



FOLLOW-UP TO THE RECOMMENDATIONS OF THE BOARD OF AUDITORS  
IN ITS REPORT ON UNHCR'S 2015 FINANCIAL STATEMENTS

This matrix has been prepared by UNHCR for the United Nations Board of Auditors, for follow-up purposes.  
It is being shared with the Executive Committee for informational purposes only.

*UNHCR*  
*13 September 2016*

The main recommendations or key findings of the Board relate to the following areas: (a) **Financial Matters**; (b) **Enterprise risk management**; (c) **Accuracy of population data**; (d) **Prioritization of Resources**; (e) **Driving efficiencies** and (f) **Durable Solutions**. The main recommendations are in paragraphs 14, 24, 55, 56, 57, 65, 73, 81, 88, 111 and 122, and have been reflected *in bold* in the matrix below.

Para.	UN Board of Auditors' recommendations (Report of the Board A/70/5/Add.6)	Estimated time for completion	Division / Service leading the process	Actions intended to be taken to address the recommendation
14	<b>The Board recommends that UNHCR develop a set of processes, tools and reports that can be applied at the field level to enhance the financial management of programme budgets and expenditure. This should include stronger links between finance and programme staff in the field through joint analysis and review processes.</b>	Q2, 2017	<b>Division of Programme Support and Management</b>  Division of Financial and Administrative Management/IPMS	Recognising the complementarity of programme and finance functions, UNHCR will review and revise the current guidance to further strengthen the mechanisms for a systematic inclusion of finance staff within the multi-functional teams existing at the field level and during key stages of the programme cycle where their expertise can support the provision of sound financial advice. Improving the support to both programme and finance staff in the field in enhancing the financial management of programmes will be the focus of work for Division of Programme Support and Management (DPSM) and Division of Financial and Administrative Management (DFAM).  Acknowledging the need to further support the field staff in enhancing the financial management of programmes, a Toolkit for Project Control is being compiled and will be shared with programme and finance staff through an Administrative Instruction. Also, the revised Chapter 4 of UNHCR Manual, i.e. "Program Manual" assists staff in the field throughout all stages of the programme cycle and in particular in financial monitoring and reporting.
24	<b>The Board recommends that UNHCR ensure that the global fleet management strategy is communicated consistently across country and regional offices, and that checks are carried out to ensure that its application across all offices represents best value.</b>	Q4, 2016	Division of Emergency, Security and Supply	While the strategy of the Global Fleet Management (GFM) project has been widely communicated throughout the organization, UNHCR will organise briefing sessions, in cooperation with the Regional Bureaux, for the eight largest operations (representing more than fifty percent of UNHCR's vehicle fleet), emphasizing the benefits derived by both the organization as a whole, and the specific operation, from the application of GFM strategy. Additionally, UNHCR plans to continue to conduct annual evaluations of GFM through an external service provider and communicate with key stakeholders on how the value for money objective can be best captured as part of this evaluation. The briefings will take place between October and December 2016.

