

FOLLOW UP TO THE RECOMMENDATIONS OF THE BOARD OF AUDITORS ON THE ACCOUNTS FOR 2005 – Update February 2008
(including the Auditors review for closure during November 07)

UN Board of Auditors' recommendations (as per 2006 Report)		Status + Time-frame	Actions taken to date and recent update + Estimated time for completion
Main Recommendations			
12 (e)	Apply proper segregation of duties, between transaction execution, confirmation, recording, reporting and control and for the banking management (para. 89). Treasury Section	Under Implementation	UNHCR agreed with the recommendation and confirms that the future Treasury Management System (TMS), with its enforced approval hierarchies and accounting interfaces with PeopleSoft, would ensure complete and accurate transaction recording in compliance with the segregation of duties. Update of Feb07
42	UNHCR agreed with the Board's recommendation that the United Nations Secretariat and UNHCR take steps without further delay to provide proper funding for end-of-service and post-retirement benefit liabilities. The Controller Office	Under Implementation	UNHCR is in contact with the United Nations Secretariat on this. Since funding of those liabilities would take a number of years, a multi-year funding plan will be necessary, based on an actuarial study. In doing so, the application of IPSAS (International Public Sector Accounting Standards) by 2010 would affect the plan. An internal working group set up for the implementation of IPSAS will also look into this matter. More detailed input was provided in 12(a) and 15 above. Update of Feb07
51	UNHCR agreed with the Board's recommendation that it implement appropriate delegation of authority for proper Treasury management. Treasury Section	Under Implementation	This recommendation is related to the Treasury Management System implementation which will enforce delegation of authority processes, procedures and authorizations. Update of Feb07
53	UNHCR agreed with the Board's recommendation to ensure that risk management is correctly performed and compile information essential for efficient cash management. Treasury Section	Under Implementation (Auditors will examine TMS in Mar.08)	This recommendation is related to the implementation of the Treasury Management System. Update of Feb07
61	UNHCR agreed with the Board's recommendation that it reviews the possibility of automatically preventing any transaction being recorded in MSRP if the credit limits (the individual investment and deposit ceiling allocated to each bank) are reached. Treasury Section	Under implementation	Currently this is a manual control process, with no significant risks encountered. UNHCR agrees to automate this process during the implementation of the Treasury Management System Update of Feb07
65	UNHCR agreed with the Board's recommendation that it takes into account the need for interfaces with MSRP when selecting a new Treasury Information System. Treasury Section	Under implementation	UNHCR will further leverage the MSRP/PeopleSoft ERP platform, and building the necessary interfaces during the forthcoming implementation of the Treasury Management System, once the MSRP roll-out is finalized towards the end of the year 2007. Update of Feb07
74	UNHCR agreed with the Board's recommendation that it prepare guidelines for its management of the new centralized pooling policy. Treasury Section	Under implementation	UNHCR agreed to enhance its centralized cash management approach and formalize funds pooling policy approach with regards to Headquarters and Field banking operations. This will be achieved in line with the forthcoming implementation of Treasury Management System, the strategic multicurrency bank account structures, and the leverage of on-going MSRP roll-out to Africa. Update of Feb07
77	UNHCR agreed with the Board's recommendation that it review and enhance (i) its cash-management policy and (ii) its banking relationships with the field offices and the related guidelines. Treasury Section	Under implementation	UNHCR agreed to further formalize its centralized cash management approach with regards to Headquarters and Field bank account operations and banking relationships. This is also related to the implementation of the Treasury Management System. Update of Feb07
85	UNHCR agreed with the Board's recommendation to that it ensure thorough and proper monitoring of unpaid pledges, in order to limit the delays in payment. Treasury Section	Under implementation	UNHCR has taken proactive steps, together with the donors, to monitor the timing between the receipt of the pledge and the actual cash receipt, to mitigate the risk of foreign exchange impacts in relation to unpaid pledges. From a system's perspective, this monitoring process can be further enhanced through the implementation of the Treasury Management System. Update of Feb07

