**Annex**

**2021 UNCDF BOARD RECOMMENDATIONS AND PRIOR YEAR**

**RECOMMENDATIONS THAT ARE UNDER IMPLEMENTATION**

1. **UNCDF Recommendations contained in the report of the Board of Auditors for 2021.**
2. **In paragraph 28, the Board recommended that UNCDF streamline risk reporting into the existing platform and establish an assurance mechanism to ensure that all risks are recorded and regularly updated in the dedicated risk management platform.**

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| *Department(s) responsible:* | Directorate and Office of Finance and Management Services (FMS) |
| *Status:* | In progress |
| *Priority:* | High |
| *Target date:* | First quarter of 2023 |

UNCDF agrees with the recommendation and is in the process of establishing a monitoring system to ensure all risks are recorded and updated on regular basis.

1. **In paragraph 29, the Board recommended that UNCDF remind all managers of their role and responsibilities as per the three lines of defence model and their accountability for risk management within their area of responsibility.**

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| *Department(s) responsible:* | Directorate and Office of Finance and Management Services (FMS) |
| *Status:* | In progress |
| *Priority:* | Medium |
| *Target date:* | First quarter of 2023 |

UNCDF agrees with the recommendation and has taken steps to remind all managers of their role and responsibility.

1. **In paragraph 40, the Board recommended that UNCDF enhance the assessment of grant-related risks within the established enterprise risk management process.**

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| *Department(s) responsible:* | Directorate and Office of Finance and Management Services (FMS) |
| *Status:* | In progress |
| *Priority:* | High |
| *Target date:* | Second quarter of 2023 |

UNCDF agrees with the recommendation and has taken steps to incorporate grant-related risks into established Programme risk management process.

1. **In paragraph 51, the Board recommended that UNCDF revise its document management in the future grants module and related requirements in the operations manual.**

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| *Department(s) responsible:* | Directorate and Office of Finance and Management Services (FMS) |
| *Status:* | In progress |
| *Priority:* | High |
| *Target date:* | First quarter of 2023 |

UNCDF agrees with the recommendation and has submitted revised requirements to the Quantum implementation team that addressed this recommendation.

1. **In paragraph 57, the Board recommended that UNCDF find a standardized way to enter grant data completely into the future grants module and formalize this approach.**

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| *Department(s) responsible:* | Directorate and Office of Finance and Management Services (FMS) |
| *Status:* | In progress |
| *Priority:* | Medium |
| *Target date:* | Second quarter of 2023 |

UNCDF agrees with the recommendation and has taken steps to address this recommendation.

1. **In paragraph 63, the Board recommended that UNCDF analyse shortcomings in the “Monitoring & Evaluation” tab of the grants module and take corrective measures.**

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| *Department(s) responsible:* | Directorate and Office of Finance and Management Services (FMS) |
| *Status:* | In progress |
| *Priority:* | High |
| *Target date:* | Second quarter of 2023 |

UNCDF agrees with the recommendation and has taken steps to address this recommendation.

1. **In paragraph 69, the Board recommended that UNCDF analyse the completeness and quality of the data entered into the grants module and enhance the use of the grants module in day-to-day grants management.**

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| *Department(s) responsible:* | Directorate and Office of Finance and Management Services (FMS) |
| *Status:* | In progress |
| *Priority:* | High |
| *Target date:* | Second quarter of 2023 |

UNCDF agrees with the recommendation and UNCDF has submitted revised requirements to the Quantum implementation team to integrate the grants module with other modules in ERP. In the view of UNCDF, this approach will ensure the completeness and accuracy of the data in the new grants module.

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 2021 (A/77/5/add.2, Chapter. 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.