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39	The Board recommends that UNHCR review the arrangements in place for both the steering and business owners committees to ensure that: (a) they meet at key stages during the project and when significant changes are being considered; (b) more formal documentation is maintained to support the way in which key risks are being controlled; and (c) they meet when they provide approval for budget changes.	UNHCR considers this recommendation as implemented	<b>Division of Financial and Administrative Management/MSRP</b>	UNHCR has already established a formal review process that is conducted at key stages during the project life cycle. This process involves oversight by key stakeholders, as well as by the Business Owners Committee, Steering Committee and ICT Governance Board. These bodies are tasked to review and document the impact of any significant changes before submission of change proposals to the Annual Programme Review or Budget Committee. UNHCR considers this recommendation as implemented.
44	The Board recommends that UNHCR use the performance measures and key benefits to develop a benefits realization plan, reporting progress against each measure to senior management on a regular basis; furthermore, the plans should have the formal approval of the Steering Committee.	UNHCR considers this recommendation as implemented	<b>Division of Financial and Administrative Management/MSRP</b>	<p>The benefits realization plan for the MSRP Upgrade Project has been prepared. It provides the summary of key benefits excerpted from the business case and the strategic key priorities identified by the Business Stakeholders and it has been endorsed by the Steering Committee and the Project Sponsor. The benefits will be derived, over a multi-year iterative process, from refined, redesigned and improved business processes, reduced manual and duplication efforts, improved operational effectiveness, adoption of industry best practices and standards, better accountability, greater transparency and greater user satisfaction.</p> <p>It should be noted that the obsolescence of the system and the discontinuation of the technical support were the main driving factors for the initiation of the MSRP upgrade project. Nevertheless, as a result of the upgrade, UNHCR will also obtain efficiency gains which are expected to become visible in 2017 and attain full impact during the period 2017-2018. UNHCR considers this recommendation as implemented.</p>
55	<b>The Board recommends that risk registers be reviewed on at least a quarterly basis as a standing item at senior management meetings. Country office representatives should take a cyclical approach to scrutinizing risks and their mitigations to ensure that the risk process is fully embedded in their local business processes and utilized in the development of country office plans.</b>	Q3, 2017	Enterprise Risk Management	<p>UNHCR has scheduled a review of the Enterprise Risk Management (ERM) policy and implementation procedures to take place in the first half of 2017. This recommendation will be addressed as part of this review, alongside other measures that would need to be reflected in the revised policy and/or procedures. Any future changes will continue to address context-specific risk management modalities with specific follow-up to increase the opportunities for an impact on local processes.</p> <p>From the second quarter of 2016, the Internal Audit Division of the Office of Internal Oversight Services (OIOS) has been systematically collecting</p>

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				<p>information on the risk management practices during its field visits, and providing better visibility on how systematic risk management is evolving in the field operations.</p> <p>In line with the adopted light-touch approach, guidance on the regular risk management activities continues to be part of the planning, implementation, monitoring and reporting requirements, as applicable. Compliance with the current mandatory requirements is monitored by ERM unit, in close collaboration with the Regional Bureaux.</p>
56	<p><b>The Board recommends that greater attention should be given to the status and quality of mitigating actions in country office risk registers, to ensure they are realistic, complete and updated. The Board also recommends that the bureaux develop their review processes to provide more regular and formal feedback on the quality of mitigating actions and utilize them as part of country plan considerations.</b></p>	Q2, 2017	Enterprise Risk Management	<p>The year 2015 has been fully dedicated to the rollout of the ERM framework with greater emphasis on compliance aspects. This approach yielded one hundred per cent completion of the first organization-wide risk assessment.</p> <p>Central monitoring of the Corporate Risk Register indeed shows uneven quality of risk information (such as depth of risk analysis, relevance/adequacy of risk treatments) in the field operations. Starting in fourth quarter of 2015, through the follow-up on the annual risk reviews, the Office is gradually moving towards quality assurance of risk management information contained in the register.</p> <p>Additional business intelligence capabilities will be developed to better support the work of the Regional Bureaux in this area. This will allow better analysis of risk information, notably for the priority risks. Lastly, as of first quarter of 2017, the Internal Audit Division of OIOS will move towards a comprehensive risk assurance. This will build on the work already carried out by Internal Audit Division of OIOS during their field visits.</p>
57	<p><b>The Board recommends that UNHCR work further towards the full integration of the corporate and strategic risk processes and embed the information flows more formally within the decision-making processes.</b></p>	Q4, 2016	Enterprise Risk Management	<p>It should be recognized that by its nature, the Strategic Risk Register will only partly align with the Corporate Risk Register. In addition to risks aligned with the emerging risk trends in the field, the Strategic Risk Register will also contain organization-wide risks of global nature. The Strategic Risk Register has been developed in parallel with the ongoing risk assessments and reviews taking place in the field. The category-based analysis of the risk trends from the Corporate Risk Register indicates growing convergence between the two registers. A full integration of both registers is not expected</p>

