

FOLLOW-UP TO THE RECOMMENDATIONS OF THE BOARD OF AUDITORS ON THE ACCOUNTS FOR **2003 - UPDATE June 2005**

UN Board of Auditors' recommendations (as per 2003 Report)		Estimated time for completion	Action taken to date or to be taken
MAIN RECOMMENDATIONS			
12 (a)	Monitor accurately its commitments against future financial periods (para. 36).	Under implementation	2004 year-end instructions to Field Offices and to Headquarters emphasized the issue and provided clear guidance in pages 1 to 5 of IOM/70-FOM/72 2004 "Instructions for closure of UNHCR Field Office Accounts for 2004" dated 5 November 2004, and in the memorandum signed by the Chief of Finance Section dated 16 December 2004.
12 (b)	Monitor centrally the validity of its year-end unliquidated obligations (para. 57).	Implemented	Actions taken to implement this recommendation were reported to the 32 nd Standing Committee in March 2005.
12 (c)	Correct its assets database in a timely manner and improve assets reporting by field offices (para. 67).	Under implementation	UNHCR continues to pursue its efforts in this area. Quarterly updates are received from the field. Procurement information is shared by Headquarters with the Field (also quarterly) in order to ensure that procured assets are entered into the database without delay. Three Asset Management workshops are being held in the first half of 2005 in order to provide AssetTrack Focal Points with the necessary technical skills. Field offices further report regularly (minimum each quarter) on all submissions to the Local Asset Management Board and the status of implementation. Quarterly sitreps are prepared by Headquarters and shared with the Field as well as with relevant units at Headquarters.
12 (d)	Take further steps to obtain and verify in a timely manner all subproject monitoring reports from implementing partners (para. 74).	Under implementation	While awaiting the implementation of MSRP to fully implement the recommendation, efforts have nevertheless been made to improve the situation. DFSM has held five Financial Management Workshops between November 2004 and April 2005, with emphasis on timely verification and reporting of implementing partner expenditures. The impact of this is evidenced by the significant improvement in the outstanding X.21 balance at the end of May 2005 for expenditures incurred in 2004 (X.21 amounts to \$6,484,582 at 13 June 2005 for 2004 projects not extended beyond 31 March 2005).
12 (e)	Fully take into account, in its change-management initiatives, the lessons learned from its Africa Bureau decentralization/recentralization process (para. 96).	Implemented	Actions taken to implement this recommendation were reported to the 32 nd Standing Committee in March 2005.
12 (f)	Continue its efforts to improve the precision of the statistical inputs on refugees (para. 119 (a)).	Under implementation	Please refer to the update provided on para. 119 of this recommendation.
12 (g)	Obtain as much data as possible through refugee registration (para. 119 (b)).	Under implementation	Please refer to the update provided on para. 119 of this recommendation.

