Para.	UN Board of Auditors' main recommendations (see A/66/5/Add.5)	Financial period first mentioned	Estimated time for completion	Actions taken or intended to be taken and/or recent updates
33	The Board recommends that UNHCR examine and address the reasons for deficiencies in country office financial management and reporting capacity. Division / Service leading the process: Division of Financial and Administrative Management (DFAM) – Office of the Controller, Change Management Unit	2010	31 December 2013	UNHCR carried out a review to identify weaknesses and potential gaps in financial management both in the field and at headquarters. As part of this process, office structures were reviewed in order to analyze their capacity to discharge their financial responsibilities. The analysis led to the identification of operations that required additional resources in the areas of finance and project control. On the basis of this analysis, and in consultation with the regional bureaux, DFAM formulated a strategy to address the identified gaps, which was approved by the High Commissioner in early 2012. The strategy includes the creation of 50 positions to strengthen the areas of finance, administration/finance and project control in field operations, as well as the revision of relevant job descriptions, the development of a new project control methodology and targeted training plans. All job descriptions for administration, finance and project control functions have been updated and revised to properly reflect required responsibilities in the Accountabilities, Responsibilities, Authorities (ARA) format, as well as to include updated educational requirements and skills. Additionally, the strategy includes training and disseminating targeted communication to enhance the skills and knowledge of staff performing finance-related functions in the field. In view of resource constraints and in line with organizational instructions for cost containment, the strategy will be implemented using a phased approach. As of the beginning of 2013, 24 of the 50 approved positions have been established. The selection, recruitment and appointment for the approved positions are underway. In April 2012, DFAM initiated a new series of "Finance and Budget Guidance Notes." Such guidance notes are issued in order to (i) reinforce procedures to exercise complete and accurate due diligence when executing financial and budgetary transactions, and/or (ii) address key issues that were raised as main findings in internal and external audits or investigations of financial fraud in UNHCR. Chapter 6 of the UNHCR Manual has also been updated, in particular with regard to International Public Sector Accounting Standards (IPSAS) policies and procedures. Between March and June 2012, seven workshops on IPSAS impacts for the field were conducted by the Change Management Unit in the Office of the Controller, in cooperation with the Global Learning Centre (GLC). The purpose of the workshops was two-fold: (1) to enable staff in the field to implement IPSAS as part of their day-to-day activities; and (2) to give finance and administration staff in each operation the capacity to provide targeted training to other staff in their operation. Targeted staff in all five regions benefited from the

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				workshops, which were delivered in English, French and Spanish. Additional workshops and training on the impact of IPSAS have been provided to regional bureaux and divisions at headquarters. The Change Management Unit and the Programme Budget Service (PBS) have actively participated in the induction of financial and budgetary matters for new Representatives organized by the GLC.
				UNHCR has also developed a new project control methodology. Training is currently being designed for all staff in project control functions, which will be delivered during the first semester of 2013. In addition, DFAM is working on the creation of an internal Finance and Budget Network that will facilitate targeted dissemination of finance and administrative policies, procedures and directives as well as the development of specialized training. This is being pioneered by a pilot group during the first quarter of 2013.
44	The Board recommends that UNHCR, as part of the rationalization of its bank arrangements, centralize its banking arrangements at headquarters in order to gain maximum leverage from its bankers, and subject all accounts to a regular and critical challenge, closing any unnecessary bank accounts immediately. Division / Service leading the process: DFAM – Treasury Section	2010	31 December 2012	With reference to the rationalization of banking arrangements, a periodic quarterly review of all bank accounts is being performed, and inactive and/or unnecessary bank accounts were closed during 2011. At the end of 2012, the centralized banking arrangements covered approximately 80% of UNHCR's total payment volume. UNHCR has put in place a comprehensive centralized payment approach fully integrated into its finance and treasury management systems. The centralization of payments has been a collaborative project involving the Accounts and Financial Service (AFS), the Treasury Section and field offices. Sixty per cent of UNHCR's overall payments are made in major currencies, denominated in EUR, USD, CHF, JPY and GBP that are released and funded from headquarters. For the 20% of payments that are denominated in African and other Asian currencies, the centralization has been completed. Some limitations to centralization are imposed due to restrictions in foreign exchange controls and non-convertible currencies and due to cash operations where banking infrastructure does not exist. UNHCR considers this recommendation implemented.