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				beyond reasonable convergence.  The Enterprise Risk Management Unit will continue to conduct trend analysis of the Corporate Risk Register and to ensure reasonable thematic alignment between the two risk registers. The result of such analysis will continue to be reflected in the Strategic Risk Register.
63	The Board recommends that, following the results of a verification exercise, UNHCR headquarters and regional teams assess the impact, if any, on resourcing requirements in the relevant operation and for other operations in the region, to assess where the extra resources should be deployed.	Q4, 2017	<b>Division of Programme Support and Management</b>  Division of Financial and Administrative Management/ Programme Budget Service	A working group comprising of staff from specific divisions and Bureaux will be established to systematically review the results of the verifications of the population figures at each stage of the planning cycle and to ensure that adjustments in resource requirements are made, as necessary. This will commence with the 2016 Mid-Year review process and continue with the pre-detailed planning stage for the 2017 budget.  Consideration will be given to developing a mechanism to undertake periodic consultation with Bureaux on the implications of changes in the size of population following verification exercises both during planning year and implementation period.
65	<b>The Board recommends that UNHCR headquarters develop a formal reporting mechanism on the frequency and comprehensiveness of verification exercises, enabling it to obtain assurance as to the accuracy of the data regarding its existing population of concern, and provide a stronger link between the results and the deployment of resources.</b>	Q1, 2017	Division of Programme Support and Management	UNHCR will develop a formal registration reporting mechanism that will consist of various templates to facilitate the monitoring of the planning, implementation and reporting of the verification exercise, including information on statistical and protection outcomes of the exercise measured against baseline population figures, budget and resource expenditure, and protection objectives. The various templates will be used for: (i) verification exercise planning, including information on baseline population data, estimated budget and resource breakdown and expected protection objectives; (ii) verification exercise implementation, to measure progress against baseline population data and expected protection objectives over time; (iii) verification exercise results, including information on statistical and protection outcomes of the exercise measured against baseline population figures, budget and resource expenditure and protection objectives; (iv) reporting based on query parameters of warehoused data to measure population figures, resources and protection objectives updated over time through continuous registration activities.  UNHCR will ensure compliance with the reporting requirements

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				through its network of regional registration officers and with support from regional representation. The results of the reporting mechanism will be shared with all relevant stakeholders, to provide visibility on progress and outcomes.
73	<b>The Board recommends that UNHCR headquarters, as matter of urgency, implement a benefits realization process for BIMS, and use it to determine whether the roll-out of BIMS should continue, and provide an evidence base to support management decisions on future investment.</b>	Q4, 2016	Division of Programme Support and Management	A Benefits realization matrix will be developed for the Biometric Identity Management System (BIMS) project drawing on the initial project documentation as well as in consultation with stakeholders. Key steps in the process will consist of: (i) deciding on the indicators; (ii) incorporating the indicators into the Global Planning Matrix, for ease of document management; and (iii) having a differentiation between 'expected' and 'realized' for each indicator with another column for narrative and date of most recent follow up.
81	<b>The Board recommends that UNHCR monitor the extent to which budgets reflect the needs as assessed for future plans. In doing so, it needs to provide greater challenge on discrepancies to ensure figures remain credible.</b>	Q4, 2016	<b>Division of Financial and Administrative Management/ Programme Budget Service</b>  Division of Programme Support and Management/ Programme Analysis and Support Section	The review of needs assessment for future plans and the extent to which these are reflected in budget figures is already a key element of the Annual Programme Review process and the figures submitted are challenged. To further strengthen this area, measures will be implemented to provide additional guidance to field operations regarding the elements to be included in the needs assessment, i.e. implementation capability and operational context, including the circumstances in which activities are to be carried out by other partners, as well as providing specific training for conducting this exercise. The steps taken to implement the recommendation included in paragraph 65 above, on population verification exercises, will also complement the measures hereby described and contribute to the overall progress on this recommendation.  Measures will be implemented to reinforce guidance relative to verification exercises i.e. the fact that not all Population Planning Groups (PPGs) need to be verified simultaneously; reinforce the need to budget for verification exercises.

