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**Financial reports and audited financial statements,
and reports of the Board of Auditors: United Nations,
capital master plan**

Implementation of the recommendations of the Board of Auditors contained in its reports on the United Nations for the biennium ended 31 December 2013 and on the capital master plan for the year ended 31 December 2013

Report of the Secretary-General**

Summary

The present report provides information in response to the recommendations of the Board of Auditors as contained in its report on the United Nations for the biennium ended 31 December 2013 (A/69/5 (Vol. I), chap. II) and its report on the capital master plan for the year ended 31 December 2013 (A/69/5 (Vol. V)). The report is submitted in accordance with paragraph 7 of General Assembly resolution 48/216 B, in which the Assembly requested the Secretary-General to report to it at the same time as the Board of Auditors submitted its recommendations to the Assembly on measures taken or to be taken to implement those recommendations.

The Administration has concurred with most of the Board's recommendations. The present report provides comments from the Administration as well as information on the status of implementation, the department responsible, the estimated completion date and the priority of each recommendation contained in the reports of the Board of Auditors. In addition, the present report contains updated information on the status of implementation of the recommendations of the Board for prior periods that were reported by the Board as not having been fully implemented in the annexes to its reports.

* A/69/150.

** The present report was submitted late owing to a long process of internal consultations.



I. Introduction

1. In paragraph 7 of its resolution [48/216 B](#), the General Assembly requested the Secretary-General to report to it on the measures that would be taken to implement the recommendations of the Board of Auditors at the same time as the reports of the Board were submitted to the Assembly. Accordingly, the present report is submitted in response to the recommendations of the Board contained in its report on the United Nations for the biennium ended 31 December 2013 ([A/69/5 \(Vol. I\)](#), chap. II) and its report on the capital master plan for the year ended 31 December 2013 ([A/69/5 \(Vol. V\)](#)).

2. In the preparation of the present report, account was taken of the provisions of the following documents:

(a) Resolution [48/216 B](#), in particular its paragraph 8, in which the Assembly requested the Secretary-General to draw attention in his reports to the recommendations of the Board that would require action by the Assembly;

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

(c) Resolution [67/235 A](#), in particular its paragraph 9, in which the Assembly reiterated its request to the Secretary-General to provide a full explanation for the delays in the implementation of the recommendations of the Board, in particular those recommendations not yet fully implemented that were two or more years old; and its paragraph 10, in which the Assembly also reiterated its request to the Secretary-General to indicate in future reports an expected time frame as well as the priorities for the implementation of the recommendations of the Board and the office holders to be held accountable.

3. 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 considered to be of high priority.

4. The Administration has concurred with most of the Board’s recommendations, and brief comments are provided on all recommendations for the financial period ended 31 December 2013. In accordance with paragraph 9 of resolution [67/235 A](#), additional information has been provided for all recommendations for prior financial periods that the Board considered not to have been fully implemented.

5. In accordance with the above-mentioned resolutions, section II of the present report contains the information requested by the General Assembly on the implementation of the recommendations contained in the reports of the Board of Auditors on the United Nations. Section II.A provides information on the implementation of the recommendations contained in the Board’s report for the biennium ended 31 December 2013, and section II.B provides information on the implementation of recommendations contained in the Board’s reports for the two prior bienniums that the Board considered not to have been fully implemented. Section II.C provides brief information on the interim follow-up on the handling of information and communications technology affairs in the Secretariat.

6. Section III of the present report provides information on the implementation of the recommendations contained in the reports of the Board of Auditors on the capital master plan. Section III.A provides information on the implementation of the recommendations contained in the Board's report for the year ended 31 December 2013, and section III.B provides information on the implementation of the recommendations contained in the Board's reports for prior financial periods that the Board considered not to have been fully implemented.

II. United Nations

A. Implementation of the recommendations contained in the report of the Board of Auditors on the United Nations for the biennium ended 31 December 2013

Overview

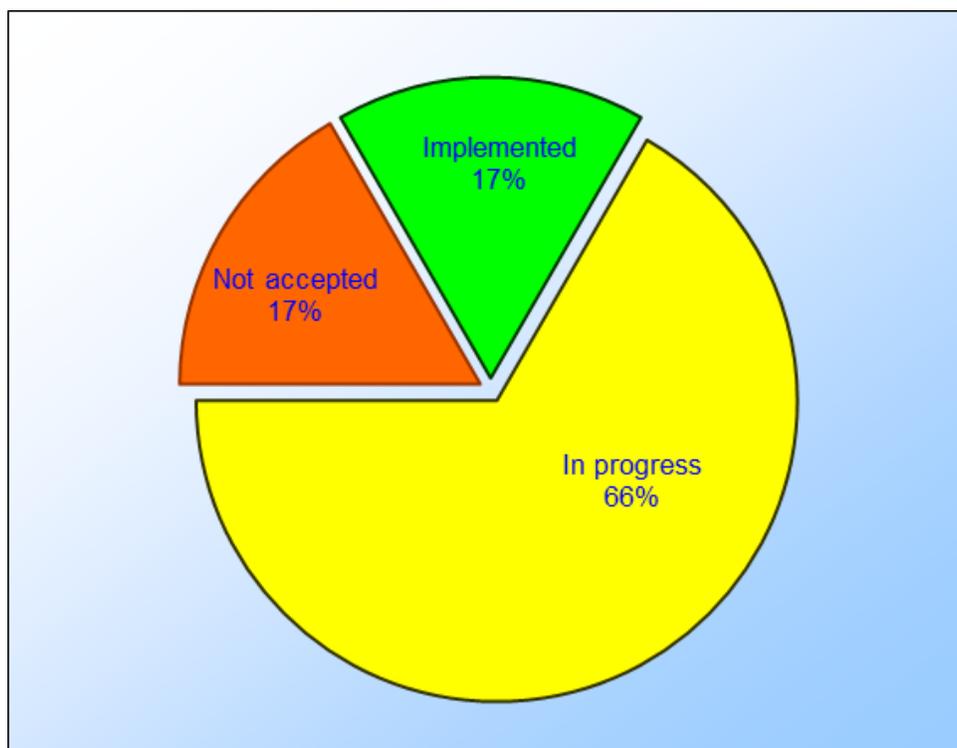
7. Set out below is the information requested by the General Assembly on the status of implementation of the recommendations contained in the report of the Board of Auditors on the United Nations for the biennium ended 31 December 2013 (A/69/5 (Vol. I), chap. II).

