**Annex**

**2019 UNCDF BOARD RECOMMENDATIONS AND PRIOR YEAR**

**RECOMMENDATIONS THAT ARE UNDER IMPLEMENTATION**

1. **UNCDF Recommendations contained in the report of the Board of Auditors for 2019.**
2. **In paragraph 29 of its report, the Board recommended that UNCDF review and define its risk management platform to formalize the arrangement and risk recording system across its organization in order to comply with its ERM Policy and to record risks identified.**

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| *Department(s) responsible:* | Directorate and Programme Management Support Unit |
| *Status:* | In progress |
| *Priority:* | High |
| *Target date:* | First quarter of 2021 |

UNCDF agrees with the recommendation and is in the process of reviewing and defining its risk management platforms to formalize the arrangement and risk recording system across the organization

1. **In paragraph 36 of its report, the Board recommended that UNCDF enhance the risk management platform in a way that allows consolidation and aggregation of risks identified for the programmes at the country level.**

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| *Department(s) responsible:* | Directorate and Programme Management Support Unit |
| *Status:* | In progress |
| *Priority:* | Medium |
| *Target date:* | Second quarter of 2021 |

UNCDF agrees with the recommendation and is working on enhancements that will allow consolidation and aggregation of risks identified for programmes at the country level.

1. **In paragraph 37 of its report, the Board recommended that UNCDF assess whether the possibility of risk escalation by superiors enhances risk management for suitable inclusion in the ERM Policy.**

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| *Department(s) responsible:* | Directorate and Programme Management Support Unit |
| *Status:* | In progress |
| *Priority:* | Medium |
| *Target date:* | First quarter of 2021 |

UNCDF agrees with the recommendation and is assessing the inclusion of risk escalation by superiors in the ERM Policy.

1. **In paragraph 47 of its report, the Board recommended that UNCDF consult with UNDP on UNDP’s revision of contract modalities in order to assess whether changes and new approaches envisaged by UNDP may be transferred to UNCDF.**

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| *Department(s) responsible:* | Office of Finance and Management Services (FMS) |
| *Status:* | In progress |
| *Priority:* | Medium |
| *Target date:* | Second quarter of 2021 |

 UNCDF agrees with this recommendation and is taking steps to implement it.

1. **In paragraph 52 of its report, the Board recommended that UNCDF assess, whether monitoring of travel expenses and deliverables against contracts may be facilitated by additional guidance on how contracts should be translated into purchase orders.**

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| *Department(s) responsible:* | Office of Finance and Management Services (FMS) |
| *Status:* | In progress |
| *Priority:* | High |
| *Target date:* | Second quarter of 2021 |

UNCDF agrees with this recommendation and is taking steps to implement it.

1. **In paragraph 59 of its report, the Board recommended that UNCDF enhance compliance with the policy on individual contracts by initiating new competitive processes in case of substantial contract revisions or provide appropriate justifications for direct contracting and strengthen the instrument of procurement planning.**

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| *Department(s) responsible:* | Office of Finance and Management Services (FMS) |
| *Status:* | In progress |
| *Priority:* | High |
| *Target date:* | First quarter of 2021 |

UNCDF agrees with this recommendation and is taking steps to implement it.

1. **In paragraph 63 of its report, the Board recommended that UNCDF should adapt control functions included in the policy on individual contracts to its organizational structure.**

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| *Department(s) responsible:* | Office of Finance and Management Services (FMS) |
| *Status:* | Implemented |
| *Priority:* | Medium |
| *Target date:* | First quarter of 2021 |

UNCDF has since updated its Operations Manual to include in the policy the control functions on individual contracts to its organizational structure.

1. **In paragraph 67 of its report, the Board recommended that UNCDF take measures to ensure that contracts and amendments for individual contractors are signed by both contract parties with the date of signature.**

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| *Department(s) responsible:* | Office of Finance and Management Services (FMS) |
| *Status:* | Implemented |
| *Priority:* | Medium |
| *Target date:* | First quarter of 2021 |

To ensure that contracts and amendments for individual contractors are signed by both contract parties with the date of signature, UNCDF has started using Docusign which allows for the affixing of actual dates of signature by both parties. UNCDF also streamlined the existing process, instead of going through the requesting unit, procurement team will send the contract directly to the other party for signature.

1. **In paragraph 72 of its report, the Board recommended that UNCDF enhance supervision on managing individual contracts for the country teams where limited compliance with the policy was observed in order to foster behavioural change.**

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| *Department(s) responsible:* | Office of Finance and Management Services (FMS) |
| *Status:* | In progress |
| *Priority:* | Medium |
| *Target date:* | Second quarter of 2021 |

UNCDF agrees with the recommendation and is taking steps to enhance supervision on managing individual contracts for country teams where limited compliance with the policy was observed.

1. **UNCDF Recommendations contained in the report of the Board of Auditors for prior financial periods that are under implementation**

In the annex to its report for the year ended 31 December 2019 (A/75/5/add.2, Chapt. II), the Board provided a summary of the status of implementation of recommendations for previous financial periods. UNCDF has implemented all recommendations from prior period, the implementations were also confirmed and assessed by the Board.