final payment.

Department responsible: Human resources
Status: In progress
Priority: High
Target date: Fourth quarter of 2010

911. **In paragraph 356, UNOPS agreed with the Board's recommendation that it implement a succession plan to reduce disruption to its business activities in the event of the loss of key individuals in the information technology department.**

912. UNOPS has noted the recommendation and a work strategy has been implemented.

Department responsible: Information technology
Status: Implemented
Priority: High
Target date: Not applicable

913. **In paragraph 359, UNOPS agreed with the Board's recommendation that it implement a formal disaster recovery and business continuity plan that encompasses all types of disastrous events that would impact on information systems processes and end-user functions.**

914. UNOPS is in the process of documenting a disaster recovery and business continuity plan. In April 2010, an organizational directive on the disaster recovery and business continuity planning framework was issued to enable regional offices and operations centres to formulate their own location-specific detailed plans. Currently UNOPS is conducting a business impact analysis to fine-tune the business continuity plan.

Department responsible: Information technology
Status: In progress
Priority: High
Target date: Fourth quarter of 2010

915. **In paragraph 362, UNOPS agreed with the Board's recommendation that it (a) consider enforcing the current setting on the active directory, as this would ensure that users do not intentionally choose weak authentication credentials; and (b) consider weighing the benefits of stronger and more secure authentication credentials against the additional work and tasks that may result from them.**

916. UNOPS is of the view that the current policy provides adequate overall security for the organization given its project nature and relatively high turnover of personnel. To further improve password strength, UNOPS is engaged with other United Nations entities to establish better training materials and systems so that United Nations staff can better understand information technology security and help protect sensitive information.

Department responsible: Information technology
Status: In progress
Priority: Medium
Target date: Fourth quarter of 2010

917. **In paragraph 375, UNOPS agreed with the Board's recommendation that it consider the gaps identified and take further steps in its process of strengthening the governance and oversight arrangements.**

918. UNOPS has considered the gaps identified and has concluded that the members of the Strategy and Audit Advisory Committee constitute an independent advisory body with significant and relevant financial or internal oversight experience. The members of the Committee as well as the terms of reference have been approved by the Executive Board, the governing body of UNOPS. In 2010, UNOPS will, however, conduct a review of the terms of reference of the Committee and all relevant stakeholders will be consulted.

Department responsible: Information technology
Status: In progress
Priority: High
Target date: Fourth quarter of 2010

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

919. In the annex to its report for the biennium ended 31 December 2009 (A/65/5/Add.10, chap. II), the Board provided a summary of the status of implementation of recommendations for previous financial periods. Of the 95 recommendations noted from prior periods, 67 had been implemented, 18 had been overtaken by events and 10 were under implementation. Information is provided below on the 10 recommendations listed as outstanding from prior periods and the overall status of prior recommendations. The information is set out in the order in which the recommendations are presented in the annex.

920. Table 35 and figure XXVIII below summarize the overall situation.

Table 35

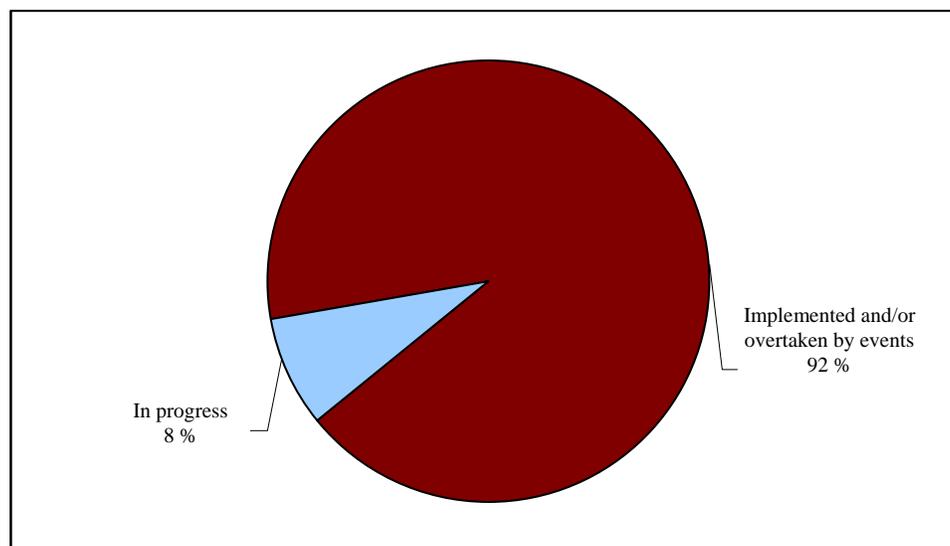
Status of implementation of recommendations from prior periods considered not fully implemented in the annex to the report of the Board of Auditors for the biennium ended 31 December 2009

