**Annex 2.**

**2018 UNDP BOARD RECOMMENDATIONS AND PRIOR YEAR RECOMMENDATIONS THAT ARE UNDER IMPLEMENATION**

* 1. UNDP Recommendations contained in the report of the Board of Auditors for 2018

1. **In paragraph 41, the Board recommended that UNDP continue refining its policies and procedures and reviewing its contribution agreements in order to have in place an enhanced decision basis for recognition of non-exchange transactions in line with IPSAS 23.**

UNDP is reviewing its non-exchange revenue accounting policies against IPSAS 23 requirements with the aim of making any necessary changes effective starting with the 2019 financial statements.

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| *Department responsible:* | BMS/Office of Financial Resources Management |
| *Status:* | In progress |
| *Priority:* | High |
| *Target date:* | First quarter of 2020 |

1. **In paragraph 47, the Board recommended that UNDP enhance the process for manual recording of exchange transactions at country office level in order to ensure that revenue is recorded in the period in which UNDP rendered the services as required under an accrual basis of accounting.**

UNDP will (1) include confirmation of recording of exchange revenue in the annual assertion, (2) initiate processes and build tools that highlight outstanding payments and (3) train staff to pursue collection efforts and book revenue in line with UNDP policies and procedures.

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| *Department responsible:* | BMS/OFRM and Regional Bureaux |
| *Status:* | Not Started |
| *Priority:* | Medium |
| *Target date:* | Second quarter of 2020 |

1. **In paragraph 48, the Board recommended that UNDP ensure that country offices enhance the process for collecting payments so that payments are collected in a timely manner.**

UNDP will (1) include confirmation of recording of exchange revenue in the annual assertion, (2) initiate processes and build tools that highlight outstanding payments and (3) train staff to pursue collection efforts and book revenue in line with UNDP policies and procedures.

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| *Department responsible:* | Regional Bureaux |
| *Status:* | Not Started |
| *Priority:* | Medium |
| *Target date:* | Second quarter of 2020 |

1. **In paragraph 49, the Board recommended that UNDP ensure that country office provide on-the-job training so that personnel have the required sustainable awareness to accurately record exchange transactions in accordance with UNDP policies and instructions.**

UNDP will (1) include confirmation of recording of exchange revenue in the annual assertion, (2) initiate processes and build tools that highlight outstanding payments and (3) train staff to pursue collection efforts and book revenue in line with UNDP policies and procedures.

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| *Department responsible:* | BMS/OFRM and Regional Bureaux |
| *Status:* | Not Started |
| *Priority:* | Medium |
| *Target date:* | Second quarter of 2020 |

1. **In paragraph 54, the Board recommended that UNDP, based on an analysis of the effects, raise the threshold for the recognition of property, plant and equipment as an asset to reduce the administrative burden.**

UNDP will increase the property, plant and equipment threshold to $5,000 effective 2020. UNDP policies and procedures will be revised to reflect the new threshold.

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| *Department responsible:* | BMS/OSO |
| *Status:* | In progress |
| *Priority:* | Medium |
| *Target date:* | Second quarter of 2020 |

1. **In paragraph 60, the Board recommended that UNDP ensure that changes of signatories required are followed up with banks**

UNDP Treasury ensures that any changes of signatories are followed up with banks.

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| *Department responsible:* | Regional Bureaux |
| *Status:* | In progress |
| *Priority:* | Medium |
| *Target date:* | Second quarter of 2020 |

1. **In paragraph 75, the Board recommended that UNDP review the cases of non-compliance presented by the Board and analyse the reasons and circumstances why Bureaux and Country Offices did not fully comply with the corporate internal control framework.**

UNDP will analyse material past cases of non-compliance raised by the Board.

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| *Department responsible:* | BMS/OFRM and Regional Bureaux |
| *Status:* | Not Started |
| *Priority:* | Medium |
| *Target date:* | First quarter of 2020 |

1. **In paragraph 76, the Board recommended that UNDP, based on the above analysis, further refine its internal control framework to strengthen its implementation.**

An instruction was issued for every CO to review its ICF and adjust, if necessary, to prevent conflicts between the first and second authority of any value, as well as the issue of assignment of control functions to non-staff. In addition, a new control has been put into place in Atlas ERP system that will enforce the segregation of duty between the approvers of Requisitions and POs. UNDP considers this recommendation closed, pending review by the Board.