8. Tables 1 and 2 summarize the status of implementation of the recommendations as of August 2014.

Table 1
Status of implementation of the 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>
Department of Management	4	1	1	2	2	0
Multiple departments	2	–	–	2	2	0
Total	6	1	1	4	4	0

Figure I
Status of implementation of the main recommendations

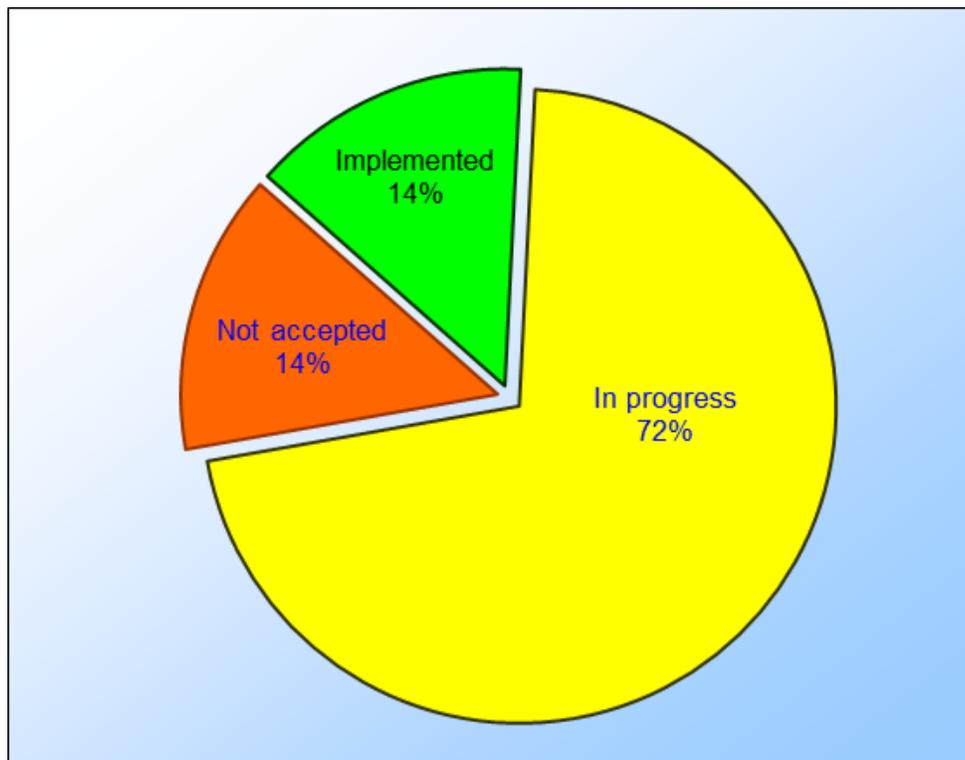


9. Table 1 and figure I summarize the status of the six main recommendations of the Board: one (17 per cent) has been implemented, four (66 per cent) are in progress and one (17 per cent) has not been accepted by the Administration. Of the four that are in progress, one is scheduled to be implemented by the end of 2014 and three between 2017 and 2020.

Table 2
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>
Department of Management	14	3	3	8	8	–
Executive Office of the Secretary-General	1	–	–	1	1	–
Office for the Coordination of Humanitarian Affairs	4	–	–	4	4	–
Office of Internal Oversight Services	1	–	–	1	1	–
Office of Legal Affairs	1	–	1	–	–	–
Multiple departments	7	1	–	6	6	–
Total	28	4	4	20	20	–

Figure II
Status of implementation of all recommendations



10. Table 2 and figure II summarize the status of all 28 recommendations of the Board: 4 (14 per cent) have been implemented, 20 (72 per cent) are in progress and 4 (14 per cent) have not been accepted by the Administration. Of the 20 that are in progress, 2 are scheduled to be implemented by the end of 2014, 9 by the end of 2015 and 9 between 2016 and 2020.

Detailed information on implementation status

11. **In paragraph 29 of its report, the Board recommended that the Administration establish how and under what time frame it would be able to more closely link budget consumption with what had been delivered in terms of outputs and outcomes; and with this aim in mind, set out a detailed plan for embedding results-based management as part of business as usual, defining clear responsibilities and resources.**

12. The Administration is fully committed to the implementation of results-based management as mandated by Member States. However, it does not accept this recommendation, as it is not certain of the technical feasibility of closely linking budget consumption to individual output and outcomes. This discussion and analysis could be carried out in more detail at the time of the analysis of the specific solutions relating to the budget formulation module in Umoja.

Department responsible: Department of Management

Status: Not accepted

Priority: High

Target date: Not applicable

13. In paragraph 36 of its report, the Board recommended that the Management Committee assess whether it had the tools and capabilities to support it in managing the organizational improvement programme, and that it devise a plan to address any gaps.

14. The Executive Office of the Secretary-General, with the support of the Department of Management, will carry out the assessment recommended by the Board.

Department responsible: Executive Office of the Secretary-General

Status: In progress

Priority: Medium

Target date: Fourth quarter of 2015

15. In paragraph 44 of its report, the Board recommended that the Administration develop plans for the production of monthly management accounts and improved financial reports to management, drawing on the opportunities being provided by the International Public Sector Accounting Standards (IPSAS) and the new enterprise resource planning system.

16. The production of monthly management accounts will be pursued in the medium term, but they cannot be completed in a sustainable manner until the full deployment of Umoja Organization-wide.

Department responsible: Department of Management

Status: In progress

Priority: Medium

Target date: Fourth quarter of 2017

17. In paragraph 48 of its report, the Board recommended that the Administration, as part of its work on enterprise risk management, develop a strategy to enhance the accountability and internal control framework, including the development of a “statement on internal control” or equivalent document. This replaced the Board’s previous recommendation on internal control (see [A/67/5 \(Vol. I\)](#) and [Corr.1](#) and [Corr.2](#), chap. II, para. 171).

18. The Administration recognizes enterprise risk management as a crucial managerial tool to enhance accountability and the internal control framework across the entire spectrum of activities of the Organization. The documentation for the internal control framework would be an important step in clarifying its components. However, only through the identification and evaluation of risks and the design of appropriate response strategies will the Organization be able to progressively assess the effectiveness of the internal control system. The path to the development and adoption of a credible “statement on internal control” will require considerable time, as enterprise risk management needs to be embedded in the entire Organization prior

to its preparation, and must be sustained by adequate resources so as to effectively guide the operations of the Organization. In addition, the Administration would like to note that the timing of the development of a “statement of internal control” or equivalent document is also dependent on the full deployment of Umoja (the current deployment schedule estimates that will be accomplished by 2018). This will ensure that Umoja’s overall improvements to accountability and control systems are effectively leveraged.

Department responsible: Department of Management

Status: In progress

Priority: Medium

Target date: Fourth quarter of 2018

19. In paragraph 56 of its report, the Board recommended that the Administration develop a deeper understanding of its cost base and therefore the capability to compare and benchmark its administrative overheads and the performance of its business functions to drive more cost-effective delivery. This might entail creating a general ledger of analysis codes for administrative and programme expenditure (and classifying each transaction according to the appropriate code).

20. The Administration considers this recommendation to have been implemented. The current budgetary process already allows for the segregation of budgets between programmatic (programme of work) elements, administrative (programme support) elements, policymaking organs, and executive direction and management functions. It should be noted that the Secretary-General’s budget proposal for the biennium 2014-2015 included target improvements under programme support services, conference services, public information and construction, which resulted in a reduction of \$64.1 million. Programme managers reviewed possible areas for sustainable efficiencies stemming from, inter alia, process improvements and reorganized structures that resulted in the consolidation or re-engineering of support services to ensure equal or better service delivery to substantive programmes at lower cost. This is an ongoing effort of the Organization based on the Secretary-General’s directive to continue to find better, more effective and efficient ways of delivering on its mandate.

Department responsible: Department of Management

Status: Implemented

Priority: Medium

Target date: Not applicable

21. In paragraph 60 of its report, the Board recommended that the Administration prepare annual updates on the trends in, and funding options for, end-of-service liabilities in order to keep the General Assembly fully informed of the longer-term funding requirements associated with the pay-as-you-go approach.

22. This information will be included in the notes to the annual financial statements of the Organization.

Department responsible: Department of Management

Status: In progress

Priority: Medium

Target date: Third quarter of 2014

23. In paragraph 76 of its report, the Board recommended that the Administration perform a light-touch review of “quick-win” changes to the current process to reduce the time and effort required as part of the next set of budget instructions (September 2014).