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85	The Board recommends that UNHCR review the role of the bureaux to ensure that its activities are aligned with and complement other headquarters efforts, and that it sufficiently supports countries in applying more formal and evidenced aspects of headquarters scrutiny to the plans prior to submission.	Q4, 2016	<b>Division of Financial and Administrative Management / Programme Budget Service</b>  Division of Programme Support and Management	The revision of the internal Resource Allocation Framework currently underway will include modifications of the annual planning, review and approval processes to achieve improvements in the quality of the submissions and increased efficiency of the review and approval processes. The revision will further clarify the roles of various Headquarters entities, including the Bureaux, involved in these processes.
88	<b>The Board recommends that UNHCR (a) assess whether the level of scrutiny applied during its annual budget process is at an appropriate level and, in doing so, determine the costs involved at all stages of preparation; and (b) assess the merits of a multi-year planning approach to resource allocation decisions, as well as other models, such as targeted "deep dives" for the highest risk operations, and assess where these approaches should be rolled out further and where a lighter touch can be applied.</b>	Q3, 2017	<b>Division of Financial and Administrative Management / Programme Budget Service</b>  Division of Programme Support and Management	The revision of UNHCR's Resource Allocation Framework is currently underway. Upon completion of the Annual Programme Review process in the first half of 2017, the Office will assess the effectiveness of the new approaches to be introduced through the revision, as well as the associated costs.  Institutionalization of multi-year approach to planning and resource allocation will also be considered as part of this framework revision. Targeted "deep dives" for major operations will continue to be undertaken. The methodology will be reviewed to ensure that it is sufficiently robust while remaining manageable within available resources and other priorities.
91	The Board recommends that UNHCR review how it can simplify country operation plans, for example, by reporting only changes compared with the previous year, key areas of spending, etc., and through better use of graphical representation, focusing on outcomes and achievements against targets. UNHCR operations need to better determine which operational objectives, outputs and indicators to include, using only those that are most pertinent.	Q2, 2017	<b>Division of Programme Support and Management</b>  Division of Financial and Administrative Management / Programme Budget Service	The Office is undertaking a comprehensive review of its results-based management (RBM) framework to simplify and streamline the planning and budgeting processes and associated implementation, monitoring and reporting requirements. The simplification of the country operations plans will be addressed as part of this exercise, on a longer term. However, to address the Board's recommendation at this stage, the Office will consider introducing transitional requirements for preparing the operation plans for the 2018-2019 biennium, within the technical limitations allowed by its current planning platform.
93	The Board recommends that UNHCR systematically allocate sufficient resources to expand its evaluation coverage of field programmes against agreed risk	Q4, 2018	<b>Policy Development and Evaluation</b>	The revised evaluation policy, intended for issuance in the fourth quarter of 2016, envisages greater resources being devoted to widening the evaluation

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	criteria so as to improve the evidence base for resource allocation.		<p><b>Service</b></p> <p>Division of Programme Support and Management</p> <p>Division of Financial and Administrative Management/ Programme Budget Service</p>	coverage. The adequacy of the policy will be assessed through a peer review expected to take place in the fourth quarter of 2018.
98	The Board recommends that UNHCR and country operations improve the design of efficiency activities, such as restructuring, to enable their impact to be measured and to allow for better decision-making for resource allocation.	Q1, 2017	<p><b>Division of Programme Support and Management</b></p> <p>Division of Financial and Administrative Management/ Programme Budget Service</p> <p>Organizational Development Management Service</p>	<p>Annual planning, budgeting and reporting instructions for 2017 will be updated to include requirement to highlight activities where planned efficiencies have resulted in savings or to explain why this has not been possible. In addition, the multi-year planning framework which is being elaborated should support the analysis of efficiency activities, as this type of analysis often falls beyond the scope of reviews undertaken in the current one year planning cycle.</p> <p>UNHCR has also planned to conduct several structural and staffing reviews in the field to determine optimal organizational design and workforce requirement and improve efficiency of the respective country teams.</p> <p>ODMS is also providing support to the Asia and Pacific Bureau in its reviews of UNHCR's presence in two countries to right-size the staffing levels in accordance with reduced workload. Alongside, ODMS is conducting a comparative desk review of structures of five major operations in Africa 1) to assess structural consistency and identify outliers, 2) to assess matching of office structures with operational goals, 3) to assess division of labour between UNHCR and partners, and 4) to assess UNHCR's presence against operational goals, concentrations of populations of concern and presence of partners.</p>
102	The Board recommends that greater scrutiny be applied to programme support costs, both at headquarters and	Q3, 2017	<b>Division of Financial and Administrative</b>	Support costs are regularly and routinely reviewed when country plans and budgets are submitted on an annual basis to Headquarters. The revision of