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| *Department responsible:* | BMS/OFRM and Regional Bureaux |
| *Status:* | Implemented |
| *Priority:* | High |
| *Target date:* | - |

1. **In paragraph 77, the Board recommended that UNDP consider the feasibility of incorporating more automated controls into UNDP’s enterprise resources planning system or supplementary related IT systems to enhance compliance with the corporate internal control framework.**

Atlas will be upgraded during the 2020-2021 timeframe. As part of this upgrade, UNDP will consider more automated controls as it re-architectures, and potentially changes, Argus flow and function.

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| *Department responsible:* | BMS/Office of Financial Resources Management |
| *Status:* | Not Started |
| *Priority:* | High |
| *Target date:* | Second quarter of 2020 |

1. **In paragraph 85, the Board recommended that UNDP assess whether and what internal financial control procedures could be enacted by UNDP to enhance data quality and limit risks of errors by means of having standardized control procedures and an appropriate documentation which evidence that control procedures have been performed.**

The Clustering project has dedicated teams for business integration and ICF ensuring appropriate mechanisms for control and monitoring are embedded in the processes. The existing documentation of controls, as specified in the ICF, and embedded in POPP content, sets out the policy framework for appropriate documentation. (Update end-December 2019: UNDP considers this recommendation Implemented, pending review by the Board)

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| *Department responsible:* | BMS/OFRM and Regional Bureaux |
| *Status:* | In progress |
| *Priority:* | Medium |
| *Target date:* | Second quarter of 2020 |

1. **In paragraph 93, the Board recommended that UNDP ensure that country offices either establish their own standard template with at least minimum documentation requirements for programmatic output verification or use the template provided by UNDP.**

UNDP's Monitoring Policy states output progress and/or completion must be verified at least annually and a corporate template is provided for verification. It views sustained compliance will best result from enhancements to the corporate planning system.

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| *Department responsible:* | BPPS and Regional Bureaux |
| *Status:* | Not Started |
| *Priority:* | Medium |
| *Target date:* | Second quarter of 2020 |

1. **In paragraph 100, the Board recommended that UNDP analyse options to ensure timely certification of combined delivery reports and ensure that country offices and implementing partners sign combined delivery reports within the given time limit.**

UNDP relies on its implementing partners for timely certification of CDR and is exploring an automation solution to ensure timely delivery of CDRs to implementing partners.

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| *Department responsible:* | BMS/OFRM and Regional Bureaux |
| *Status:* | Not Started |
| *Priority:* | Medium |
| *Target date:* | Second quarter of 2020 |

1. **In paragraph 111, the Board recommended that UNDP update the HACT policy to include that the HACT SharePoint should be used for the mandatory planning of all micro assessments and assess possibilities to include the documentation of the required review of micro assessment plans within the HACT SharePoint.**

A micro assessment plan report has been rolled out in the HACT platform and HACT guidance is in the process of being revised to ensure offices use the new report for micro assessment planning.

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| *Department responsible:* | BMS/Office of Financial Resources Management |
| *Status:* | In progress |
| *Priority:* | Medium |
| *Target date:* | Second quarter of 2020 |

1. **In paragraph 116, the Board recommended that UNDP ensure that Country Offices document the review of and conclusions drawn from micro assessments.**

Existing UNDP HACT guidelines require the head of office to sign-off micro assessment including any decisions made to revise the risk ratings. Reminders will be sent to offices to ensure this is adhered to.

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| *Department responsible:* | Regional Bureaux |
| *Status:* | Not Started |
| *Priority:* | High |
| *Target date:* | First quarter of 2020 |

1. **In paragraph 124, the Board recommended that UNDP update the HACT policy to include that the HACT SharePoint should be used for the mandatory planning of all assurance activities and that UNDP ensure the review of annual assurance activity plans.**

An assurance plan report has been rolled out in the HACT platform and HACT guidance is in the process of being revised to ensure offices use the new report for assurance planning.