24. The Administration is in the process of preparing budget guidance for the biennium 2016-2017 aimed at reducing the time and effort required to prepare the proposed programme budget.

Department responsible: Department of Management

Status: In progress

Priority: Medium

Target date: First quarter of 2015

25. In paragraph 77 of its report, the Board also recommended that the Administration perform a review of the budget process and implement an improved end-to-end budget process, including the information and communications technology elements of Umoja Extension 2.

26. The Administration is committed to reviewing all elements relating to the Umoja Extension 2 solutions. The Organization needs to gain a better understanding of the technical solutions that will be made available and use them as an opportunity to improve its end-to-end budget process. The Administration will continue to analyse and customize the solutions in an effort to contribute to an improved budget process. It is unlikely that all necessary information and the related new budget processes will be available before the beginning of the budget formulation cycle for the biennium 2018-2019.

Department responsible: Department of Management

Status: In progress

Priority: High

Target date: Fourth quarter of 2019

27. In paragraph 85 of its report, the Board recommended that the Administration consider extending the budget period beyond the financial reporting cycle to incorporate medium-term summaries of financial commitments for financial planning purposes. The appraisals of major projects and the development of business cases could also be aligned with medium- to long-term financial planning, and included as a capital budget item.

28. The Administration will accept this recommendation subject to a decision by the General Assembly. The Administration currently does not have the authority to implement it, since the budget periods and the authority for the Organization to enter into financial commitments beyond the budget cycles are the prerogatives of Member States. Specific multi-year projects (e.g., the capital master plan) have been duly authorized and have already been reported on. An Organization-wide extension of the budget beyond the financial reporting cycle would be possible only if mandated by the Assembly.

Department responsible: Department of Management

Status: Not accepted

Priority: Medium

Target date: Not applicable

29. In paragraph 89 of its report, the Board recommended that the Administration use the improved understanding of the true cost of end-to-end processing from the enterprise resource planning project to inform challenges to budget proposals.

30. The Administration does not accept this recommendation. The implementation of Umoja will enable managers to know better the full costs of each activity, and this information will be extremely useful in future budget formulation by programme managers and the review of budget proposals by the Office of Programme Planning, Budget and Accounts. However, this type of analysis will not be the only determining factor for preparing and deciding on budget proposals, as all of them need to be examined comprehensively, taking into consideration all related factors that led to their preparation. It is also important to bear in mind that Member States have repeatedly reaffirmed “the role of the General Assembly in carrying out a thorough analysis and approval of posts and financial resources, of resource allocation to all sections of the programme budget ...” and have repeatedly emphasized “that resources proposed by the Secretary-General should be commensurate with all mandated programmes and activities to ensure their full, effective and efficient implementation” (see resolution [55/231](#), paras. 2 and 19).

Department responsible: Department of Management

Status: Not accepted

Priority: Medium

Target date: Not applicable

31. In paragraph 100 of its report, the Board recommended that the Office for the Coordination of Humanitarian Affairs perform a skills needs assessment of the standard fund management process as described in the latest guidance and develop a costed training plan for staff at all levels, including increasing management capability both in the field and at Headquarters.

32. The Office for the Coordination of Humanitarian Affairs plans to develop a training package, for staff and other stakeholders involved in fund management, in line with the development and roll-out of the global guidelines for country-based pooled funds. The Office also plans to identify areas in which it should make greater investment to ensure sufficient management capacities both at Headquarters and at the field level.

Department responsible: Office for the Coordination of Humanitarian Affairs

Status: In progress

Priority: Medium

Target date: Fourth quarter of 2015

33. **In paragraph 103 of its report, the Board recommended that the Office for the Coordination of Humanitarian Affairs require clusters and technical review boards to strengthen the consideration of previous project and implementing partner performance when recommending a project for approval by the humanitarian coordinator. This should include an assessment of:**

- **The non-governmental organizations concerned, including past delivery performance across United Nations entities, and due diligence on the company and key individuals**
- **The type of project, including the likelihood of successful delivery of the intended benefits, for example, distribution of cash vouchers (high risk) versus construction (lower risk)**
- **The location of the project, and the ability to monitor progress.**

34. A capacity assessment of implementing partners is one of the pillars of the accountability framework that will be launched by the Office for the Coordination of Humanitarian Affairs, jointly with revised guidelines for country-based pooled funds, by the end of 2014. The capacity assessment has already begun for certain high-risk countries, and it will be successively rolled out in all country operations of the Office. In relation to the non-governmental organizations concerned, the grant management system will ensure proper feedback mechanisms with respect to past performance of implementing partners.

Department responsible: Office for the Coordination of Humanitarian Affairs

Status: In progress

Priority: Medium

Target date: Fourth quarter of 2015

35. **In paragraph 112 of its report, the Board recommended that the Office for the Coordination of Humanitarian Affairs, working with the various stakeholder organizations involved, document operational and financial accountability for the management of country-based pooled funds at both the global and country levels.**

36. The Office for the Coordination of Humanitarian Affairs has begun rolling out the grant management system, which allows for the systematic tracking of documentation in Afghanistan and Somalia. On the basis of those pilots, the system will subsequently be rolled out in other operations of the Office.

Department responsible: Office for the Coordination of Humanitarian Affairs

Status: In progress

Priority: Medium

Target date: Fourth quarter of 2015

37. **In paragraph 114 of its report, the Board recommended that the Office for the Coordination of Humanitarian Affairs work with other United Nations entities to establish formal requirements for information-sharing on the performance of implementing partners in each country office.**

38. On 11 July 2014, the Office for the Coordination of Humanitarian Affairs expressed its concerns to the United Nations Development Group and the High-level Committee on Management of the United Nations System Chief Executives Board for Coordination regarding the different treatment of non-governmental organizations by United Nations operational agencies in relation to allegations of fraud. At these meetings, the Office called for the establishment of a formal requirement for information-sharing on the performance of implementing partners. In order to help resident coordinators/humanitarian coordinators improve operational coordination, the United Nations organizations will work together to develop a common policy framework for risk management and information-sharing across the system.

Department responsible: Office for the Coordination of Humanitarian Affairs

Status: In progress

Priority: Medium

Target date: Second quarter of 2016

39. **In paragraph 125 of its report, the Board recommended that the Office for the Coordination of Humanitarian Affairs accelerate implementation of the improved controls established in the global guidance and accountability framework. This should be done with a more risk-based and flexible approach to the management of implementing partners in country operations involving:**

(a) **Risk assessments to vet implementing partners to create a pool of trusted suppliers;**

(b) **Revised funding arrangements where high-risk implementing partners received an initial payment lower than the current initial 80 per cent payment;**

(c) **Enhanced monitoring arrangements where, for example, high-risk projects should be subject to interim audits/inspections using audit access rights, while lower-risk projects could be based on visits from regional staff;**

(d) **Working with the Office of Legal Affairs to strengthen the current memorandum of understanding between the Office for the Coordination of Humanitarian Affairs and implementing partners.**

40. The global guidelines for country-based pooled funds will introduce a comprehensive accountability framework, one of whose main pillars will be a capacity assessment of implementing partners. The roll-out of the assessments has already begun in high-risk countries and will successively continue in all other operations of the Office for the Coordination of Humanitarian Affairs.