Para.	UN Board of Auditors' main recommendations (see A/66/5/Add.5)	Financial period first mentioned	Estimated time for completion	Actions taken or intended to be taken and/or recent updates
49	The Board reiterates its recommendation that UNHCR conduct exhaustive bank reconciliations and reconcile all differences with the general ledger. This should include, as part of the month-end financial procedures, the re-performance of a sample of bank reconciliations to assure management that reconciliations are timely and accurate and that items requiring reconciliation have been properly resolved. Division / Service leading the process: DFAM – Accounts and Financial Service (AFS)	2009	31 December 2012	UNHCR has put in place a comprehensive approach to address this issue, and over 95% of bank reconciliations globally are now approved within the monthly deadline. AFS prepares those few field office bank reconciliations where assistance is required, and is re-performing a sample of the remainder (prepared by the field). UNHCR considers this recommendation implemented.
73	The Board recommends, as a matter of priority, that UNHCR: (a) review and cleanse its accounting records, including all asset and liability balances; and (b) enhance its month-end closure procedures in order to fully reconcile all accounts and maintain the integrity of accounting records. Division / Service leading the process: DFAM	2010	31 December 2012	UNHCR has developed a transition plan that includes a comprehensive review of accounts and prioritization of critical accounts. Long-outstanding items in critical accounts were reconciled and cleaned, and write-offs were initiated as necessary. For this major undertaking, the capacity of AFS was strengthened with additional external and temporary accounting expertise. A systematic monitoring of general ledger accounts and long-outstanding items is taking place. Additionally, the following measures have been taken: (i) Open items status reports were prepared and sent to field offices to draw their attention to long-outstanding items, and will be generated and transmitted automatically from the second quarter of 2013; (ii) Regular consultations take place with DHRM to improve the status of long- outstanding open items relating to staff entitlement accounts. Critical accounts have been reconciled, and required write-offs have been identified, substantiated and approved. The month-end closure procedures have been enhanced to include a requirement to clear suspense account transactions within six days of the closure, and reconcile open items. A procedure is in place to monitor general ledger accounts. UNHCR considers this recommendation implemented.

Para.	UN Board of Auditors' main recommendations (see A/66/5/Add.5)	Financial period first mentioned	Estimated time for completion	Actions taken or intended to be taken and/or recent updates
88	The Board recommends that UNHCR enhance its organization-wide change management programme for IPSAS, by specifying how senior management in every business unit must take ownership of and drive the delivery of the intended benefits during and after IPSAS implementation. Division / Service leading the process: DFAM – IPSAS Coordinator	2010	31 December 2012	The IPSAS implementation project consists of five work streams, one of which is change management. A comprehensive risk-based Change Management Strategy and Plan has been developed, that includes communications and training activities. The key population and related impact of IPSAS implementation have been identified following a detailed fit/gap analysis taking into account business requirements. This serves as input for all change management and training activities. Impacted divisions are receiving specific communications with the requirements that need to be met in order to facilitate IPSAS implementation. Workshops have been conducted with three regional bureaux on the impact of IPSAS in the field. Since 2011, these organizational units have received specific communications (e.g. policies, procedures, user guides and IPSAS glossaries) on requirements for implementing IPSAS with clear authorities, roles and responsibilities. Workshops on IPSAS policies and corresponding changes at the organizational level were conducted for all five regional bureaux (Africa, Americas, Asia and the Pacific, Europe, and the Middle East and North Africa) and relevant divisions at headquarters. A series of workshops and training events have been conducted on procedures and the benefits of IPSAS at operational level, targeting concerned staff in the field. The IPSAS implementation project is governed through a participative process by the IPSAS Business Owners Committee and by the IPSAS Steering Committee, composed of Directors and senior managers from the different impacted business areas. UNHCR considers this recommendation implemented.
99	The Board recommends that UNHCR develop comparative and cost-based information to improve the evidence base for allocation decisions and provide a stronger link to enforce accountability. Particular emphasis should be placed on allowing for comparisons between country operations on the relative contributions made by UNHCR to changes in the conditions of populations of concern, and on linking financial and output data to assess efficiency and cost-effectiveness.	2010	First phase to be completed in March 2013 Completion by 31 October 2013	To increase the value of UNHCR's planning software, Focus, which provides the framework for performance management at the country level and helps the organization run operations more cost-effectively, UNHCR has continued to simplify the planning process and improve data quality and reporting. UNHCR has continued to upgrade and improve analytical business reports in Global Focus (the external version of the planning software) to enable comparisons between country operations and populations of concern. These reports will reflect impact or changes in conditions, as well as the achievement of results in relation to plans. Both anticipated and actual impact and performance will be related to planned and actual costs, to assess efficiency and cost effectiveness, to support resource allocation decisions and to track accountability. The roll-out of Focus 2 with a limited set of requirements is foreseen for March 2013. After a period of software stabilization and technical enhancements, a further set of functionalities (including a partner module) is expected to be developed and released