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| *Department responsible:* | BMS/Office of Financial Resources Management |
| *Status:* | In progress |
| *Priority:* | Medium |
| *Target date:* | Second quarter of 2020 |

1. **In paragraph 125, the Board recommended that UNDP revise the HACT policy and clarify that management in Country Offices is required to conduct a control designed to review the completeness of assurance activities performed and the completeness of follow-up actions taken.**

Confirmation of HACT compliance is included in the year-end assertion which needs to be signed by the head of office.

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| *Department responsible:* | BMS/Office of Financial Resources Management |
| *Status:* | In progress |
| *Priority:* | High |
| *Target date:* | Second quarter of 2020 |

1. **In paragraph 129, the Board recommended that UNDP strengthen oversight and monitoring functions for the HACT framework.**

Oversight of country office HACT implementation is the responsibility of regional bureaus. Tools will continue to be made available to strengthen the bureau oversight role.

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| *Department responsible:* | Regional Bureaux |
| *Status:* | In progress |
| *Priority:* | Medium |
| *Target date:* | Second quarter of 2020 |

1. **In paragraph 140, the Board recommended that UNDP review its policies and guidelines with regard to the use of P-6/P-7 grades in order to provide guidance on the circumstances in which these grades may be used.**

Revised policy and guidelines for the use of P6 and P7 grades are being developed as part of implementation of the People for 2030 strategy

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| *Department responsible:* | BMS/OHR |
| *Status:* | In progress |
| *Priority:* | High |
| *Target date:* | First quarter of 2020 |

1. **In paragraph 146, the Board recommended that UNDP enhance its policies and guidelines on strategic placements in order to require adequate documentation when using strategic placements.**

Revised policy and guidelines, including requirement for documentation, for the use of strategic placements are being developed as part of implementation of the People for 2030 strategy.

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| *Department responsible:* | BMS/OHR |
| *Status:* | In progress |
| *Priority:* | Medium |
| *Target date:* | Second quarter of 2020 |

1. **In paragraph 157, the Board recommended that UNDP, as part of its people strategy, review the policies on service contracts and individual contracts in order to establish clear criteria for assessing what constitutes a staff task/function and which tasks and functions may be transferred to other contractual modalities than regular staff contracts.**

UNDP is in the process of developing multiple options for changes to its contract modalities to enable it to hire personnel on the appropriate contractual modality needed for UNDP to effectively fulfil its mandate.

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| *Department responsible:* | BMS/OHR and BMS/OSO |
| *Status:* | In progress |
| *Priority:* | High |
| *Target date:* | Second quarter of 2020 |

1. **In paragraph 161, the Board recommended that UNDP review its policy on service contracts in order to clarify recurring matters of non-compliance and consider amending the requirements defined in the policy that UNDP does not intend to implement.**

As part of implementation of the People for 2030 strategy, UNDP is reviewing various aspects of the service contractor modality, including appropriate usage, compensation, recruitment, career progression, etc.

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| *Department responsible:* | BMS/OHR |
| *Status:* | In progress |
| *Priority:* | Medium |
| *Target date:* | Second quarter of 2020 |

1. **In paragraph 168, the Board recommended that UNDP review its policy on service contracts, including the use and the requirement of the waiver of competitive recruitment.**

As part of implementation of the People for 2030 strategy, UNDP is reviewing various aspects of the service contractor modality, including appropriate usage, compensation, recruitment, career progression, etc.

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| *Department responsible:* | BMS/OHR |
| *Status:* | In progress |
| *Priority:* | High |
| *Target date:* | First quarter of 2020 |

1. **In paragraph 173, the Board recommended that UNDP review the responsibilities and monitoring function for the service contract modality as part of implementing the “People for 2030” strategy and define how much monitoring or oversight from headquarters is feasible and reasonable.**

As part of implementation of the People for 2030 strategy, UNDP is reviewing various aspects of the service contractor modality, including appropriate usage, compensation, recruitment, career progression, etc.