<i>Department responsible</i>	<i>Number of recommendations</i>	<i>Not accepted</i>	<i>Implemented or closure requested</i>	<i>In progress</i>	<i>Target date set</i>	<i>No target date</i>
Finance	3	—	—	3	3	—
Human resources	1	—	—	1	1	—
Administrative services	4	—	2	2	2	—

<i>Department responsible</i>	<i>Number of recommendations</i>	<i>Not accepted</i>	<i>Implemented or closure requested</i>	<i>In progress</i>	<i>Target date set</i>	<i>No target date</i>
Project management	2	—	—	2	2	—
Outstanding recommendations	10	—	2	8	8	—
Implemented/overtaken by events ^a	85	—	85	—	—	—
Overall status of prior recommendations	95	—	87	8	8	—

^a As reported by the Board (A/65/5/Add.10, chap. II, annex).

Figure XXVIII
United Nations Office for Project Services
Overall status of prior-period recommendations



921. **In paragraph 61 of its report for the biennium ended 31 December 2007 (A/63/5/Add.10, chap. II), the Board recommended that UNOPS review its accounting policies regarding revenue recognition.**

922. The UNOPS target date for the implementation of IPSAS is January 2012. Drafting of UNOPS revenue recognition accounting policy is scheduled to be completed by December 2010.

Department responsible: Finance
Status: In progress
Priority: High
Target date: Fourth quarter of 2010

923. **In paragraph 124, the Board reiterated its recommendation that UNOPS reconcile its transactions and balances with UNDP on a regular basis.**

924. Resolution of the historic UNOPS-UNDP inter-fund differences is sought and is currently under discussion at the Executive Director level.

Department responsible: Finance
Status: In progress
Priority: High
Target date: Fourth quarter of 2010

925. In paragraph 281, UNOPS agreed with the Board's recommendation that it investigate the assets listed as faulty/redundant.

926. UNOPS has received certification of faulty assets from all offices. In April 2010, UNOPS issued guidance on dealing with faulty/redundant assets.

Department responsible: Administrative services
Status: Implemented
Priority: High
Target date: Not applicable

927. In paragraph 299, the Board recommended that UNOPS (a) ensure that assets listed as faulty/redundant are removed from the fixed asset register in a timely manner; and (b) include the assets written off in the schedule of assets written off.

928. UNOPS has received certification of faulty assets from all offices. In April 2010, UNOPS issued guidance on dealing with faulty/redundant assets.

Department responsible: Administrative services
Status: Implemented
Priority: High
Target date: Not applicable

929. In paragraph 305, UNOPS agreed with the Board's recommendation that it roll out the asset management module in Atlas to all regional offices and ensure that staff receive training.

930. The asset module has been completed and is fully functional in all UNOPS offices. UNOPS has trained personnel in four regions; hands-on training in the fifth region is scheduled to be completed by December 2010.

Department responsible: Administrative services
Status: In progress
Priority: High
Target date: Fourth quarter of 2010

931. In paragraph 307, UNOPS agreed with the Board's recommendation that it update the asset records in Atlas.

932. The asset module has been implemented and is fully functional in all UNOPS offices. UNOPS has trained personnel in four regions; hands-on training in the fifth region is scheduled to be completed by December 2010.

Department responsible: Administrative services

Status: In progress

Priority: High

Target date: Fourth quarter of 2010

933. In paragraph 359, UNOPS agreed with the Board's recommendation that it ensure that performance reviews are completed within the specified timelines.