41. The Office for the Coordination of Humanitarian Affairs is working with the Office of Legal Affairs on the revision of the current memorandum of understanding with implementing partners, which includes strengthened provisions on risk management.

Departments responsible: Office for the Coordination of Humanitarian Affairs/Office of Legal Affairs

Status: In progress

Priority: High

Target date: Fourth quarter of 2014

42. In paragraph 136 of its report, the Board recommended that the Administration raise awareness of fraud risks by establishing a clear code of conduct (recognizing that a code of conduct includes requirements wider than fraud), reinforced through regular communication of fraud issues and through mandatory training courses for all staff.

43. Enhancing fraud awareness through outreach and training is necessary. At the same time, fraud-proofing an organization requires multiple, customized and layered interventions over time.

Departments responsible: Executive Office of the Secretary-General/
Department of Management

Status: In progress

Priority: Medium

Target date: Fourth quarter of 2017

44. In paragraph 142 of its report, the Board recommended that the Administration conduct a comprehensive fraud risk assessment, using in-depth research in high-risk areas, to determine the Organization's vulnerabilities and exposure to risks of fraud from both internal and external sources.

45. The Administration fully recognizes the importance of a mature and integrated Organization-wide approach to tackling fraud risk through the development and maintenance of sound anti-fraud policies and strategies. This includes undertaking a comprehensive fraud risk assessment, developing and rationalizing the existing suite of policies and guidance materials, and developing and implementing proper procedures, based on best practice.

Departments responsible: Department of Management/Ethics Office/
Office of Internal Oversight Services

Status: In progress

Priority: Medium

Target date: Fourth quarter of 2017

46. In paragraph 143 of its report, the Board also recommended that the Administration support the development of the Office of Internal Oversight Services as a central expert resource to support and work with departments to assess, analyse and act upon all significant fraud risks.

47. The Board seems to be recommending significant changes in the role of the Office of Internal Oversight Services (OIOS) in the Organization's response to fraud. This matter will first require consultations with the Independent Audit Advisory Committee and the General Assembly. It is important that OIOS maintain operational independence in the development of its role in advising management

with regard to fraud prevention and related controls. While OIOS will continue to be a centre of expertise with respect to fraud detection, prevention and investigation, the Administration will work with OIOS, the Ethics Office and others to develop capacity in assessing and managing fraud-related risks, including through the institution of appropriate key internal controls.

Departments responsible: Executive Office of the Secretary-General/
Department of Management/Office of Internal
Oversight Services/Department of Peacekeeping
Operations/Department of Field Support

Status: Not accepted

Priority: Medium

Target date: Not applicable

48. In paragraph 147 of its report, the Board recommended that the Administration review and rationalize the current suite of policy and guidance material on fraud and other misconduct to provide staff and others with clarity over the correct procedures to follow when a fraud is discovered.

49. Refer to the Administration's comments above relating to the recommendation contained in paragraph 142 of the Board's report.

Departments responsible: Department of Management/Office of Internal
Oversight Services/Office of Legal Affairs/
Ethics Office

Status: In progress

Priority: Medium

Target date: Fourth quarter of 2017

50. In paragraph 148 of its report, the Board also recommended that the Administration establish a central intake mechanism for all reporting of staff grievances and suspected fraud, allowing the cases to be properly screened and assessed and sent to the right part of the Organization for action, and facilitating improved data collection.

51. OIOS has already initiated action in line with the relevant recommendation arising from the decision taken by the Management Committee at its meeting held on 22 March 2013. As part of its proposed implementation of a new investigations case management system, OIOS has been in liaison with the Information Technology Section of the United Nations Office on Drugs and Crime (UNODC) to develop an electronic platform permitting the centralized recording of the global intake of reports of possible misconduct, including reports of prohibited conduct pursuant to ST/SGB/2008/5 and "hotline" (whistle-blower) complaints from missions, regional commissions, Headquarters and offices away from Headquarters. OIOS is awaiting clearance from the Chief Information Technology Officer to proceed with the implementation of the investigations case management system and, when such clearance is received, OIOS and UNODC will be able to move forward with the central intake mechanism.

Department responsible: Office of Internal Oversight Services

Status: In progress

Priority: Medium

Target date: Fourth quarter of 2015

52. In paragraph 151 of its report, the Board recommended that the Administration develop a framework of actions and arrangements for the systematic legal pursuit of all proven cases of fraud.

53. The Administration notes that it already has a framework of actions and arrangements in place for the systematic pursuit of cases of fraud. Accordingly, this recommendation has already been implemented.

Department responsible: Office of Legal Affairs

Status: Implemented

Priority: Medium

Target date: Not applicable

54. In paragraph 155 of its report, the Board recommended that the Administration update and enhance its whistle-blowing policies and procedures to cover the risk of both internal and external wrongdoing.

55. A revision of ST/SGB/2005/21 will refine the definition of whistle-blowing and other protected activities, and as a result will deepen the protections offered to those engaging in protected activities, as well as describe a prevention mandate for the United Nations Ethics Office.

Departments responsible: Executive Office of the Secretary-General/
Department of Management

Status: In progress

Priority: Medium

Target date: Second quarter of 2015

56. In paragraph 159 of its report, the Board recommended that the Administration develop an integrated strategic approach to tackling fraud, drawing on the many practical examples of good practice being adopted across the world and adapting these to the Organization's circumstances. The first step would be assessing and understanding the type and scale of fraud threats the United Nations was exposed to.

57. Refer to the Administration's comments above relating to the recommendation contained in paragraph 142 of the Board's report.

Departments responsible: Department of Management/Office of Legal Affairs/Ethics Office/Department of Peacekeeping Operations/Department of Field Support

Status: In progress

Priority: High

Target date: Fourth quarter of 2017

58. **In paragraph 164 of its report, the Board recommended that the Administration develop a medium- to long-term strategic workforce strategy and operational workforce plans. These should be informed by a review of the Organization's strategy that identified any gaps in headcount, grades, knowledge and skills.**

59. The Administration initiated a new workforce planning project in early 2014 to formulate a standardized methodology to perform workforce planning. This is currently in the design phase and will continue to be reviewed and enhanced in coordination with the Umoja and mobility programmes over the next several years.

Department responsible: Department of Management

Status: In progress

Priority: High

Target date: Fourth quarter of 2020

60. **In paragraph 169 of its report, the Board recommended that the Administration establish performance measures of the effectiveness of the recruitment process around getting “the right person, with the right skills, to the right position, at the right time and at the right cost”.**

61. Performance measures have been established. Refer to programme 25, Management and support services, of the proposed strategic framework for the period 2016-2017 (A/69/6 (Prog. 25)) of 14 March 2014.

Department responsible: Department of Management

Status: Implemented

Priority: Medium

Target date: Not applicable

62. **In paragraph 170 of its report, the Board also recommended that the Administration perform an end-to-end review of the recruitment process to identify opportunities to reduce the lead time to recruit from the point at which a vacancy occurred until the post was filled.**

63. A review of the current recruitment processes is in progress and will be extended to incorporate the mobility implementation design processes.

Department responsible: Department of Management

Status: In progress

Priority: Medium

Target date: Fourth quarter of 2015

64. **In paragraph 177 of its report, the Board recommended that the Administration develop a skills strategy for staff based on an improved understanding of current capability and existing skills gaps such as commercial skills for major projects, and on the skills required following the implementation of IPSAS and the roll-out of Umoja, such as professional training in financial management skills to lead financial management**

improvement and provide more strategic advisory services to the wider business.