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98	UNHCR agreed with the Board's recommendation to maintain an accurate inventory record and perform annual physical verifications. GSS / AMU	Under implementation	In 2007, AMU followed up more actively on physical verification exercises in the field. By end of November 2007, 66% of offices have informed that they have either completed the exercise or are in the process of conducting it. A complete up-date will be available in 2008. The HQs exercise will be conducted in December 2007, the report is planned to be issued by end of February 2008. Update of Nov.07
104	UNHCR agreed with the Board's recommendation that it improve its procedures in order to obtain accurate reports on property write-offs. AMU	Under implementation	UNHCR is compiling all LAMB (Local Asset Management Board) cases for 2007, including LAMB minutes. This was completed in December 2007. As for the write off letters on Liquid Asset cases, the concerned Service has created a tracking chart, to follow up on delays as they may occur. Update of Feb.08
123	UNHCR agreed with the Board's reiterated recommendation that it review the matter of project personnel arrangements and to issue an instruction to ensure the compliance of the deployment schemes with the above-mentioned instruction on staff employment. PCOS	Under implementation	As reported to the Board of Auditors in June 2007 The Division of Operational Support (DOS) is working on a comprehensive matrix regarding standby arrangements. DOS intends to issue guidelines by the end of the year for the use of the different types of additional workforce. UNHCR is working on the UNOPS (UN Operations) MOU which will be finalized towards the end of 2007. Update of Aug 07
138	UNHCR agreed with the Board's recommendation that it position and manage its fund-raising activities on a par with its other legislative mandate. DER	Under implementation	UNHCR wishes to study the budgetary implications further to ensure that DER retains the flexibility it needs to innovatively raise funds for the organization Update of Aug 07
144	The Board recommends that UNHCR enhance the performance management tools of the Division of External Relations. DER	Under Implementation	UNHCR is pursuing Result-Based Management model, of which performance management forms an integral part. In 2007, DER initiated the introduction of a results-based divisional strategy (2007-2009). This approach is now being cascaded-down to the Section/Service level. Update of Aug 07
158	UNHCR agreed with the Board's recommendation that it improve its monitoring of fund-raising activities and outcomes of the field offices. DER	Under Implementation	UNHCR Field Offices have been quite successful in getting additional funds through the ORII mechanism. Meanwhile UN pooled funding mechanism such as CERF, Common Humanitarian Fund (CHF) Sudan and Pooled funds for DRC were introduced in 2006. Detailed guidance is provided to Field Offices to support these initiatives. UNHCR is developing support capacity in 2008-2009 to these and other forms of field-based fundraising. Update of Aug07
178	The Board recommends that the UNHCR Audit Service of the Office of Internal Oversight Services implement all the recommendations contained in its quality self-assessment report. OIOS	Under implementation	OIOS is presenting herewith the status of each recommendation in the said self-assessment report: Rec. 1 - Partly complete. A new Letter of Agreement for the Provision of Audit Services has been finalized. An OIOS Audit Charter is still to be developed. Rec. 2 - Implemented - A Statement of Independence is completed for each audit assignment. Rec. 3 - A risk assessment is in progress and will be finalized for the 2008 audit plan. Rec. 4 - UNHCR's Risk Management Framework project will have to be revived if this recommendation is to be implemented. Rec. 5 - Implemented. Rec. 6 - The audit manual is being revised. This is being done by the OIOS, Internal Audit Division's Professional Practice Section in New York. Rec. 7 - The Terms of the Oversight Committee is being discussed in light of the ToR of the UN IAAC. Rec. 8 - Audit working papers have been improved and now mostly electronic. Rec. 9 - Implemented. OIOS update of July 07