934. UNOPS is implementing initiatives to improve the monitoring of the performance appraisal process.

Department responsible: Human resources

Status: In progress

Priority: Medium

Target date: First quarter of 2011

935. In paragraph 406, UNOPS agreed with the Board's recommendation that it urgently complete the project closure exercise.

936. Phase 2 of the UNOPS project closure exercise has been launched, which should lead to rapid financial closure of operationally closed projects.

Department responsible: Finance

Status: In progress

Priority: Medium

Target date: Fourth quarter of 2010

937. In paragraph 448, the Board recommended that UNOPS improve its controls so that project budgets are not exceeded.

938. UNOPS has improved controls by implementing a quarterly online assurance process for every project, which addresses the issues of data quality, delivery, project time, cost and quality.

Department responsible: Project management

Status: In progress

Priority: High

Target date: Fourth quarter of 2010

939. In paragraph 452, the UNOPS Asia Pacific Office agreed with the Board's recommendation that it (a) monitor projects on a regular basis; (b) enhance supervision of project managers whose projects reflect a pattern of low delivery; and (c) review budget-setting methods and controls to ensure that the budgets agreed with clients are more in line with expected delivery.

940. UNOPS has improved controls by implementing a quarterly online assurance process for every project, which addresses the issues of data quality, delivery, project time, cost and quality.

Department responsible: Asia Pacific Office
Status: In progress
Priority: Medium
Target date: Fourth quarter of 2010

XIV. International Criminal Tribunal for Rwanda

A. Implementation of the recommendations contained in the report of the Board of Auditors for the biennium ended 31 December 2009²⁰

941. Tables 36 and 37 below summarize the status of implementation of recommendations as at August 2009.

Table 36
Status of implementation of main recommendations

<i>Department responsible</i>	<i>Number of recommendations</i>	<i>Not accepted</i>	<i>Implemented</i>	<i>In progress</i>	<i>Target date set</i>	<i>No target date</i>
Registry	2	—	1	2	1	1
Office of the Prosecutor	1	—	—	1	1	—
Total	3	—	1	2	2	1

Table 37
Status of implementation of all recommendations

<i>Department responsible</i>	<i>Number of recommendations</i>	<i>Not accepted</i>	<i>Implemented</i>	<i>In progress</i>	<i>Target date set</i>	<i>No target date</i>
Chambers	1	—	—	1	—	1
Office of the Prosecutor	—	—	—	—	—	—
Registry	17	—	9	8	1	—
Chambers/Office of the Prosecutor/Registry	2	—	2	—	—	—
Total	20	—	11	9	1	1

942. **In paragraph 22 of the report, the Board recommended that the Tribunal strictly adhere to the requirements of the Financial Regulations and Rules of the United Nations to ensure that obligations are supported by appropriate obligating documents.**

²⁰ A/65/5/Add.11, chap. II.

Department responsible: Registry
Status: Implemented
Priority: High
Target date: Not applicable

943. In paragraph 40, the Tribunal agreed with the Board's reiterated recommendation that it ensure that outputs are specific and measurable.

Department responsible: Chambers, Office of the Prosecutor and Registry
Status: Implemented
Priority: High
Target date: Not applicable

944. In paragraph 42, the Tribunal agreed with the Board's recommendation that it periodically review and update the workload indicator database to ensure the accuracy of the statistics.

Department responsible: Chambers, Office of the Prosecutor and Registry
Status: Implemented
Priority: High
Target date: Not applicable

945. In paragraph 51, the Board recommended that the Tribunal review the existing standards for the time between prosecution and defence and between the closing of evidence and judgement delivery, to ensure that the existing circumstances are fully taken into account.

Department responsible: Chambers
Status: In progress
Priority: High
Target date: To be determined

946. In paragraph 55, the Tribunal agreed with the Board's recommendation that it explore alternative options for conducting means tests in a cost-effective manner.

947. The Defence Counsel and Detention Management Section has started to implement a more cost-effective policy regarding an accused or suspect's indigence assessment.

Department responsible: Chambers
Status: Implemented
Priority: High
Target date: Not applicable

948. In paragraph 57, the Tribunal agreed with the Board's recommendation that it (a) monitor all not-to-exceed amount contracts in order to avoid ex post

facto cases; and (b) ensure that the quorum of the Local Committee on Contracts meetings is available when needed.