65. The Administration has developed a new learning and career support strategy, which was endorsed by the Management Committee on 6 June 2014. It will ensure that Secretariat entities coordinate on their learning and career support initiatives and support the Committee in its new oversight role through a “learning and career support working group”, which will be led by the Office of Human Resources Management and include representatives of offices away from Headquarters, regional commissions, departments/offices and the United Nations System Staff College.

66. The Administration is strongly committed to focusing on the development of skills for the review and analysis of financial information with a view to better management decision-making. Work is already under way to develop skills relating to the tracking and analysis of key financial ratios and key account balances.

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

67. In paragraph 184 of its report, the Board recommended that the Administration review and improve the appraisal system to enable more effective monitoring of performance trends and implementation of remedial action or rewards following completion of staff performance evaluations.

68. The Administration has reviewed the appraisal system and developed a comprehensive proposal that will enable more effective monitoring of trends and compliance, and the implementation of remedial action following the completion of staff performance evaluations. A rewards and recognition framework will also be recommended. The proposal will be submitted to the General Assembly at its sixty-ninth session and, if approved, is expected to be implemented by April 2015.

Department responsible: Department of Management
Status: In progress
Priority: Medium
Target date: Second quarter of 2015

B. Implementation of the recommendations contained in the reports of the Board of Auditors on the United Nations for prior financial periods

Overview

69. In paragraph 9 of its resolution [67/235 A](#), the General Assembly reiterated its request to the Secretary-General to provide a full explanation for the delays in the implementation of the recommendations of the Board, in particular those recommendations not yet fully implemented that were two or more years old.

70. In annex I to its report for the biennium ended 31 December 2013, the Board provided a summary of the status of implementation of its recommendations for prior financial periods. Of the 104 recommendations made in the previous two bienniums, 79 (76 per cent) had been fully implemented, 19 (18 per cent) were under implementation and 6 (6 per cent) had been overtaken by events. Information is provided below on the 19 recommendations shown as being “under implementation”. The information is set out in the order in which the recommendations are presented in the annex.

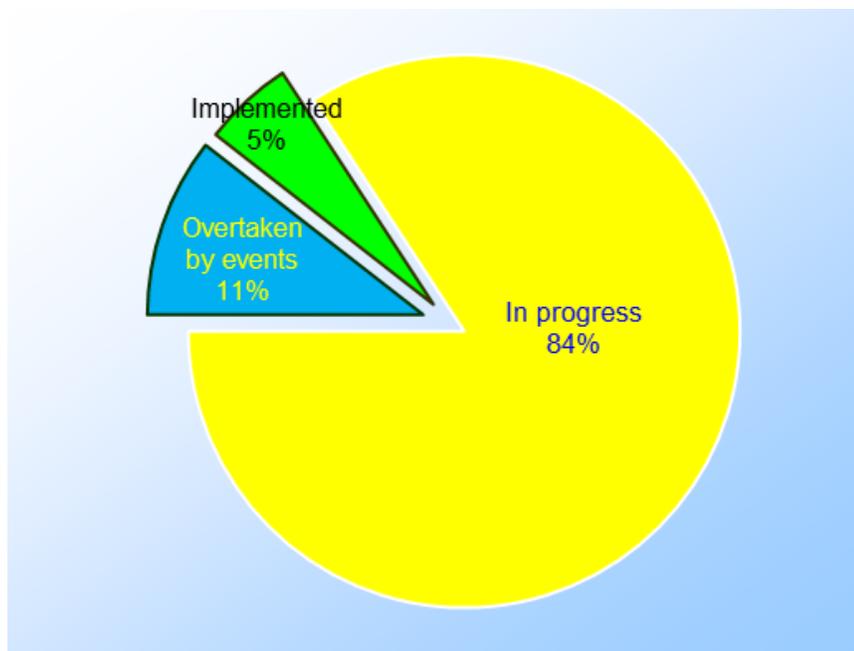
71. The following table summarizes the overall situation.

Table 3

Status of implementation of recommendations for prior periods considered to be “under implementation” in annex I to the report of the Board of Auditors for the biennium ended 31 December 2013

<i>Department responsible</i>	<i>Number of recommendations</i>	<i>Overtaken by events</i>	<i>Implemented</i>	<i>In progress</i>	<i>Target date set</i>	<i>No target date</i>
Department of Management	14	2	1	11	10	1
Department for General Assembly and Conference Management	1	0	0	1	1	0
Office for the Coordination of Humanitarian Affairs	1	0	0	1	1	0
Multiple departments	3	0	0	3	2	1
Total	19	2	1	16	14	2

Figure III
Status of implementation of recommendations for prior periods considered to be “under implementation” in annex I to the report of the Board of Auditors for the biennium ended 31 December 2013



72. As indicated in table 3 and figure III, of the 19 recommendations for the two previous bienniums shown as being “under implementation” in annex I to chapter II of the Board’s report, 1 (5 per cent) has been implemented, 2 (11 per cent) have been overtaken by events and 16 (84 per cent) are in progress.

Detailed information on implementation status

73. As indicated in paragraph 31 of the Board’s report on the United Nations for the biennium ended 31 December 2011 ([A/67/5 \(Vol. I\)](#) and [Corr.1](#) and [Corr.2](#)), chap. II, the Administration agreed with the Board’s recommendation that the Office for the Coordination of Humanitarian Affairs strengthen its project management procedures to ensure regular review, verification and reporting of project expenditures to enable it to obtain timely and sufficient assurance and control over expenditure, confirmation that funds had been used for the intended purposes, and hence assurance over the accuracy of its recording in the financial statements.

74. In the light of the substantive comments received from partners and the Office of Legal Affairs, the final draft of the guidelines on country-based pooled funds and its submission to the senior management team of the Office for the Coordination of Humanitarian Affairs for endorsement have been postponed until the end of 2014. With the roll-out of the grant management system, the Office for the Coordination of Humanitarian Affairs has strengthened its control mechanisms, which have also been reinforced by monitoring and reporting frameworks, including both financial

and narrative reporting, field visits and financial spot checks as part of the monitoring framework.

Department responsible: Office for the Coordination of Humanitarian Affairs

Status: In progress

Priority: High

Target date: Fourth quarter of 2015

75. As indicated in paragraph 34 of the report, the Administration agreed with the Board's recommendation that it, in collaboration with the Office for the Coordination of Humanitarian Affairs, rigorously review its accounting treatment for recording expenditures via executing agencies and make any necessary changes of accounting policy no later than 2014.

76. With regard to pooled funds, the Office for the Coordination of Humanitarian Affairs is currently working with the Office of Programme Planning, Budget and Accounts to determine and streamline the most appropriate accounting treatment for funds transferred to implementing partners.

Departments responsible: Office for the Coordination of Humanitarian Affairs/Department of Management

Status: In progress

Priority: High

Target date: Fourth quarter of 2014

77. In paragraph 80 of its report, the Board recommended that the Administration review the disclosures in future financial statements with a view to providing more detailed commentary on the reasons for the increased holdings of investments and cash pools.

78. The recommendation has been overtaken by events, since although the Board had requested that the Administration provide more detailed commentary on the reasons for the increased holdings of investments and cash pool balances, during the 2012-2013 biennium those balances actually declined compared with the previous biennium; a detailed explanation for the decline was made in the financial report.