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	within operations. UNHCR should review operations where support costs cannot be reasonably justified.		<b>Management/</b> Programme Budget Service  Division of Programme Support and Management	the resource allocation framework currently underway, as mentioned above in the responses to the recommendations in paragraphs 85 and 88 of the Board's report, will contain planning parameters (including for programme support costs), which will be applied in the annual planning and scrutinized in the review processes.
104	The Board recommends that UNHCR headquarters identify which operations have reduced their costs and/or per capita spending, and provide a platform for these operations to share their experience.	Q3, 2017	<b>Division of Financial and Administrative Management/</b> Programme Budget Service	UNHCR will take necessary actions to put in place a systematic process as recommended.
106	The Board recommends that UNHCR further scrutinize the cost drivers and value for money within items of significant expenditure. In doing so, it should assess the opportunities for efficiencies to be found in the way they are delivered.	Q2, 2017	<b>Division of Programme Support and Management</b>  Division of Financial and Administrative Management/ Programme Budget Service	UNHCR will consider the specifics of this recommendation as part of the actions taken to reply to the earlier Board's recommendation to review the scrutiny process for the cost effectiveness of its proposed interventions, issued in paragraph 68 of the Board's report for the year ended on 31 December 2014 (A/70/5/Add.6). In response to this earlier recommendation, UNHCR envisages to review and propose measures to streamline the processes currently existing in the organization for the assessment and analysis of cost-effectiveness, both at field operation and headquarter levels. As part of this work, UNHCR will also address the need to develop guidance for identification and analysis of cost drivers and their impact on the value for money aspects. UNHCR is also undertaking a comprehensive review of its results-based management (RBM) framework to simplify and streamline the planning and budgeting processes. This initiative will also contribute to enhancing the mechanisms for the identification and monitoring of cost driver elements.
111	<b>The Board recommends that UNHCR identify areas of good practice in challenging the cost base of projects delivered by implementing partners, identify where efficiency savings are being considered and achieved, and share that</b>	Q4, 2017	Division of Financial and Administrative Management/IPMS	A mechanism for identifying, gathering and sharing good practices will be developed in consultation with Bureaux/Country Level Operations. It is intended to pilot such mechanism in several countries before implementing it throughout the organisation.

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	information across other offices through a central focus point at headquarters.			
118	The Board recommends that UNHCR develop performance measures to assess the added-value impact of "Seeds for Solutions", and, more widely, activity to deliver durable solutions. In doing so, UNHCR should develop a strategy for working effectively with development partners and host governments.	UNHCR considers this recommendation as implemented.	<b>Division of Programme Support and Management</b>  Division of International Protection	UNHCR's strategy for working effectively with development partners has been in place for some time and has yielded results as witnessed by the well-established collaboration with, among others, the World Bank, the OECD, host governments and the Solutions Alliance.  Furthermore, the Seeds for Solutions initiative has supported the establishment of the multi-year, multi-partner Protection and Solutions Strategy approach, which is now the strategic approach to enhancing solutions delivery, as per the recommendation of the senior management made during the 2016 Annual Programme Review process. This multi-year multi-partner Protection and Solutions Strategy approach is accompanied by clear tools and guidance on monitoring of performance. Six countries have been included in the pilot phase and it is now intended to expand the number of countries to 21 by 2017. UNHCR considers this recommendation as implemented.
122	<b>The Board recommends that UNHCR rethink its approach to overseeing durable solutions so that it becomes embedded in delivery, using its multi-year strategies. It should consider developing a matrix of operations that show the likelihood of success for durable solutions, which captures the political and structural barriers to delivering successful durable outcomes, using that information to determine the effective allocation of resources within its annual programme review.</b>	UNHCR considers this recommendation as implemented.	<b>Division of Programme Support and Management</b>  Division of International Protection	The multi-year multi-partner Protection and Solutions Strategy approach was established with a pilot phase for six countries. During the 2016 annual programme review (APR) process, the strategies of the pilot countries were reviewed and validated. While implementation of the strategies is ongoing, the APR recommended an expansion of the pilot to include more operations operating under a multi-year multi-partner Protection and Solutions strategic approach.  This approach will gradually move UNHCR operations into multi-year multi-partner Protection and Solutions strategic management, reflecting the local socio-political and economic reality of the given operation, and allowing the organization to determine an effective allocation of resources and the operations to efficiently implement sustainable protection and solutions interventions for people of concern. UNHCR considers this recommendation as implemented.