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12 (h)	Improve its coordination with other United Nations organizations on information and communication technology (ICT) strategy and development (para. 138).	Under implementation	The Division of Information Services and Telecommunications (DIST) has completed its strategy development in January 2005. A copy has been forwarded to the Board and shared with other UN agencies.
12 (i)	Review the coordination with software users for its information and communication technology developments and validate the calendar for field office deployment of its new information system after the shortcomings the Board identified have been solved (para. 175).	Under-implementation	A formal system to register and follow up users' requests and complaints has been established. Furthermore, since the beginning of May 2004, an MSRP User Support Unit has been operating in UNHCR's main office. The roll-out of the Finance and Supply Chain has been reviewed. A revised calendar for field roll-out has been compiled. This revision takes into consideration lessons learned from these initial roll-outs.
OTHER RECOMMENDATIONS			
21	The Board reiterates the recommendation that UNHCR, in conjunction with the United Nations Secretariat, review the funding mechanism for end-of-service and post-retirement benefits liabilities.	Under implementation	UNHCR has recently initiated steps to fund these liabilities within the limited resources available.
33	The Board recommends that UNHCR consider disclosing items in the financial report in terms of best governance principles relating to oversight, performance reporting, social accounting issues, risk management, continuity and internal control issues. In this regard, UNHCR should revert to paragraph 6 of resolution 57/278, by which the General Assembly requested the Secretary-General and the executive heads of the funds and programmes of the United Nations to examine governance structures, principles and accountability throughout the United Nations system, since better disclosure would be a step towards taking a proactive approach to the review requested by the Assembly.	Under implementation	In 2004 UNHCR's governance structures, principles and accountability were reviewed through two studies (JIU Review and Mannet Study), and UNHCR started disclosing some items in its highlights of the financial statements. This issue will continue to be discussed at the High Level Committee on Management (HLCM) so as to maintain consistency among the different bodies of the United Nations common system. The matter will be discussed at the Finance and Budget Network of the HLCM in July 2005.
40	UNHCR agreed with the Board's recommendation to charge exchange gains and losses on contributions to the appropriate funds, and planned to implement a consistent practice in 2004.	Implemented	Actions taken to implement this recommendation were reported to the 32 nd Standing Committee in March 2005.
46	The Board reiterates its recommendation that UNHCR continue to monitor the adequacy of the level of its non-programme expenditures.	Implemented	Actions taken to implement this recommendation were reported to the 32 nd Standing Committee in March 2005.
48	The Board recommends that UNHCR continue efforts to recover the amount of \$1,219,002 deposited in a bank based in Liberia.	Implemented	Actions taken to implement this recommendation were reported to the 32 nd Standing Committee in March 2005.
60	UNHCR agreed with the Board's recommendation to align its accounting procedures for payables with the United Nations system accounting standards (UNSAS).	Implemented	Actions taken to implement this recommendation were reported to the 32 nd Standing Committee in March 2005.

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62	The Board recommends that UNHCR review and reconcile long-outstanding payables to ensure that only valid payables are recorded in the accounts.	Under implementation	UNHCR is actively working on the reconciliation on long-outstanding payables.
76	The Board reiterates its recommendation that UNHCR continue to assess the qualifications of those implementing partners whose accounting systems and internal controls are not adequate.	Under implementation 3 rd quarter 2005	Following the work of the Ad-Hoc Working Group established by the Oversight Committee in 2002, the issue of an accreditation scheme for NGOs was raised with senior managers in May 2004. Though discussions were not conclusive, it was generally considered that the idea merited further reflection. On 30 November 2004, the NGO Liaison Unit presented the concept of an NGO accreditation process to the Oversight Committee to consider the merits of establishing an NGO accreditation scheme as a means to improve UNHCR's monitoring and control of its largest group of implementing partners. The Committee asked the NGO Liaison Unit to develop options that would result in a 'positive list' of NGOs which met relevant criteria and to present these options to the SMC in the third quarter of 2005. In order to obtain an understanding of an NGO's policies and procedures in the areas of accounting, procurement and human resources, the UNHCR Internal Audit Service (OIOS) has conducted and will continue to conduct several reviews at the headquarters of international NGOs.
119	The Board recommends, and UNHCR agrees with the Board's recommendation, that UNHCR continue its efforts (a) to improve the precision of the statistical inputs, (b) to obtain as much data as possible through refugee registration and (c) to have refugees registered and photographed promptly.	Under implementation	(a) UNHCR Headquarters continues to work on the quality of statistics reported by providing timely feedback to the field offices. The first part of the consultancy covered by the Canadian Trust Fund has taken place. A consultant conducted a 3-month assessment of the data management and training requirements in the Field. His final report has been submitted for review by the Division of Operational Support (DOS) and Desks to identify the next step forward to establish training programmes for field-based staff. Regular use and upgrading of "proGres" in field locations is also contributing to improved precision of the statistical reporting from the field. (b) By June 2005, the Project Profile team had completed 31 field implementation missions and 10 follow-up missions to various operations. Over 900 UNHCR and partner staff have been trained in the new registration standards, procedures and tools. (c) As part of follow-up missions in 2005, Profile, Population and Geographic Data Section (PGDS) and DIST staff continue to provide assistance to offices which are issuing ID cards and ID documents. New ID documents are being issued to all adult refugees in several operations.
122	The Board recommends that UNHCR (a) identify the expenditures related to its registration activities, with a view to setting related objectives and to monitoring their implementation, and (b) review the adequacy of the staffing in regard to the strategy to be implemented on statistics.	a) Under implementation b) Implemented	(a) The total cost related to registration activities continues to be calculated for every registration operation. While the actual expenditure for registration will not be known in its totality until UNHCR moves fully into RBM and project-based budgeting, consultations have been initiated with MSRP and the Budget Section to identify an interim solution to better track these expenditures. (b) Actions taken to implement this recommendation were reported to the 32 nd Standing Committee in March 2005.
125	The Board recommends that UNHCR devote the necessary efforts and resources to implement its project "Profile" within the planned time frame.	Under implementation	Field implementation continued through the first half of 2005, with follow-up missions to several 2004 sites which were in need of additional technical support. Additional short term staff in Headquarters are assisting with Project Profile activities and follow-up. Planning to transfer all support for registration activities to PGDS and DIST at the end of 2006 is actively under way.

