

## FOLLOW-UP TO THE RECOMMENDATIONS OF THE BOARD OF AUDITORS IN THEIR 2009 REPORT ON THE 2008 ACCOUNTS / UNHCR update as of August 2011

| UN Board of Auditors' recommendations |  | Status and Estimated time for completion  | Actions taken or intended to be taken and/or recent update   |
|---------------------------------------|--|---|--|
| <b>Main Recommendations</b>           |  |   |  |
| 09 (a)                                | Comply with the provisions concerning the cancellation of unliquidated obligations and reinforce its mechanisms for controlling the validity of obligations (para. 37);                          | December 2010 and ongoing<br>2007 – 8 (A)   | Recommendation is reiterated in the Board of Auditors (BOA) report on the 2009 accounts, para. 60. For an update as of August 2011, please refer to the matrix of follow-up to the recommendations of the BOA on the 2009 accounts.  |
| 09 (b)                                | Set up specific funding for its accrued end-of-service and post-retirement liabilities, notably those related to after-service benefits (para. 61);  | March 2011<br>2007 – 08 (B)   | Recommendation is reiterated in the BOA report on the 2009 accounts, para. 73. For an update as of August 2011, please refer to the matrix of follow-up to the recommendations of the BOA on the 2009 accounts.  |
| 09 (f)                                | Continue its efforts to clean up its database for non-expendable property and establish a monitoring system for tracing all corrections made in the database during a financial year (para. 96); | December 2010 and ongoing<br>2007 – 08 (e)<br>2006 – 09 (o)<br>Under implementation | <p>The Supply Management Services (SMS) has outlined a comprehensive and detailed action plan in response to the recommendations of the BOA in their 2010 report. This includes a verification exercise of Plant, Property and Equipment (PPE) between June and September 2011 at all UNHCR country operations maintaining PPE in addition to the physical counts to be performed at year-end.</p> <p>On a monthly basis the Asset and Fleet Management Unit (AFMU) within SMS generates the following exception reports on PPE for each country and follows up on exceptions:</p> <ul style="list-style-type: none"> <li>• Pending GS45 disposal forms</li> <li>• Non-verified assets in MSRP (UNHCR's Enterprise Resource Planning system)</li> <li>• Pending purchase order receipts</li> <li>• Assets in transit</li> <li>• Assets received not in service</li> <li>• Assets more than 15 years old</li> </ul> <p>An escalation process has been established to ensure that exceptions identified are rectified in due course.</p> <p>Update August 2011</p> |
| 09 (g)                                | Disclose in future financial statements the value of expendable property unused at the end of the year, in order to provide a more complete and accurate account of its assets (para. 106);      | December 2010<br>2007 – 08 (f)  | Recommendation is reiterated in the BOA report on the 2009 accounts, para. 158. For an update as of August 2011, please refer to the matrix of follow-up to the recommendations of the BOA on the 2009 accounts.   |
| 09 (h)                                | Continue its effort to reduce the number of staff in between assignments and not on temporary duty (para 173);   | March 2011  | Recommendation is reiterated in the BOA report on the 2009 accounts, para. 158. For an update as of August 2011, please refer to the matrix of follow-up to the recommendations of the BOA on the 2009 accounts.   |

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|                              |   |  |   |
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|                              |   | 2007 – 08(h)   |   |
| 09 (i)                       | Continue its efforts to improve the rate of timely justification of the advances granted to implementing partners (para. 123);  | March 2011<br><br>2007 – 08(i)   | Recommendation is reiterated in the BOA report on the 2009 accounts, para. 108. For an update as of August 2011, please refer to the matrix of follow-up to the recommendations of the BOA on the 2009 accounts.  |
| 09 (j)                       | Assess the instalments to implementing partners that have remained unjustified for more than one year and take appropriate measures to have them justified or recovered from the implementing partners (para. 127); | June 2011  | Recommendation is reiterated in the BOA report on the 2009 accounts, para. 117. For an update as of August 2011, please refer to the matrix of follow-up to the recommendations of the BOA on the 2009 accounts.  |
| 09 (k)                       | Intensify its efforts to obtain the audit certificates from implementing partners by 30 April each year (para.132);   | June 2011<br><br>2007 – 08(j)<br>2006 – 9(k)+ 9(j)                           | Recommendation is reiterated in the BOA report on the 2009 accounts, para. 123. For an update as of August 2011, please refer to the matrix of follow-up to the recommendations of the BOA on the 2009 accounts.  |
| 09 (m)                       | In collaboration with OIOS, take appropriate measures to reduce the time period for filling the vacant posts for internal auditors (para. 144).   | December 2010  | Recommendation is reiterated in the BOA report on the 2009 accounts, para. 184. For an update as of August 2011, please refer to the matrix of follow-up to the recommendations of the BOA on the 2009 accounts   |
| <b>OTHER RECOMMENDATIONS</b> |   |  |   |
| 83                           | The Board once again reiterates its recommendation that UNHCR monitor the closure of bank accounts and implement controls to ensure the effective oversight of the bank accounts of field offices.                  | September 2010<br><br>2007 – para 65<br>2006 – 09(e)<br>Under implementation | <p>Of the 22 bank accounts found to be inactive during the audit of the 2008 accounts, 18 had been closed by January 2011, while two were in process of being closed. At that time, two accounts remained open, as it had been confirmed that they were still required by the field offices. A monthly analysis of bank activity was undertaken, and as a result of this proactive monitoring, 84 other inactive bank accounts were identified and closed in 2010. In order to address the issue of inactive bank accounts, field offices requesting the opening of new bank accounts have been required, as of December 2010, to complete a special form designed by the Financial Control Section (FCS). This allows FCS to better understand the real needs prior to the opening of a new bank account, in full consultation with Treasury Section.</p> <p>By August 2011, the two bank accounts awaiting closure had been closed (2 others retained upon receipt of justification). In addition, the quarterly Country Reports sent to the field offices since late 2011, cite bank account activity and recommendations to close inactive or low use accounts. Finally, the payments centralization initiative launched in 2011 will have the potential to reduce US\$ bank accounts in use in the longer term.</p> <p>Update of August 2011</p> |