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| *Department responsible:* | BMS/OHR |
| *Status:* | In progress |
| *Priority:* | Medium |
| *Target date:* | Second quarter of 2020 |

1. **In paragraph 191, the Board recommended that UNDP review its policy on individual contracts in order to clarify recurring matters of non-compliance and to strengthen oversight by the procurement committees.**

UNDP views individual contractors an important part of its workforce and its reviewing changes to its usage along with other contract modalities as part of implementing the People for 2030 strategy. This recommendation will be addressed by UNDP as appropriate based on the outcome of this exercise.

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| *Department responsible:* | BMS/OSO |
| *Status:* | In progress |
| *Priority:* | Medium |
| *Target date:* | Second quarter of 2020 |

1. **In paragraph 192, the Board recommended that UNDP ensure that Country Offices and units which noted matters of non-compliance provide on-the-job training so that personnel has the required sustainable awareness to properly procure and manage individual contracts as required by the policy on individual contracts.**

UNDP views individual contractors an important part of its workforce and its reviewing changes to its usage along with other contract modalities as part of implementing the People for 2030 strategy. This recommendation will be addressed by UNDP as appropriate based on the outcome of this exercise.

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| *Department responsible:* | BMS/OSO and Regional Bureaux |
| *Status:* | In progress |
| *Priority:* | High |
| *Target date:* | First quarter of 2020 |

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

**Report of the Board for the financial period ended 31 December 2017**

1. **In paragraph 24, UNDP agreed with the Board’s recommendation that UNDP South Africa and Egypt Country Offices (a) continue to liaise with the key counterparts consisting of implementing partners and UNCT so that the counterparts are fully engaged in UNDAF process to smoothen the UNDAF implementation by conducting annual reviews and responding on time to recommendations of evaluations, (b) formulate strategies to ensure that results of the current UNDAF evaluations and reviews are used to design the next UNDAF, and (c) ensure the conclusions and recommendations from annual and midterm reviews of country programme enable timely update, and revision of the country programme documents.**

The Board closed parts (a) and (b) of this recommendation as overtaken by events. Regarding part c) the Board considers this part of the recommendation for the country office in Egypt as implemented.

Also, regarding part c) the government of South Africa decided to extend the strategic cooperation framework from December 2017 until 31 March 2020 to align it to the government’s 5-year national development implementation plan. Therefore, also the development of the subsequent country programme document for South Africa is delayed in order to align the subsequent country programme document with the new strategic cooperation framework. Therefore, the Board considers part (c) of the recommendation as under implementation for the country office in South Africa.

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| *Department responsible:* | Regional Bureau for Africa and Regional Bureau for  Arab States |
| *Status:* | In progress |
| *Priority:* | High |
| *Target date:* | - |

1. **In paragraph 35, UNDP agreed with the Board recommendations that Country Offices (a) continue consultation with implementing partners such that Combined Delivery Reports (CDRs) are signed on time by UNDP and implementing partners in compliance with the Programme and Operations Policies and Procedures; (b) ensure the follow-up requests to the implementing partners are conducted on time and evidence of the follow up are uploaded to the CDR library in the Corporate Planning System; and (c) certify the CDR on time when implementing partners are not responding after a reasonably extended period.**

Regarding part a) UNDP will continue consultation with implementing partners to improve CDR timeliness. Regarding part b) UNDP will enhance efforts that follow-ups are sent on time and evidence is uploaded to the CDR library on time. Regarding part c) UNDP has issued a policy for CDR closure in case of non-responding implementing partners and will monitor compliance. The Board again paid attention to the date of the signatures of the combined delivery reports for 2018. The findings were reaffirmed. Given that the recommendation has been reiterated for a number of years, the Board considers the recommendation as not implemented.

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| *Department responsible:* | Regional Bureaux |
| *Status:* | Not Implemented |
| *Priority:* | High |
| *Target date:* | Second quarter of 2020 |

1. **In paragraph 41, UNDP agreed with the Board recommendation to ensure that Country Offices review and update projects’ risks, issues and monitoring logs and document information in Atlas on time as the primary source of project information.**

UNDP’s ERM policy was updated and launched in April 2019. It offers a unified and integrated approach to institutional and programmatic risk management across different types and levels of risk including projects. Projects Risk Register has been modified to align to the updated policy and Corporate Planning System. As part of the recently launched ERM toolkit, a project risk dashboard is being developed to monitor compliance with the updated requirements. UNDP will also continue to monitor compliance with these requirements through its annual project quality analysis process