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131	The Board recommends that UNHCR closely monitor the management of its premises in the field and endeavour to further comply with the Secretary-General's "United Nations House" initiative.	Under implementation End of 2005	In addition to the actions already taken and reported to the Standing Committee on this issue, by the end of 2005, UNHCR will monitor the management of premises in the Field by centralizing information on all UNHCR field premises.
142	The Board recommends that UNHCR: (a) review and develop the completeness of its information and communications technology strategic documents; and (b) benchmark them with other organizations of the United Nations system, in order to ascertain that its strategy properly delineates key alignment issues and objectives, the contribution of each project to these objectives, expected costs and benefits, as well as the main risks and technical challenges involved.	Under implementation	(a) The Division of Information Services and Telecommunications (DIST) has completed its strategic plan for 2005–2007 and has shared it with the auditors and the UN system. (b) A new revision of the DIST strategic plan will be undertaken later in 2005.
149	The Board recommends, and UNHCR agreed with the Board's recommendations, that UNHCR review its cooperation with UNDP, with a view to achieving savings through greater synergy between the two similarly sourced major software developments.	Under implementation	UNHCR has cooperated with UNDP on the HR/Payroll project.
151	UNHCR agreed with the Board's recommendation that it optimize more proactively the use of resources by cooperating further with other United Nations agencies towards such steps as (a) reducing in the long term the diversity of solutions for systems that are, by nature, not specific to its core mission, and (b) benefiting from lessons learned in such fields as data and communication security policies.	Under implementation	UNHCR will follow up at the next ICT Network meeting to see if the applications inventory can be set up as a reference for all UN agencies. With regard to the PeopleSoft system, UNHCR is working closely with UNDP in sharing resources.
154	The Board recommends that UNHCR (a) adopt with the other organizations of the United Nations system a common methodology for determining the total cost of ownership of ICT, in order (b) to determine the variations in cost in different parts of the organization, (c) to assess whether or not outsourcing of ICT activities may be a viable option, and to evaluate ICT projects, their benefits, costs and risks, based on best practices.	Under implementation 1 st semester of 2005	(a) and (b) The ICT Network has set up a task force to develop a common methodology for determining total cost of ownership. (c) A draft policy for project evaluation covering benefits, risks and costs has been prepared. This needs to be further discussed and agreed to by senior management.
157	UNHCR agreed with the Board's recommendation that it subject all significant ICT projects to a post-implementation audit.	Implemented	The post-implementation audits for MSRP (Finance and Supply Chain modules) have just been completed by OIOS.