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183	The Board recommends that the UNHCR, in conjunction with the Office of Internal Oversight Services, refine its basis for allocating resources for the audit of its missions. OIOS	Under implementation (2008)	A risk assessment is in progress and will be finalized for the 2008 audit plan OIOS update of July 07
194	The UNHCR Audit Service of the Office of Internal Oversight Services agreed with the Board's recommendation that it document its risk-assessment framework. OIOS	Under implementation	In addition to the risk assessment which is in progress and will be finalized for the 2008 audit plan, there is a draft manual of OIOS' Internal Audit Division's risk assessment methodology. OIOS update of July 07
200	The UNHCR Audit Service of the Office of Internal Oversight Services agreed with the Board's recommendation to further reduce the average time elapsed between the end of fieldwork and the issuance of the final audit report. OIOS	Under Implementation	Continual efforts are being made to ensure that audit reports are issued in a timely manner without compromising the necessary consultative approach between UNHCR management and OIOS. Additionally, the reporting process has been revised to reduce the time taken to finalize audit reports. Update of Feb07
206	The Board recommends that UNHCR review its security policies every year to determine if they continue to address risks properly. DIST	Under Implementation (during 2009)	In 2008, UNHCR will try to obtain resources for the implementation of this initiative in the next budget cycle (2009). Due to resource constraints in the current budget period (2008), UNHCR will not be able to complete the work required to implement this recommendation. Update of Feb08
209	The Board recommends that UNHCR develop policies concerning the classification of documents and/or data including their related access rights. DIST	Under Implementation	This issue is also subject to availability of resources as indicated in the response to para 206. Update of Feb08
211	UNHCR agreed with the Board's recommendation that it implement stronger procedures to validate credentials, including for non-staff, particularly for individuals granted privileged access rights (database and systems administrators, and other types of super user). DIST	Under Implementation	UNHCR is currently developing new contractual terms applicable to the entire workforce in UNHCR, regardless of status. UNHCR does not foresee that stronger procedures should be put in place to "validate credentials" for "individuals granted privileged access rights". However, all technical staff with high-level privileged access rights to production systems are briefed by the Inspector General's Office and will sign a specific "Oath of Confidentiality" supplementary to the standard oath signed upon recruitment. At present this procedure is implemented for all staff in the Division of Information Services and Telecommunication (DIST) with similar privileges in systems not yet covered by this procedure. For "non-staff members", UNHCR recognizes the validity of the point and this will be addressed in the new information security policy. This issue is also subject to availability of resources as indicated in the response to para 206 above. Update of Feb08
214	UNHCR agreed with the Board's recommendation that it enhance independent validation of security practices for its applications. DIST	Under implementation	UNHCR has recently established a working group on information security policy. As part of their terms of reference they will identify an appropriate (industry standard/best practice) mechanism that will enhance the independent validation of security practices for its applications during 2006-2007. This issue is also subject to availability of resources as indicated in the response to para 206 above. Update of Feb08
216	UNHCR agreed with the Board's recommendation to adopt a policy concerning all aspects of identity management (who can request identification, definition of what services and data a person can access, exception management, changes in personnel, and cancellation of access rights). DIST	Under implementation	The issue will be addressed in the new information security policy mentioned above. Once developed, the policy will be submitted to the Information and Communications Technology (ICT) Governance Board for endorsement and eventual promulgation in 2007. This issue is also subject to availability of resources as indicated in the response to para 206 above. Update of Feb08
220	The Board recommends that UNHCR, together with other United Nations organizations, conduct tests with password-breaking software in the immediate future to determine if reliance on passwords provides an adequate level of security. DIST	Under implementation	UNHCR will work with other United Nations agencies on this subject. The definition of "adequate" level of security remains an issue for each organization to assess in the context of its business. This issue is also subject to availability of resources as indicated in the response to para 206 above. Update of Feb 08

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222	UNHCR agreed with the Board's recommendation that it test the integrity of access to functionality or data in all applications developed or customized outside the organization. DIST	Under implementation	An ICT Governance Board has now been officially established in UNHCR (as per IOM/FOM/57/2006 of 28 June 2006). In addition a working group to develop an information security policy for the organization is also formed. This will affect the testing of integrity of access to functionality or data in all applications developed or customized outside. The latter, in turn, will also have resource implications and once the proposal for testing is prepared, it will be submitted to the ICT Governance Board for endorsement in 2007 prior to implementation. This issue is also subject to availability of resources as indicated in the response to para 206 above. Update of Feb08
263	UNHCR agreed with the Board's recommendation to establish annual procurement plans. SMS / Procurement	Under implementation	UNHCR has changed the consolidation of purchasing plans, as well as the procurement forecasting done at the field level. With the global implementation of MSRP, a tool has been developed where the procurement needs are being directly extracted from the system for all offices, based on their budget submissions. Update of Feb.08
268	UNHCR agreed with the Board's recommendation to establish a threshold warning system intended to monitor the compliance with the rules of referral to the Committee on Contracts. SMS / Procurement	Under implementation (2 nd quarter 2008)	UNHCR is currently testing a MSRP functionality to monitor the compliance with the procurement thresholds and the related LCC/CoC submission levels. The module is expected to be launched in spring 2008. Update of Feb.08
271	UNHCR agreed with the Board's recommendation that it improve the reporting and functioning of local committee on contracts and remind the field offices of their obligation to inform headquarters of the correct reception of the goods sent to them. SMS / Procurement	Under implementation (April 2008)	UNHCR will ensure that the right tools are available in MSRP to monitor the receipt of goods by Field Operations. A more systematic pipeline reporting will be implemented to strengthen further the monitoring process over the local contracts committees. Update of Sep07, validated through Feb.08
278	UNHCR agreed with the Board's recommendation that it update its vendor databases and to create a vendor review committee or extend the role of the Committee on Contracts. SMS / Procurement	Under implementation (during 2008)	The VRC was established in September 2006 and met on several occasions to review the viability of potential new vendors and to propose improvements to the vendor registration form. The VRC started a review of the vendor database and results are yet to be examined. Update of Feb.08