949. For part (a) of the recommendation, the existing system could not enable the monitoring of contracts. An upgrade of Mercury is in progress. This will assist in monitoring contracts. Part (b) has been implemented.

Department responsible: Registry/Procurement Section

Status: In progress

Priority: High

Target date: Fourth quarter of 2010

950. In paragraph 59, the Tribunal agreed with the Board's recommendation that it include bid bond clauses in solicitation documents for future procurement exercises where applicable.

Department responsible: Registry/Procurement Section

Status: In progress

Priority: High

Target date: Fourth quarter of 2010

951. In paragraph 61, the Tribunal agreed with the Board's recommendation to periodically update its acquisition plans and to ensure the completeness of the acquisition plans as required by the Procurement Manual.

Department responsible: Registry/Procurement Section

Status: In progress

Priority: Medium

Target date: Fourth quarter of 2010

952. In paragraph 64, the Tribunal agreed with the Board's recommendation that it ensure strict compliance with the Procurement Manual in relation to vendor performance evaluation.

Department responsible: Registry/Procurement Section

Status: Implemented

Priority: Medium

Target date: Not applicable

953. In paragraph 68, the Tribunal agreed with the Board's recommendation that it investigate the discrepancies relating to non-expendable property and take appropriate measures to ensure that its asset records are accurate and reliable.

Department responsible: Registry/Procurement Section

Status: In progress

Priority: High

Target date: Fourth quarter of 2010

954. In paragraph 72, the Tribunal agreed with the Board's recommendation that it ensure that the Field Assets Control System is updated in a timely manner in respect of receipts and issuance of expendable property.

Department responsible: Registry/Procurement Section

Status: In progress

Priority: Medium

Target date: Fourth quarter of 2010

955. In paragraph 75, the Tribunal agreed with the Board's recommendation that it conduct a review of the long-vacant posts to determine whether they are still needed.

Department responsible: Registry/Human Resources and Planning Section

Status: Implemented

Priority: High

Target date: Not applicable

956. In paragraph 76, the Tribunal agreed with the Board's reiterated recommendation that it continue its efforts to formulate and implement strategies to fill vacancies.

Department responsible: Registry/Human Resources and Planning Section

Status: Implemented

Priority: Medium

Target date: Not applicable

957. In paragraph 78, the Tribunal agreed with the Board's recommendation that it strictly follow the procedures and provisions stipulated in the staff selection system in relation to the staff selection process.

Department responsible: Registry/Human Resources and Planning Section

Status: Implemented

Priority: Medium

Target date: Not applicable

958. In paragraph 82, the Board recommended that the Tribunal intensify its efforts to comply with the requirement for reference checks to be carried out before new staff members are recruited.

Department responsible: Registry/Human Resources and Planning Section

Status: Implemented

Priority: Medium

Target date: Not applicable

959. In paragraph 87, the Tribunal agreed with the Board's recommendation that it (a) prepare, in consultation with the Office of Human Resources Management, a specific guideline for selection of consultants; and (b) advertise consultancy opportunities both internally and externally.

Department responsible: Registry/Human Resources and Planning Section
Status: Implemented
Priority: High
Target date: Not applicable

960. In paragraph 89, the Tribunal agreed with the Board's recommendation that it comply with the provisions of ST/AI/1999/7 in relation to the evaluation of consultants.

Department responsible: Registry/Human Resources and Planning Section
Status: Implemented
Priority: Medium
Target date: Not applicable

961. In paragraph 92, the Tribunal agreed with the Board's recommendation that it conduct periodic testing of its disaster recovery and business continuity plan.

962. Subsequent to the visit by the Board of Auditors in April 2010 and recommendations regarding disaster recovery and business continuity, the Electronic Data Processing Unit of the Information Technology Services Section was involved in an OIOS information and communications technology governance audit which took place from 12 to 23 July. This was a comprehensive audit exercise of the entire Electronic Data Processing Unit information and communications technology setup, including, among other areas. Observations made by the Board regarding disaster recovery and business continuity testing were made available to the visiting OIOS audit team. The Electronic Data Processing Unit opted to go through the OIOS governance exercise prior to implementation of the Board's recommendations.