Department responsible: Department of Management

Status: Overtaken by events

Priority: High

Target date: Not applicable

79. As indicated in paragraph 95 of the report, the Administration agreed with the Board's recommendation that it require all staff to have undertaken contract management training prior to taking up contract management responsibility. Such training should cover key aspects of contract management such as contract administration, vendor relationship management, risk management, and performance evaluation and management.

80. In response to the Board's recommendation, the Administration developed an online training course on contract management that is currently available through the Procurement Training Campus (www.procurementtrainingcampus.org). The course provides a solid foundation for effective contract management in a public sector environment.

81. The Administration has proposed that the course be mandatory for all staff with contract management functions across the Secretariat. This proposal was presented in the context of the learning and career support strategy for the Secretariat, which was approved by the Management Committee at its meeting held on 6 June 2014.

82. The Administration will take the necessary action to inform all heads of departments and offices that the course is mandatory for all staff with duties in the area of contract management.

Department responsible: Department of Management

Status: In progress

Priority: Medium

Target date: Second quarter of 2015

83. As indicated in paragraph 98 of the report, the Administration agreed with the Board's recommendation that the Administration include specific, measurable and relevant key performance indicators, linked to payment, in every contract to cover all key aspects of the goods or services to be delivered.

84. Following the initial roll-out of Umoja, the Organization is now engaged in efforts to migrate the existing key performance indicators to the new environment. Further development of the complete set of indicators is pending the finalization and launch of Umoja throughout the Secretariat. In addition, the development of the additional indicators is dependent on the availability of resources and tools to implement dashboards, as well as the in-memory processing of data queries that would support the establishment of the indicators in Umoja.

Department responsible: Department of Management

Status: In progress

Priority: High

Target date: Fourth quarter of 2015

85. In paragraph 128 of its report, the Board recommended that the Department of Management urgently clarify the authority of the United Nations Office at Nairobi for undertaking procurement on behalf of the United Nations Environment Programme (UNEP) and the United Nations Human Settlements Programme (UN-Habitat).

86. The discussion on the revised version of the Financial Rules of UNEP and UN-Habitat is still ongoing. Additional consultation is being undertaken in the context of Umoja implementation by the United Nations entities in Nairobi.

Department responsible: Department of Management

Status: In progress

Priority: Medium

Target date: Fourth quarter of 2014

87. **As indicated in paragraph 130 of the report, the Administration agreed with the Board's recommendation that the Department of Management review the delegations granted to the United Nations Office at Vienna and the United Nations Office at Geneva, to ensure that delegated procurement authority was sufficiently clear.**

88. The review of the delegations of authority granted to the United Nations Office at Vienna and the United Nations Office at Geneva is ongoing.

Department responsible: Department of Management

Status: In progress

Priority: Medium

Target date: First quarter of 2015

89. **As indicated in paragraph 145 of the report, the Administration agreed with the Board's recommendation that it: (a) develop more outcome-focused objectives and indicators of achievement; (b) establish clear chains from indicators of resource use and activity, through indicators of output to achievement of high-level objectives; and (c) make subparagraphs (a) and (b) above a clearly articulated responsibility of the Under-Secretaries-General for their respective departments.**

90. As reported in paragraph 77 of the report of the Secretary-General on the implementation of the recommendations of the Board of Auditors contained in its reports on the United Nations for the biennium ended 31 December 2011 and on the capital master plan for the year ended 31 December 2011 (A/67/319), the Administration considers this recommendation to have been implemented and requests its closure by the Board.

Department responsible: Department of Management

Status: Implemented

Priority: High

Target date: Not applicable

91. **As indicated in paragraph 171 of the Board's report, the Administration agreed with the Board's recommendation that, to provide assurance that the system of internal control was understood and operating as expected, it: (a) document the internal control framework; and (b) consider developing a management assurance system which required managers at all levels to periodically provide senior management assurance on the effectiveness of internal controls in their sphere of control to test both understanding and compliance at all levels.**

92. The Administration requests the Board to close this recommendation since it has been replaced by the recommendation contained in paragraph 48 of the Board's report for the biennium ended 31 December 2013.

Department responsible: Department of Management

Status: Overtaken by events

Priority: High

Target date: Not applicable

93. As indicated in paragraph 176 of the Board's report for the biennium ended 31 December 2011, the Administration agreed with the Board's recommendation that, in support of existing work on developing risk management in the United Nations, the Management Committee: (a) periodically identify the top risks facing the Organization and communicate that information to all managers; and (b) develop high-level and regular (monthly) reporting on the current status of the risks and associated mitigating strategies.

94. The Management Committee has a crucial role in the identification and evaluation of the top strategic risks to the Organization. As the enterprise risk management committee for the Secretariat, the Management Committee is planning to review, on a quarterly basis, the risk profile of the Organization and the status of implementation of relevant mitigation strategies, as designed by the corporate risk owners and supporting working groups.

Departments responsible: Executive Office of the Secretary-General/
Department of Management

Status: In progress

Priority: High

Target date: Third quarter of 2015

95. As indicated in paragraph 183 of the report, the Administration agreed with the Board's recommendation that United Nations senior management set out an action plan addressing the key lessons identified by the Board on business transformation, to demonstrate and track how it was developing and implementing a more strategic and holistic grip on the direction and delivery of the business transformation programmes.

96. The Administration is implementing important business transformation projects, such as the capital master plan, Umoja, IPSAS and mobility. The identification of key lessons learned, their discussion at the senior management level and the implementation of required corrective action where necessary are a continuous process in the Secretariat.

97. In the case of the capital master plan, the Office of the Capital Master Plan compiled relevant lessons learned to enable future large-scale construction and renovation projects undertaken by the Organization to benefit from the experience gained over the life of the project. Those lessons have been taken into account in the preparatory work of the strategic heritage plan and shared with Member States (refer to para. 35 of [A/68/352](#)).

98. In the case of Umoja, lessons learned from its implementation thus far have led to important decisions with respect to further project design and management. From lessons learned during the implementation of the pilot of Umoja Foundation at the United Nations Interim Force in Lebanon in July 2013, the Administration became better prepared for the Foundation roll-out in the remainder of the Organization. In addition, the lessons learned from the Foundation roll-out later in November 2013 led to important decisions by the Enterprise Resource Planning Steering Committee on project strategy and deployment.

99. With respect to IPSAS, important changes have been introduced in the implementation of the project, including the revision of its governance structure, which resulted in the re-constitution of the IPSAS Steering Committee in February 2013 at the level of Assistant Secretary-General and the inclusion in the Committee of other relevant departments, such as the Department of Economic and Social Affairs and the Office for the Coordination of Humanitarian Affairs; the creation of an independent project assurance role reporting directly to the Controller; the inclusion of IPSAS-specific objectives in the 2013 senior managers' compacts to ensure greater management buy-in and support for the initiative and the Management Committee's regular involvement in reviewing the progress of the initiative; and the roll-out of a project management tool with detailed tasks on the basis of which the IPSAS implementation teams in the United Nations have been tracking and reporting their progress on a monthly basis (refer to [A/68/351](#)).

Departments responsible: Executive Office of the Secretary-General/
Department of Management

Status: In progress

Priority: High

Target date: Ongoing

100. **As indicated in paragraph 25 of the Board's report on the United Nations for the biennium ended 31 December 2009 (A/65/5 (Vol. I), chap. II), the Administration agreed with the Board's recommendation that it: (a) plan for the automated preparation of the financial statements under Umoja; and (b) without waiting for the implementation of Umoja, enhance internal documentation on the preparation of the financial statements and, more generally, on all financial procedures, notably by updating the Financial Manual.**

101. Discussions are ongoing regarding the purchase of software to interface with Umoja for the automation of the preparation of the financial statements.