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| *Department responsible:* | Regional Bureaux |
| *Status:* | In progress |
| *Priority:* | High |
| *Target date:* | First quarter of 2020 |

1. **In paragraph 47, the Board recommended that the UNDP country offices in consultation with the implementing partner (a) analyze the projects documents on their relevance and timing, and consider for revision due to lapse of time, and (b) consider setting the timeframe for implementing partners to approve the projects’ documents.**

Regarding part a) UNDP agrees on the need to closely manage pipeline and to develop project documents within a stipulated timeframe agreeable to donors and implementing partners. UNDP will consider additional efforts to improve pipeline management, including review of specification of pipeline maturity periods and recording of agreeable timeframes for the signature of project documents

Regarding part b) UNDP will analyze the potential effects of setting a timeframe for implementing partners.

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| *Department responsible:* | Regional Bureaux |
| *Status:* | In progress |
| *Priority:* | Medium |
| *Target date:* | Second quarter of 2020 |

1. **In paragraph 52, UNDP agreed with the Board’s recommendation (a) to provide further guidance to the Country Office concerning implementation of the Harmonized Approach to Cash Transfer (HACT) framework; and (b) continue to advocate to the Government and development partners on the importance of implementing HACT framework in the Country Office.**

The Board understood the difficulties in advocating implementation to the Government and acknowledges the efforts undertaken by UNDP. As recommended by the Board, the Country Office will proceed with the further implementation of the other components of the HACT framework.

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| *Department responsible:* | Regional Bureau for Europe and the Commonwealth of Independent States |
| *Status:* | In progress |
| *Priority:* | Medium |
| *Target date:* | Second quarter of 2020 |

1. **In paragraph 57, UNDP agreed with the Board's recommendation that, Turkmenistan, South Africa, Turkey and Paraguay Country Offices encourage that HACT Working Groups are active and perform their duties to facilitate planning and implementation of HACT framework in the respective countries through regular meetings and activities which should be documented.**

The Country Offices have reactivated their HACT Working Groups. UNDP considers this recommendation closed, pending review by the Board

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| *Department responsible:* | Regional Bureau for Africa, Regional Bureau for Europe and the Commonwealth of Independent States and Regional Bureau for Latin America and the Caribbean |
| *Status:* | In progress |
| *Priority:* | High |
| *Target date:* | - |

1. **In paragraph 61, UNDP agreed with the Board recommendation that South Africa Country Office use Public Expenditure and Financial Accountability reports as a source of information and liaise with other United Nation Agencies to conduct HACT macro assessments to align with their Country Office programme cycles as required by Programme and Operations Policies and Procedures on HACT and United Nations Development Group HACT framework.**

The South Africa country office is in the process of establishing a new United Nations Development Assistance Framework and plans to conduct a macro-assessment in coordination with the Government.

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| *Department responsible:* | Regional Bureau for Africa |
| *Status:* | In progress |
| *Priority:* | High |
| *Target date:* | - |

1. **In paragraph 79, the Board recommended that UNDP document their process of annual review performed to evidence the review of useful lives of assets; and specify in the policy guidelines the manner in which the review of useful life of assets will be performed and documented.**

The Board noted in May 2019 that UNDP had addressed the recommendation internally. However, a documented review of the useful lives of assets and updated policy guidelines had not been conducted.

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| *Department responsible:* | BMS/Office of Sourcing and Operations |
| *Status:* | In progress |
| *Priority:* | Medium |
| *Target date:* | First quarter of 2020 |

1. **In paragraph 88, UNDP agreed with the Board’s recommendation that Malawi, Paraguay and South Africa Country Offices ensure that in future, evaluations of service contracts are completed on time, ideally one month prior to expiration of contracts as per policy, to give reasonable time for the office to make relevant and timely decisions regarding service contracts.**

The Country Offices have stepped up their efforts to ensure that service contract evaluations are done on time. This includes reminders sent to project and programme managers. Additional improvement may result from changes to the processes and procedures related to Service Contract holders as part of the People for 2030 strategy.