Department responsible: Registry/Information Technology Services Section/
Electronic Data Processing Unit
Status: In progress
Priority: Medium
Target date: First quarter of 2011

963. In paragraph 96, the Office of Internal Oversight Services agreed with the Board's recommendation to expedite the filling of the vacant post of resident auditor at the Tribunal.

964. The candidate was selected two months ago and the administration is finalizing the recruitment formalities.

Department responsible: Office of Internal Oversight Services
Status: In progress
Priority: Medium
Target date: Third quarter of 2011

965. **In paragraph 99, the Office of Internal Oversight Services agreed with the Board's recommendation that it ensure that the resident audit office for the Tribunal observes the deadline for issuing audit reports.**

966. The delay in issuance of the final reports was caused by the unexpected staff departure and the additional time to communicate with the clients and to review the reports. The delay in issuing internal audit reports would militate against the effectiveness of the internal audit function. Delayed reporting would also result in a backlog of audits.

Department responsible: Office of Internal Oversight Services

Status: In progress

Priority: Medium

Target date: To be determined

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

Table 38

Status of implementation of recommendations from prior periods considered not fully implemented in the annex to the report of the Board of Auditors for the biennium ended 31 December 2009

<i>Department responsible</i>	<i>Number of recommendations</i>	<i>Not accepted</i>	<i>Implemented</i>	<i>In progress</i>	<i>Target date set</i>	<i>No target date</i>
Registry	3	—	2	1	—	1
Chambers	1	—	—	1	—	1
Total	4	—	2	2	—	2

967. **In paragraph 43 of its report for the biennium ended 31 December 2007 (A/63/5/Add.11, chap. II), the Board recommended that the Tribunal develop a financing plan in order to settle end-of-service liabilities relating to staff members at the time of the closure of its operations.**

968. Although the paragraphs preceding the above recommendation mention judges' pension benefits, the recommendation itself refers only to end-of-service liabilities relating to staff members.

969. The above notwithstanding, in its resolution 64/239, the General Assembly endorsed the recommendations of the Advisory Committee on Administrative and Budgetary Questions on the matter of the funding of future liabilities of the Tribunals related to judges' pensions. The Advisory Committee, in paragraph 8 of its report on the proposed budgets for the biennium 2010-2011 of the International Criminal Tribunal for Rwanda and the International Tribunal for the Former Yugoslavia (A/64/555), had recommended that the Assembly appropriate only those resources required to cover the current cost of pensions in the context of the budget of the Tribunals for the biennium 2010-2011 and that the liabilities for future payments of pensions to judges and surviving spouses be addressed in the final budget submissions and performance reports of the Tribunals.

970. With respect to the financing of end-of-service liabilities, appropriate action will be taken on the basis of decisions made by the Assembly.

Department responsible: Registry/Finance Section
Status: In progress
Priority: High
Target date: Dependent on General Assembly decision

971. In paragraph 48, the Board recommended that the Tribunal define clearly the objectives of the Chambers and develop specific, measurable, attainable, realistic and time-bound expected outputs and performance indicators.

972. The recommendation is accepted. The relevant information has been compiled and is being analysed. The definition of objectives and the development of performance indicators are works in progress and a report on both is under preparation.

Department responsible: Chambers
Status: In progress
Priority: High
Target date: To be determined

973. In paragraph 53, the Board recommended that the Tribunal ensure that all of its suppliers have complete records/information on file, as required by paragraphs 7.11.4 and 7.7.4 of the Procurement Manual, to guarantee that only qualified vendors are called upon to provide required goods and services.

Department responsible: Registry/Procurement Section
Status: Implemented
Priority: High
Target date: Not applicable

974. In paragraph 72, the Board recommended that the Tribunal continue to formulate and implement more effective strategies to fill vacancies, such as regularly evaluating the performance of staff members initially recruited against general temporary assistance funds and placing them against authorized posts.