Department responsible: Department of Management

Status: In progress

Priority: High

Target date: Fourth quarter of 2015

102. **As indicated in paragraph 62 of the report, the Administration agreed with the Board's recommendation that it define a strategy to streamline and further automate the management of voluntary contributions, along the lines of the redesign of assessed contributions procedures.**

103. The target date remains as last revised on the basis of the Umoja deployment schedule.

Department responsible: Department of Management

Status: In progress

Priority: High

Target date: Fourth quarter of 2015

104. As indicated in paragraph 66 of the report, the Administration agreed with the Board's recommendation that it develop indicators to measure the processing times for contributions.

105. The target date remains as last revised on the basis of the Umoja deployment schedule.

Department responsible: Department of Management

Status: In progress

Priority: Medium

Target date: Fourth quarter of 2015

106. As indicated in paragraph 160 of the report, the Administration agreed with the Board's recommendation that it strengthen internal controls to ensure the accuracy of its payable and receivable balances with counterpart entities as at the end of the financial period.

107. The target date remains as last revised on the basis of the Umoja deployment schedule.

Department responsible: Department of Management

Status: In progress

Priority: High

Target date: Third quarter of 2015

108. As indicated in paragraph 164 of the report, the Administration agreed with the Board's recommendation that it reduce the time taken for certifying invoices so as to conform to accrual-based accounting.

109. The time taken for certifying invoices will be further reduced with the full deployment of Umoja.

Department responsible: Department of Management

Status: In progress

Priority: High

Target date: Fourth quarter of 2015

110. In paragraph 387 of its report, the Board recommended that the Administration draw up a schedule by which the staff members who had not taken the mandatory training programmes be obliged to do so in a close time limit (one year or 18 months), and that the effective implementation be verified.

111. The Office of Human Resources Management will continue to deploy the learning management system in Inspira to offices away from Headquarters and regional commissions, and over the next year this process will help improve the ability of the Organization to track mandatory training requirements.

Department responsible: Department of Management

Status: In progress

Priority: Medium

Target date: Fourth quarter of 2015

112. In paragraph 390 of its report, the Board recommended that the Administration ensure that all departments and offices draw up and document a medium- and short-term staff training strategy that would identify needs and objectives, and carry out a qualitative analysis of the results obtained.

113. The Management Committee approved the new learning and career support strategy in June 2014. The strategy differentiates between corporate and mandatory programmes for all staff. The Office of Human Resources Management will lead a coordination mechanism that identifies priority staff training needs for all Secretariat staff, on the basis of, among other things, an analysis of previously obtained results. As from 2015, the Management Committee will annually review and approve the findings of this analysis, which will provide strategic direction for all corporate learning programmes. Separately, departments and offices will be responsible for identifying and delivering the substantive and technical training needs of their staff. The Office of Human Resources Management will provide advisory services to support departments as well as access to funding for the upgrading of substantive and technical skills. As part of the process for accessing those funds, departments and offices will be required to submit an annual training plan.

Department responsible: Department of Management

Status: In progress

Priority: Medium

Target date: Ongoing

114. As indicated in paragraph 437 of the report, the Administration agreed with the Board's recommendation that it take appropriate measures to ensure that the "Carbon" project was interfaced with Umoja.

115. The proposed data interfaces between Umoja and the global conference management systems of the Department for General Assembly and Conference Management, including the meetings management system "gMeets" (formerly known as "Carbon"), are part of Umoja Extension 2, which is now scheduled to be deployed in 2017.

Department responsible: Department for General Assembly and Conference Management

Status: In progress

Priority: Medium

Target date: Second quarter of 2017

C. Interim follow-up on the handling of information and communications technology affairs in the Secretariat

116. In annex V to its report for the biennium ended 31 December 2013, the Board provided a summary of the status of implementation of recommendations contained in its report on the handling of information and communications technology affairs in the Secretariat (A/67/651). The summary showed that all 16 recommendations were under implementation, as they were linked to the new information and communications technology strategy that the Administration will soon present to Member States.

III. Capital master plan

A. Implementation of the recommendations contained in the report of the Board of Auditors on the capital master plan for the year ended 31 December 2013

Overview

117. Set out below is the information requested by the General Assembly on the status of implementation of recommendations contained in the report of the Board of Auditors on the capital master plan for the year ended 31 December 2013 (A/69/5 (Vol. V)).

118. Table 4 and Figure IV summarize the status of implementation of all new recommendations of the Board as of August 2014.

Table 4
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>
Department of Management	4	–	2	2	2	–
Total	4	–	2	2	2	–

Figure IV
Status of implementation of all recommendations



119. As indicated in table 4 and figure IV, of the four recommendations made by the Board in its report on the capital master plan, two (50 per cent) have been implemented and the other two (50 per cent) are in progress. Of the two recommendations in progress, one is set for implementation by the end of 2015 and the other by the end of 2016.

Detailed information on implementation status

120. **In paragraph 25 (a) of the summary of its report, the Board recommended that the Administration clarify to the General Assembly during the main part of its sixty-ninth session which elements of the scope of the project would not be delivered as part of the capital master plan and define plans for delivery and any budgetary implications. Elements of the capital master plan were currently scheduled for delivery after the Office of the Capital Master Plan closed.**

121. The twelfth annual progress report on the implementation of the capital master plan clarifies which elements will be completed after the closure of the Office of the Capital Master Plan. The report also clarifies how the remaining scope of the capital master plan will be administered after the closure of the Office.

<i>Department responsible:</i>	Department of Management
<i>Status:</i>	Implemented
<i>Priority:</i>	High
<i>Target date:</i>	Not applicable

122. **In paragraph 25 (b) of the summary of its report, the Board recommended that the Administration apply independent project assurance to all major projects. There was currently no established approach to providing independent project assurance in the United Nations.**

123. At present, the capital master plan project is managed and overseen with clear lines of supervision and accountability that have provided assurance with respect to both timeliness and costs during the whole life of the project. It is the Administration's view that initiating and establishing a project assurance and oversight mechanism is most critical at the project's conceptualization phase. By the time the Board made the recommendation, some two years after the project was under way, the project had already established its oversight and assurance model and changing the business model was not deemed feasible.

124. As noted in prior responses from the Administration to the above recommendation, the Office of the Capital Master Plan is headed by an Executive Director at the Assistant Secretary-General level and is managed by a team of specialists whose technical qualifications have been recognized both by the Board and by Member States on various occasions. The Executive Director for the Capital Master Plan has been supervised by and is accountable to the Under-Secretary-General for Management, who in turn is accountable to the Secretary-General. In addition, oversight is provided by the Management Committee, chaired by the Chef de Cabinet, which reviews the progress of the project on a continuous basis through periodic progress reports prepared by the Office.

125. In conformity with the established budgetary control and reporting process in the Secretariat, the budget and costs of the project are scrutinized by the Office of Programme Planning, Budget and Accounts and are audited regularly. The robust audit systems include ongoing audits of guaranteed maximum price contracts and close-out audits by OIOS and annual and semi-annual audits by the Board.