UNHCR The UN Refugee Agency

FOLLOW-UP TO THE RECOMMENDATIONS OF THE BOARD OF AUDITORS IN THEIR 2011 REPORT ON THE 2010 ACCOUNTS **[as at January 2013]**

Para.	UN Board of Auditors' main recommendations (see A/66/5/Add.5)	Financial period first mentioned	Estimated time for completion	Actions taken or intended to be taken and/or recent updates
	Division / Service leading the process: Division of Programme Support and Management (DPSM) – Programme Analysis and Support Section (PASS)			before October 2013. A consulting company has assisted UNHCR with a review of the business and functional requirements for the further development of Global Focus. Based on this, a software company has developed a working "proof of concept" with new analytical dashboards and a set of data reports, which support global, regional and country-level analysis. After careful examination of the review process and the utility of the new dashboards and report functionality, a second phase of development of Global Focus will be initiated, covering the remaining business areas. The development of Global Focus-I, including dashboards and reports presenting income and expenditure, is expected to be completed in March 2013. While waiting for the Global Focus dashboards to be fully developed and ready for use, the DPSM has adjusted existing information in Focus and MSRP to provide the Annual Programme Review for 2013 and the 2012 Mid-Year Review with information comparing budgets to expenditures and performance results (or progress, for the Mid-Year Review). The tools that were developed, as well as the analysis, were shared with the regional bureaux and divisions to support review of programmes and important decisions on resource allocation. Analytical reports, both at the organizational and at the operational levels have been produced for the Annual Programme Review process, Mid-Year Review and Detailed Planning. Training support is being provided in view of data quality enhancement and, to date, more than 150 staff at headquarters and 70 staff in the field have been trained on Focus and the use of Global Focus and Focus Reader.
117	The Board recommends that UNHCR adopt a risk-based approach to managing partners on the basis of clearly defined requirements, objective and well-evidenced risk assessment of partners, and robust arrangements to monitor its consistent application by country offices. Division / Service leading the process: DFAM – Implementing Partner Management Service (IPMS) in coordination with other relevant divisions/services	2010	Roll-out to take place in phases throughout 2013 and 2014	In 2011, UNHCR dedicated special resources to establish a new service, the Implementing Partnership Management Service (IPMS) within DFAM, to centralize the coordination of issues related to implementing partnership management, including policies, methods and accountability. One of IPMS's main responsibilities is to lead the adoption of a risk-based approach and the development of the UNHCR Framework for Implementing with Partners. A comprehensive review of UNHCR's approach to implementing partnership management was completed in 2011. The findings and conclusions of this review support the Board's observations that a "one-size-fits-all" approach does not fully address the complexity of working with implementing partners of varying capacity in challenging operating environments. In response to the audit recommendation, UNHCR decided to enhance the Framework and