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| *Department responsible:* | Regional Bureau for Africa and Regional Bureau for Latin America and the Caribbean |
| *Status:* | In progress |
| *Priority:* | High |
| *Target date:* | First quarter of 2020 |

1. **In paragraph 92, UNDP agreed with the Board’s recommendation that Turkmenistan Country Office (a) align the job descriptions for the hired service contract individuals with the Service Contract User Guide, and (b) ensure the service contract holders do not perform internal control functions to compensate for absence of staff.**

The Country Office Turkmenistan has used its usage of service contract with due consideration to the alignment of job descriptions. UNDP considers this recommendation closed, pending review by the Board

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| *Department responsible:* | Regional Bureau for Europe and the Commonwealth of Independent States |
| *Status:* | In progress |
| *Priority:* | Medium |
| *Target date:* | - |

1. **In paragraph 97, The Board re-iterated its previous recommendations that UNDP ensure all staff members complete mandatory training courses on time.**

UNDP management continues to review compliance with the completion of mandatory trainings on an annual basis and will send reminders to offices with low completion rates. In summer 2019, UNDP’s Operational Governance Group (OPG) approved the creation a new governance framework for the management of corporate learning and development activities. This People Development Governance Group has prepared a People Development Strategy for 2020, which has also been approved by the OPG and also has as a focus area a review of the mandatory training to ensure its relevance and completion.

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| *Department responsible:* | UNDP All; tracked by BMS/ Office of Human Resources |
| *Status:* | In progress |
| *Priority:* | Medium |
| *Target date:* | Second quarter of 2020 |

1. **In paragraph 102, UNDP agreed with the Board’s recommendations that Country Offices (a) encourage staff to exercise their leave within the period in which leave is earned, and (b) ensure the implementation of leave plan so that the office operates efficiently at all times and ultimately reduce cases of forfeited untaken leave days.**

UNDP will continue to remind staff to take leave. In particular, reminders to all staff can be sent end of March 2020 when the leave balances are reset by the Organization.

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| *Department responsible:* | Regional Bureaux |
| *Status:* | In progress |
| *Priority:* | High |
| *Target date:* | First quarter of 2020 |

1. **In paragraph 108, the Board recommended UNDP (a) conduct the Asset and Liability Management (ALM) study to review the appropriateness of the funding plan and other valuation assumptions, (b) update its policy (for funding of end of services liabilities) to specify the frequency of ALM studies as the current policy is silent in this area.**

UNDP has conducted an ALM study and will be updating its policy on the funding of end-of-service liabilities accordingly.

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| *Department responsible:* | BMS/ Office of Financial Resources Management |
| *Status:* | In progress |
| *Priority:* | High |
| *Target date:* | First quarter of 2020 |

1. **In paragraph 123, UNDP agreed with the Board’s recommendation that Country Offices ensure (a) UN Agencies sign the Memorandum of Understanding (MoU) for the occupancy and use of UN common premises, and (b) all amount due for payments or refunds between Agencies are settled on time in accordance with the Memorandum of Understanding.**

UNDP addressed the recommendation to negotiate with the agencies to sign memorandums of understanding on time and to follow-up on payments and refunds between agencies internally. However, the process has not been finalized yet and as such the Board considers this recommendation to be under implementation.

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| *Department responsible:* | Regional Bureaux |
| *Status:* | In progress |
| *Priority:* | Medium |
| *Target date:* | Second quarter of 2020 |

1. **In paragraph 136, UNDP agreed with the Board's recommendation that (a) Country Offices implement design of EFT interface as per Atlas banking system guidelines to eliminate manual intervention and prevent unauthorized access to EFT files residing in the network by encryption, and (b) establish a mechanism of keeping backup of EFT files for reconciliation of records.**

UNDP Headquarters is developing a project for corporate solution to address the data security issues.

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| *Department responsible:* | Regional Bureau for Africa and BMS/ Office of Financial Resources Management |
| *Status:* | In progress |
| *Priority:* | Medium |
| *Target date:* | Second quarter of 2020 |

1. **In paragraph 142, UNDP agreed with the Board’s recommendation that South Africa and Egypt Country Offices (a) strengthen controls over information security** **to ensure that the Disaster Recovery Plans (DRPs) and Business Continuity Plans (BCPs) are tested on time and test results are documented, and (b) review and update the BCP on time.**

South Africa successfully tested it DRP and the recommendation for South Africa is implemented. Test of the Egypt business contingency and disaster recovery plan is outstanding.