126. Accordingly, the Administration is of the opinion that the Secretariat has put in place a robust supervisory and oversight system that has provided adequate assurance concerning the budget, schedule and costs of the project during its life cycle. Regular updates on progress have been communicated to Member States by means of annual progress reports and quarterly briefings to the Advisory Committee on Administrative and Budgetary Questions and the Fifth Committee.

127. The Administration agrees with the Board that every major project in the Secretariat needs an independent project assurance function, but, as demonstrated by the capital master plan, this independent assurance function needs to be adapted in accordance with the specific nature of the project that is being implemented. Retaining the services of a specialized external company to carry out this function and forming a project steering committee are also considered to be viable project assurance options.

Department responsible: Department of Management

Status: Implemented

Priority: High

Target date: Not applicable

128. In paragraph 25 (c) of the summary of its report, the Board recommended that the Administration review maintenance arrangements on the basis of the operating data with respect to new assets currently being collected and assess possibilities for obtaining better value for money for the Administration's requirements. As previously recommended, it was important to gather operating data about new assets, such as energy consumption, maintenance

patterns and the skills required for the servicing of plant and equipment, so that contractors could bid on an informed basis. This should provide the Administration with a clearer view of its overall maintenance requirements.

129. The Office of Central Support Services has developed a comprehensive maintenance strategy for all mechanical, electrical and plumbing systems, including for the delivery of maintenance through either in-house staff, existing service contracts or capital master plan maintenance packages. A detailed plan has also been developed in coordination with the Procurement Division regarding future solicitation processes to be carried out as the last elements of the capital master plan project are handed over. Maintenance personnel have received additional training, and the capital master plan engineer of record has developed preventive maintenance plans and procedures for all new capital master plan systems. In addition, the Office of Central Support Services has begun to collect more comprehensive operating data and, on the basis of the final system configuration being delivered by the capital master plan, is developing specifications for a software tool to measure energy consumption.

Department responsible: Department of Management

Status: In progress

Priority: High

Target date: Fourth quarter of 2016

130. In paragraph 25 (d) of the summary of its report, the Board recommended that the Administration commit to visible senior management leadership on the flexible workspace project. Experience suggested that, like all change initiatives that had an impact on the day-to-day working environment, senior management leading by example would be vital in gaining staff buy-in and securing the intended benefits.

131. The involvement of senior managers in the flexible workplace programme will be one of the matters discussed at the flexible workplace steering committee meetings. The Office of Central Support Services is in the process of convening the steering committee.

Department responsible: Department of Management

Status: In progress

Priority: High

Target date: Fourth quarter of 2015

B. Implementation of the recommendations contained in the report of the Board of Auditors on the capital master plan for prior financial periods

Overview

132. In paragraph 9 of its resolution [67/235 A](#), the General Assembly reiterated its request to the Secretary-General to provide a full explanation for the delays in the implementation of the recommendations of the Board, in particular those recommendations not yet fully implemented that were two or more years old.

133. In annex III to its report for the year ended 31 December 2013, the Board provided a summary of the status of implementation of 21 recommendations for prior periods. Information is provided below on the 5 recommendations indicated as being “under implementation” (24 per cent of the total) in annex III, set out in the order in which the recommendations were presented.

134. Table 5 summarizes the overall situation.

Table 5

Status of implementation of recommendations for prior periods considered not fully implemented in annex III to the report of the Board of Auditors on the capital master plan for the year ended 31 December 2013

<i>Department responsible</i>	<i>Number of recommendations</i>	<i>Not accepted</i>	<i>Not Implemented</i>	<i>In progress</i>	<i>Target date set</i>	<i>No target date</i>
Department of Management	5	–	–	5	5	–
Total	5	–	–	5	5	–

135. As indicated in table 5, all five of the recommendations shown in annex III to the Board’s report as being “under implementation” remain in progress. One recommendation is set for implementation by the end of June 2015 and four by the end of December 2015.

Detailed information on implementation status

136. **As indicated in paragraph 83 of the Board’s report on the capital master plan for the year ended 31 December 2011 (A/67/5 (Vol. V)), the Administration agreed with the Board’s recommendation that the Department of Management: (a) pilot the implementation of flexible working strategies which move away from a one-person-to-one-desk ratio; and (b) assess the potential operational and financial impact of adopting flexible workplace strategies to reduce future space needs of the United Nations in the context of any proposals for renovating existing, or acquiring new, office space.**

137. Ongoing consultations and discussions are currently under way with the Office of Human Resources Management, which is the main participant in the pilot study. The design has been approved, and the space on the eighteenth and nineteenth floors of the Secretariat Building will be reconfigured for this purpose. The pilot study has been rescheduled to start in October 2015 and will include a period of close monitoring and evaluation.

Department responsible: Department of Management

Status: In progress

Priority: High

Target date: Fourth quarter of 2015

138. **In paragraph 39 of its report on the capital master plan for the year ended 31 December 2012 (A/68/5 (Vol. V)), the Board recommended that for future projects of this nature the Administration develop a risk-based approach to**

determining, allocating and reporting contingency funds based on best practice in modern project management.

139. Ongoing capital projects, including the strategic heritage plan, the Mechanism for International Criminal Tribunals, Arusha Branch, and blast remediation at the Economic and Social Commission for Western Asia, have begun to adopt this approach, first by creating a formal risk register. All three projects are currently in the process of establishing risk and requisite contingency levels and determining how they will be reported on in annual progress reports to Member States and reports to other project constituents. Once these are fully developed, the Office of Central Support Services will produce standard operating procedures for use in all capital projects and will monitor their implementation as part of its coordination role with respect to such projects.

Department responsible: Department of Management

Status: In progress

Priority: Medium

Target date: Fourth quarter of 2015

140. In paragraph 69 of its report, the Board recommended that the working group on flexible workspace strategies: (a) gather robust data on building occupancy utilization and the occupancy costs per desk in each building, across the entire portfolio of New York permanent and rented space; and (b) use this analysis to better understand its future estate requirements both in New York and across the wider global estate.

141. The flexible workplace consultant is on board, with a kick-off meeting held on 30 July 2014. As part of the flexible workplace business case, the consultant will carry out a detailed study as outlined in the Board's recommendation.

Department responsible: Department of Management

Status: In progress

Priority: High

Target date: Fourth quarter of 2015

142. In paragraph 77 of its report, the Board recommended that the Administration adopt a whole life cycle asset investment strategy and assess costed options for the through-life maintenance of the Headquarters buildings.

143. As indicated in the Administration's comments contained in paragraph 21 of the report of the Secretary-General on the implementation of the recommendations of the Board contained in its report on the capital master plan for the year ended 31 December 2012 (A/68/336), the implementation of this recommendation is still in progress.

Department responsible: Department of Management

Status: In progress

Priority: High

Target date: Second quarter of 2015

144. In paragraph 82 of its report, the Board recommended that the Office of Central Support Services review its ongoing maintenance contracts, based on an assessment of the total scope of facilities management requirements after completion of the capital master plan, and assess the possibilities for obtaining better value from any future strategic commercial relationship.

145. The Administration has reviewed its ongoing maintenance contracts. Of the 24 system maintenance contracts, 17 were established by the Office of Central Support Services for the servicing of the new equipment handed over by the capital master plan. The remaining seven contracts will be completed by December 2014. One outstanding contract is still under negotiations with the Procurement Division for a building management system. The system is only partially completed and will be finalized after the completion of the General Assembly Building.

Department responsible: Department of Management

Status: In progress

Priority: Medium

Target date: Fourth quarter of 2015