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160	UNHCR agreed with the Board's recommendation to improve the consistency of its data standards and policies, in conjunction with other United Nations entities.	Under implementation	A data interface/sharing project has been completed with the UN Pension Fund.
165	The Board recommends that UNHCR research, in conjunction with other United Nations entities, opportunities for cooperation and rationalization in ICT procurement.	Under implementation	The ICT network has set up a task force to look at common procurement. UNHCR will participate in common procurement agreements set up by the ICT Network.
167	The Board recommends that UNHCR join other organizations of the United Nations system project peer reviews, towards limiting in the long term the cost of the multiplicity of solutions answering similar strategies and needs.	Under implementation	UNHCR continues to participate in the ICT Network and other fora.
169	The Board recommends, and UNHCR agreed with the Board's recommendations, that UNHCR assess actual staff skills in ICT strategy and organize appropriate training sessions.	Implemented	Actions taken to implement this recommendation were reported to the 32 nd Standing Committee in March 2005.
177	The Board recommends, and UNHCR agreed with the Board's recommendation, that UNHCR test any future data conversion in a dedicated environment.	Implemented	Actions taken to implement this recommendation were reported to the 32 nd Standing Committee in March 2005.
179	UNHCR agreed with the Board's recommendation to document (a) the data conversion process, including all tasks and controls implemented, and (b) all the conversion discrepancies.	Implemented	Actions taken to implement this recommendation were reported to the 32 nd Standing Committee in March 2005.
181	The Board recommends, and UNHCR agrees with the Board's recommendation, that UNHCR improve its monitoring of Management Systems Renewal Project availability and batch processing.	Implemented	Actions taken to implement this recommendation were reported to the 32 nd Standing Committee in March 2005.
183	The Board recommends, and UNHCR agrees with the Board's recommendation, that UNHCR extensively review its Management Systems Renewal Project security policy on such items as access rights management and fraud prevention.	Under implementation	In the course of 2005, regular checks will be made against the security database to ensure that staff arrivals and departures are accurately captured in the system. Furthermore, when the Oracle/PeopleSoft Human Resources system is implemented, it is expected that further opportunities will arise for automation of this function.

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185	UNHCR agreed with the Board's recommendation to formally join, as appropriate, outside contracts, when using a common outsourcer with a third party.	Implemented	Actions taken to implement this recommendation were reported to the 32 nd Standing Committee in March 2005.
192	The Board recommends that UNHCR develop, document and implement a plan against the risk of internal corruption and fraud, including fraud-awareness initiatives, in coordination with the Administration of the United Nations and other funds and programmes to obtain the benefit of best practices, where available.	Under implementation	<p>UNHCR has already undertaken the following initiatives in this respect:</p> <p>a) In April 2005, the IGO launched the first of a series of workshops (Investigation Learning Programme) through which 100 managers will develop the necessary skills and confidence to undertake investigations into allegations of misconduct against staff members and to advise staff on their rights and obligations and related procedures. From these managers, UNHCR will constitute a roster of staff members with the skills and experience required to conduct investigations under the authority and supervision of the Inspector General's Office (IGO)..</p> <p>UNHCR will also launch its Inspection Learning Programme in 2006 with the aim of training managers in inspection. Both of these specialized management learning programmes should be seen as an investment in better management and risk prevention.</p> <p>b) In May 2005, a joint Risk Assessment mission by UNHCR's Internal Audit Service (OIOS) and the IGO reviewed one of UNHCR's operations in relation to risks that operations may be exposed to, as well as the adequacy of existing monitoring, reporting and control systems.</p> <p>c) The IGO continues to produce Management Implication Reports (MIR) which contribute to disseminating fraud awareness. One MIR has been issued in 2005.</p> <p>d) The IGO has been actively participating in the International Group for Anti-Corruption Coordination (IGAC) which provides a platform for the exchange of views, information, experiences and "best practice" on anti-corruption activities.</p> <p>e) In June 2005, UNHCR attended the 6th Conference of International Investigators hosted by the Inter-American Development Bank. Amongst issues discussed, the conference addressed "whistle blower" policies, harmonization of policies and procedures, the importance of relevant procurement policies as well as ethics and integrity issues.</p> <p>f) As already reported, the OIOS Internal Audit Service is conducting a review for UNHCR on risk assessment and management in two of its divisions.</p>
196	The Board recommends that UNHCR review its policy on the referral of fraud cases to penal courts, with a view to developing a more dissuasive stance on fraud sanction.	Implemented	UNHCR has finalized an internal note on the issue stating that it will recommend to the Secretary-General that fraud cases be referred to national legal mechanisms if and when the elements mentioned in paragraph 194 of document A/59/5/Add.5 have been reviewed and considered appropriate to such proceedings.