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| *Department responsible:* | Regional Bureau for Africa and Regional Bureau for Arab States |
| *Status:* | In progress |
| *Priority:* | High |
| *Target date:* | First quarter of 2020 |

1. **In paragraph 160, UNDP agreed with the Board’s recommendation to ensure that** **South Africa Country Office establish a backup internet link and increase internet bandwidth.**

UNDP’s South Africa Country Office has increased the internet bandwidth from 30MB to 100MB. It is selecting the service provider for the Backup Secondary Internet link

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| *Department responsible:* | Regional Bureau for Africa |
| *Status:* | In progress |
| *Priority:* | Medium |
| *Target date:* | Second quarter of 2020 |

**Report of the Board for the financial period ended 31 December 2016**

* + - 1. **In paragraph 44, the Board recommended that UNDP (a) introduce a clause in the co-operation agreements for communication obligations of all parties involved in program implementation including measures to motivate implementation of those obligations, and (b) increase follow-ups with counterparts to ensure appropriate measures are taken to address the recurring deficiency of delayed certification of Combined Delivery Reports (CDRs) by both UNDP and implementing partners.**

The Board noted that UNDP updated the programme and operations policies and procedures on combined delivery reports to reflect follow-up policies on outstanding combined delivery reports. However, the updated policies do not fully address the matter and during the 2018 audit the findings of late certification of combined delivery reports were reaffirmed. The Board therefore considers part (a) of the implementation as overtaken by events. Given that part (b) of the recommendation has been reiterated for a number of years, the Board considers the recommendation as not implemented.

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| *Departments responsible:* | BMS/ Office of Financial Resources Management and Regional Bureaux |
| *Status:* | In progress/ reiterated |
| *Priority:* | High |
| *Target date:* | - |

* + - 1. **In paragraph 51, the Board recommended that UNDP ensure (a) timely review and updating of the projects risks, issues and monitoring logs and document the same in Atlas as the primary source of projects information, and (b) project boards conduct regular meetings to continuously monitor projects implementation.**

The Board noted that UNDP had included risk management, monitoring and project governance into the quality standards for programming. However, there are still a number of projects without well-functioning project boards, active monitoring of project results, incomplete risk logs, The Board considers this recommendation as under implementation.

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| *Departments responsible:* | Bureau for Policy and Programme Support and Regional Bureaux |
| *Status:* | In progress/ reiterated |
| *Priority:* | High |
| *Target date:* | - |

* + - 1. **In paragraph 69, UNDP agreed with the Board’s recommendation to (a) take proactive measures to ensure that all operationally closed projects are financially closed within 12 months in accordance with POPP by obtaining in a timely manner the donors’ approvals on refunds or reprogramming of unspent amounts; thoroughly review and effect all transactions related to projects before they are financially closed; and (b) ensure that all asset balances are cleared before projects are financially closed.**

The Board noted that UNDP addressed this recommendation. However, in 2018 the Board again found delays in closing projects financially and considers the recommendation as under implementation. Regarding part (b) of the recommendation, it noted that UNDP updated the requirements to include completion of a checklist in the ERP system.

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| *Departments responsible:* | Regional Bureaux |
| *Status:* | In progress |
| *Priority:* | High |
| *Target date:* | Second quarter of 2020 |

1. **In paragraph 101, the Board recommended UNDP to strengthen reviews and monitoring of the POs and APs to ensure that, (a) expenses recorded in the general ledger, commitment control and projects are accurate, complete and recorded in the correct accounting period; and (b) pending transactions (i.e. POs, Vouchers and GLJEs with an accounting date on or before the last day of the month being closed) are cleared in accordance with year-end closure instructions.**

While substantial progress on this recommendation has been achieved and acknowledged by the Board, sustained efforts and more time are needed to fully implement this recommendation. UNDP hopes that the efforts undertaken will lead to further improvements.