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				adopt a differentiated risk-based approach. Resources have been allocated for this initiative. A comprehensive approach is being pursued for the overall development and enhancement of the Framework.
				A phased multi-year work plan (from 2011 to 2014) is in place for improving and embedding risk management and enhanced controls into the Framework of project implementation with partners encompassing policies, procedures and tools related to partner selection/retention, project agreement, project monitoring and verification, project closure, and project audit.
				Guidance for each of these major process areas is being developed, taking into consideration the related recommendations made by the Board. The enhanced implementing partnership management processes are being aligned with other management tools such as Results-Based Management (RBM)/Focus and performance tracking.
				In addition, the development of a Partner Portal (software IT/IM enabler) has been commissioned. It is envisioned that the Portal will support data management and decision-making related to implementing partnership management processes (facilitating better and informed decisions and managing risks related to partner selection, project monitoring and audit). The Portal will be web-based, and will be accessible both to partners and UNHCR (at the field and at headquarters). It builds on the existing UNHCR systems (Focus, MSRP, etc.), and will be developed in phases.
124	The Board recommends that UNHCR impose mandatory requirements on its country operations to consistently: (a) Document their justifications for partner selection, including explicit consideration of value for money, building on examples of good practice; (b) Formally assess the market for alternative partners at regular intervals (with once every five years as the absolute minimum); (c) Consider the alternative of commercial procurement whenever seeking a market-	2010	31 March 2013	UNHCR has already taken several actions to ensure an improved partner selection process. All field operations were instructed (through the detailed planning and budgeting instructions for 2011 and 2012): (i) to create an Implementing Partnership Management / Selection Committee; (ii) to improve selection criteria and checklists, covering added value, cost-benefit analysis and expected impacts; (iii) to establish proper and full documentation of all selection processes and decisions; and (iv) to establish a programme of inspection and review to provide assurances that the enhanced instructions are being complied with. During 2012, as part of enhancing the Framework for Implementation with Partners, a detailed guidance note has been developed that provides standard procedures for the transparent, objective and consistent selection and retention of implementing partners, as well as the termination of agreements with implementing partners. The applicability of the proposed approach is being tested and piloted in more than 20 countries. The new guidance on selection will be fully rolled out in 2013.The development of a web-based IT solution

Para.	UN Board of Auditors' main recommendations (see A/66/5/Add.5)	Financial period first mentioned	Estimated time for completion	Actions taken or intended to be taken and/or recent updates
	traded service and document the justification when selecting a non-commercial partner without having tested the market. Division / Service leading the process: (a) and (b): DFAM – IPMS in coordination with other relevant services (c): DPSM in coordination with other relevant services			(Partner Portal) to facilitate the selection process has also been commissioned. With regard to considering the alternative of commercial procurement whenever seeking a market-traded service and the suggestion to document justification when selecting a non-commercial partner without having tested the market, guidance being developed on the management of implementing partnerships will also include guidance on when an alternative implementation method may be need to be considered – either direct implementation by UNHCR or through a commercial service. Relevant content in the Operations Manual (Chapter 4) has been updated accordingly. The updated Operations Manual is planned to be provisionally released in the second quarter of 2013.

Para.	Other recommendations made by the UN Board of Auditors' (see A/66/5/Add.5)	Financial period first mentioned	Estimated time for completion	Actions taken or intended to be taken and/or recent updates
18	The Board reiterates its previous recommendation that UNHCR continue its efforts to reduce the number of staff in between assignments and not on temporary duty, and will re-examine the issue after UNHCR has established its revised policy. Division / Service leading the process: Division of Human Resources Management (DHRM)	2007	31 December 2012	Following broad consultations and taking into account the conclusions of the Joint Advisory Committee, the High Commissioner issued a policy on 21 December 2012, designed to reduce the number of staff in between assignments and to limit the period of time a staff member may remain on full pay status while not working on an official assignment. The temporary assignment mechanism helps to ensure continuity in staffing in the context of UNHCR's rotation system and is a feature of UNHCR's emergency staffing response. The policy that was issued by the High Commissioner is accompanied by other proactive measures that were summarized in a comprehensive paper, shared with all staff members by DHRM. As at the end of December 2012, the number of staff in between assignments was reduced to an all-time low of 16 staff members.
34	The Board also recommends that UNHCR enhance its monthly financial closure processes to include, for example, documented review and validation of asset and liability balances, review of income and expenditure against budgets, and sign-off by the relevant responsible officers at headquarters and in the field on the components of the trial balance for which they are responsible. Division / Service leading the process: DFAM – AFS	2010	Headquarters process: 31 March 2013 Field process: 30 June 2013	This recommendation is reiterated in paragraph 16 of the 2011 audit report. UNHCR is in the process of a comprehensive review to: (a) determine key account balances for which the review and validation process should be documented; (b) assign validation responsibility of those accounts to staff; and (c) ensure the review and sign-off process is adhered to for headquarters accounts from the first quarter of 2013 and for field offices from the second quarter of 2013. The month-end accounts closure process includes a requirement to reconcile open items. It will include a monthly checklist to be signed off by the designated officers.
40	The Board also recommends that UNHCR develop robust and documented quality control procedures to validate the integrity of the data supplied to its actuaries concerning staff end-of-service liabilities. Division / Service leading the process: DFAM – AFS, with DHRM – Personnel Administration and Payroll Section (PAPS)	2010	31 December 2012	UNHCR had a series of consultations with the actuaries in advance of the data submission stage. This provided necessary clarifications on the exact data required and allowed for preliminary, in-depth analysis of data prior to validation. It has been agreed with the Board to use data primarily for the period ended 30 November 2012 (with confirmation of no material staff population changes by 31 December 2012), coupled with the competitive selection of an actuary who is fully familiar with the data provided by the main external source (United Nations Staff Mutual Insurance Society, UNSMIS).