Department responsible: Registry/Human Resources and Planning Section
Status: Implemented
Priority: High
Target date: Not applicable

XV. International Tribunal for the Former Yugoslavia

A. Implementation of the recommendations contained in the report of the Board of Auditors for the biennium ended 31 December 2009²¹

975. Tables 39 and 40 below summarize the status of implementation of the recommendations as at July 2010.

Table 39
Status of implementation of main recommendations

<i>Department responsible</i>	<i>Number of recommendations</i>	<i>Not accepted</i>	<i>Implemented or closure requested</i>	<i>In progress</i>	<i>Target date set</i>	<i>No target date</i>
Division of Administration	5	—	2	3	3	—
Total	5	—	2	3	3	—

976. Table 39 summarizes the status of implementation of the five main recommendations of the Board. The Tribunal has implemented two recommendations; the implementation of the remaining three is in progress.

Table 40
Status of implementation of all recommendations

<i>Department responsible</i>	<i>Number of recommendations</i>	<i>Not accepted</i>	<i>Implemented or closure requested</i>	<i>In progress</i>	<i>Target date set</i>	<i>No target date</i>
Division of Administration	10	—	3	6	5	1
Under the purview of OIOS	1	—	—	1	—	1
Total	11	—	3	7	5	2

977. Table 40 summarizes the status of all 11 recommendations of the Board. The implementation of seven recommendations is in progress. With regard to the two recommendations for which there is no target date, one relates to ongoing activities and the target date for the other is to be determined.

978. **In paragraph 35, the Tribunal agreed with the Board's recommendation that, in coordination with Programme Planning and Budget Division, a results-based-budgeting logical framework be formulated for the Archives and Records Management Unit of the Tribunal.**

<i>Department responsible:</i>	Division of Administration
<i>Status:</i>	In progress
<i>Priority:</i>	High
<i>Target date:</i>	Second quarter of 2010 (at the time of preparation of the next budget submission)

²¹ A/65/5/Add.12, chap. II.

979. In paragraph 38, the Board recommended that the Tribunal formulate indicators of achievement specific to the various activities related to the administrative support of the Registry.

Department responsible: Division of Administration
Status: In progress
Priority: Medium
Target date: Second quarter of 2010 (at the time of preparation of the next budget submission)

980. In paragraph 44, the Board recommended that the Tribunal make every effort to comply with the requirement of the Procurement Manual relating to the approval of the minutes of meetings of the Local Committee on Contracts.

Department responsible: Division of Administration
Status: Implemented
Priority: High
Target date: Not applicable

981. In paragraph 47 the Tribunal agreed with the Board's recommendation to (a) designate a staff member as local vendor database officer; and (b) include all the necessary information in the vendor registration files, as required by the Procurement Manual.

Department responsible: Division of Administration
Status: Implemented
Priority: Medium
Target date: Not applicable

982. In paragraph 52 the Tribunal agreed with the Board's recommendation to periodically review termination clauses to ensure effective management of contracts.

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

983. In paragraph 59, the Tribunal agreed with the Board's recommendation that it adhere strictly to the requirement of paragraph 14 of the delegation of authority relating to cases involving gift, donation, other free transfer or sale of assets.

Department responsible: Division of Administration
Status: Implemented
Priority: High
Target date: Not applicable

984. In paragraph 62, the Tribunal agreed with the Board's recommendation that it make every effort to shorten the lead time between the issuance of the provisional condemnation certificate and the receipt of the recommendation of the Local Property Survey Board in order to facilitate the write-off process.

Department responsible: Division of Administration

Status: In progress

Priority: Medium

Target date: With immediate effect

985. In paragraph 64, the Tribunal agreed with the Board's recommendation that every effort be made to reduce the vacancy rate in the Appeals Division of the Office of the Prosecutor to accommodate the workload indicated in the completion strategy.

Department responsible: Division of Administration

Status: In progress (implementation pending selection completion)

Priority: High

Target date: Fourth quarter of 2010

986. In paragraph 69, the Tribunal agreed with the Board's recommendation that measures be taken to improve the geographical distribution of staff members.

Department responsible: Division of Administration

Status: In progress

Priority:

Target date: First quarter of 2011

987. In paragraph 73, the Board recommended that the Tribunal make every effort to comply with the rule 4.2 of the administrative instruction on consultants and individual contractors in order to enhance competitiveness in the consultant selection process.