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| *Departments responsible:* | BMS/ Procurement Services Unit and Regional Bureaux |
| *Status:* | In progress |
| *Priority:* | Medium |
| *Target date:* | Second quarter of 2020 |

1. **In paragraph 107, the Board recommended that UNDP ensure that future service contract evaluations are completed on time, ideally one month prior to contracts’ expiration as per policy, so as to give reasonable time for the office to make timely decisions.**

During its review of country offices as part of the 2018 audit, the Board noted that country offices reminded staff members and supervisors of their duties with regard to service evaluations. However, it found two cases in which the service evaluation was done after the expiry date of the respective contracts. The Board, therefore, considers this recommendation as under implementation.

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| *Departments responsible:* | BMS/ Office of Human Resources, Central Bureaux and Regional Bureaux |
| *Status:* | In progress/ reiterated |
| *Priority:* | Medium |
| *Target date:* | Second quarter of 2020 |

1. **In paragraph 116, the Board recommended that UNDP ensure that all staff members complete mandatory training courses on time.**

The Board reviewed UNDP’s overall mandatory course completion statistics for the year 2017 and 2018 and recognized the efforts made by management to achieve higher completion rates as well as the positive trend evidenced by statics. However, UNDP also acknowledged that the trend shown has not yet stabilized. Therefore, the Board considers this recommendation to be under implementation.

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| *Departments responsible:* | UNDP All; tracked by BMS/ Office of Human Resources |
| *Status:* | In progress/ reiterated |
| *Priority:* | Medium |
| *Target date:* | Second quarter of 2020 |

1. **In paragraph 120, UNDP agreed with the Board’s recommendation to introduce a schedule that will ensure easy reconciliation of individual asset additions between the financial statements note for property plant and equipment and the In-Service Report (ISR).**

Following the Board’s recommendation to introduce a schedule to reconcile the ISR to the Property, Plant & Equipment (PP&E) Note, General Operations prepared a Business Requirement Document and initiated the project with OIMT colleagues. Update (December 2019): The reconciliation schedule has been developed and signed off by partners and migrated to Atlas production and UNDP considers this recommendation closed pending review by the Board in 2020.

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| *Departments responsible:* | BMS/ Office of Sourcing and Operations |
| *Status:* | In progress |
| *Priority:* | High |
| *Target date:* | - |

**Report of the Board for the year ended 31 December 2015**

1. **In paragraph 41, UNDP agreed with the Board’s recommendation that: (a) in future, UNDP plan ahead on the changes needed in project settings such as the rates of General Management Support fee to minimize delays in signing quarterly CDRs; (b) it submit the combined delivery reports in a timely manner, duly signed by UNDP and implementing partners in compliance with the Programme and Operations Policies and Procedures, and (c) it liaise with implementing partners on their accountability regarding timely signing of CDRs when delays are encountered.**

The Board noted that part (a) of the recommendation was implemented in 2016. Regarding part (b) and (c) of the recommendation, the Board again paid attention to the date of the signatures of the combined delivery reports for 2018. The findings were reaffirmed. Given that the recommendation has been reiterated for a number of years, the Board considers the recommendation as not implemented.

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| *Departments responsible:* | BMS/ Office of Financial Resources Management and Regional Bureaux |
| *Status:* | Reiterated |
| *Priority:* | High |
| *Target date:* | Second quarter of 2020 |

1. **In paragraph 72, UNDP agreed with the Board’s recommendations (a) to enhance and document the follow-up mechanisms including feedback from all delayed participating organizations for future improvements, (b) to introduce measures to accelerate operational and financial closure of all overdue projects, and (c) as the largest UN fund administration service provider, to propose the idea of common policies and procedures around inter-agency pooled funding mechanisms to harmonize practices so as to enhance accuracy in reporting and timing of issuing reports.**

The Board noted that UNDP had addressed the recommendation and that balances had been reduced, however it considers parts (a) and (b) of this recommendation to be under implementation. Part (c) of the recommendation was withdrawn by the Board in 2017.

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| *Departments responsible:* | BMS/ Multi-Partner Trust Fund Office |
| *Status:* | In progress |
| *Priority:* | High |
| *Target date:* | - |