988. The Tribunal has started advertising consulting opportunities for projects and training on its public website. In addition, it will utilize global rosters available within the United Nations learning system and consult with the Office of Human Resources Management on consultant lists. The individual contractor candidates are taken from competitive selection exercises where candidates have been reviewed and placed on lists for short-term placement.

Department responsible: Division of Administration

Status: In progress

Priority: High

Target date: Third quarter of 2010

989. **In paragraph 75, the Office of Internal Oversight Services agreed with the Board's recommendation that the vacant resident auditor post in the Tribunal be filled.**

990. The candidate was selected and the Administration is finalizing the recruitment formalities.

Department responsible: Office of Internal Oversight Services

Status: In progress

Priority: Medium

Target date: Third quarter of 2010

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

Table 41

Status of implementation of recommendations from prior periods considered not fully implemented in the annex to the report of the Board of Auditors for the biennium ended 31 December 2009

<i>Department responsible</i>	<i>Number of recommendations</i>	<i>Not accepted</i>	<i>Implemented or overtaken by events</i>	<i>In progress</i>	<i>Target date set</i>	<i>No target date</i>
Division of Administration	4	—	4	—	—	—
Registry	1	—	—	1	1	—
Registry/Judicial Support Services/ Detention Unit	1	—	1	—	—	—
Total	6	—	5	1	1	—

991. As indicated in table 41, only one recommendation remains unimplemented from the prior period thanks to the concerted effort of the Tribunal to ensure timely implementation of oversight recommendations.

992. **In paragraph 24 of its report for the biennium ended 31 December 2007 (A/63/5/Add.12, chap. II), the Tribunal agreed with the Board's recommendation that it review its present prison cell requirements and lease only the optimum number of prison cells as may be determined by applicable guidelines.**

Department responsible: Registry/Judicial Support Services/Detention Unit

Status: Implemented

Priority: Medium

Target date: Not applicable

993. **In paragraph 28, the Board recommended that the Tribunal consider making a provision for delays in the collection of outstanding contributions pursuant to paragraph 33 of the United Nations system accounting standards.**

Department responsible: Division of Administration

Status: Overtaken by events

Priority: Medium

Target date: Not applicable

994. In paragraph 40, the Board recommended that the Tribunal develop a proposed financing plan in order to settle end-of-service liabilities relating to staff members at the time of the closure of the operations of the Tribunal.

995. Although the paragraphs preceding the above recommendation mention judges' pension benefits, the recommendation itself refers only to end-of-service liabilities relating to staff members.

996. The above notwithstanding, in its resolution 64/240, the General Assembly endorsed the recommendations of the Advisory Committee on Administrative and Budgetary Questions on the matter of the funding of future liabilities of the Tribunals related to judges' pensions. The Advisory Committee, in paragraph 8 of its report on the proposed budgets for the biennium 2010-2011 of the International Criminal Tribunal for Rwanda and the International Tribunal for the Former Yugoslavia (A/64/555), had recommended that the Assembly appropriate only those resources required to cover the current cost of pensions in the context of the budget of the Tribunals for the biennium 2010-2011 and that the liabilities for future payments of pensions to judges and surviving spouses be addressed in the final budget submissions and performance reports of the Tribunals.

997. The financing of some of the end-of-service liabilities is dependent upon decisions that are yet to be taken by the General Assembly.

Department responsible: Division of Administration

Status: In progress

Priority: High

Target date: Full implementation is dependent on a decision by the General Assembly

998. In paragraph 44, the Board recommended that the Tribunal reconsider the disclosure of the statement of cash flows to include its share in the cash pool.

Department responsible: Division of Administration

Status: Implemented

Priority: High

Target date: Not applicable

999. In paragraph 49, the Tribunal agreed with the Board's recommendation that it continue to explore ways and means of retaining existing staff in order to ensure the successful completion of its mandate.

Department responsible: Division of Administration

Status: Implemented

Priority: High

Target date: Not applicable

1000. In paragraph 53, the ICTY agreed with the Board's recommendation that it adopt a similar remuneration package for defence counsels handling cases on appeal.

Department responsible: Registry
Status: Partially implemented
Priority: Medium
Target date: 30 September 2010