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				In December 2012, UNHCR provided all required data for the period ended 30 November 2012 to the actuaries. UNHCR considers this recommendation implemented.
56	The Board recommends that UNHCR intensify its efforts to cleanse the data supporting non-expendable valuations and enhance the guidance and information on asset management provided to country offices. The latter should include guidance on the frequency of local asset management board meetings. Division / Service leading the process: Division of Emergency, Security and Supply (DESS) – Supply Management Service (SMS)	2010	31 December 2012	During 2011, UNHCR completed a global project to support all country offices in the validation of their Property, Plant and Equipment (PPE) as part of UNHCR's transition to IPSAS. This ensured that the value of PPE in the asset register reconciled with the physical verification of PPE, and that data supporting non-expendable valuations was correct. Guidance on asset management, including on the frequency of local asset management board meetings, was also provided and included in the mission report for all operations visited. To ensure that potential issues identified during the validation exercise were acted on appropriately, measures have been put in place to resolve outstanding cases in a timely manner by escalating cases, as needed, directly with UNHCR senior management. During 2012, the annual physical verification exercise concentrated on assets with a residual value. Analytical reviews were performed to determine the correctness of data related to such assets. Finally, UNHCR prepared and disseminated clear and comprehensive instructions and guidance for the physical verification of PPE in 2012, including on the frequency of local asset management board meetings. UNHCR considers this recommendation implemented.
63	The Board also recommends that UNHCR regularly review all inventory items for obsolescence and damage and that it write down the values accordingly. Division / Service leading the process: DESS – SMS	2010	31 December 2012	As part of the comprehensive physical verification exercise of assets undertaken by UNHCR in 2011, inventory items were reviewed for obsolescence and damage, and written off, as and if required. For the 2012 annual physical verification of inventories, UNHCR issued instructions which also require identifying damaged and obsolete items. In November 2012, UNHCR issued an Inventory Management Policy. This policy covers cases of damaged and lost inventories as well as obsolete and slow-moving items, and has been developed taking into account recommendations from the Board of Auditors. UNHCR considers this recommendation implemented.

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69	The Board, in the light of earlier slippages against the IPSAS implementation plan and the time now available, recommends that UNHCR intensify the frequency and depth of its managerial review of progress. Division / Service leading the process: DFAM – IPSAS Coordinator	2010	31 December 2012	The implementation plan for the 2012 roll-out of IPSAS was monitored by the IPSAS Business Owners Committee, the IPSAS Steering Committee, as well as the Controller and the Deputy High Commissioner. Since March 2011, the services of a consulting firm were sought to perform an independent project quality assurance review. The consulting firm reported the progress to the Steering Committee on a monthly basis. Regular meetings and project reviews with the IPSAS Business Owners Committee and IPSAS Steering Committee were held, which resulted in a validated and approved project strategy and plan. Initially, in 2010, the IPSAS Business Owners Committee met weekly, and later adjusted to meeting on an "as needed" basis. Similarly, the IPSAS Steering Committee met initially monthly, and adjusted later to an "as needed" basis. UNHCR considers this recommendation implemented.
85	UNHCR agreed with the Board's recommendation that, in refining the implementation strategy, its IPSAS implementation team clearly identify the objectives and envisaged benefits of the IPSAS project and develop a methodology to track and manage benefits realization. Division / Service leading the process: DFAM – IPSAS Coordinator	2010	In progress, with completion by 31 March 2013	This recommendation is reiterated in the Board's report on the 2011 accounts (A/67/5/Add.5, para 100). The IPSAS implementation team has refined the strategy, in consultation with the different business areas, to include a benefits realization methodology to identify and track the envisaged benefits of IPSAS implementation. The process to arrive at such a benefits realization methodology includes: (1) workshops with various business units and the IPSAS Project Manager to jointly identify benefits, and (2) review of identified benefits for refinement and finalization through an interactive process. The outcome has been presented to the IPSAS Business Owners Committee and the Steering Committee, and feedback was received. The long-term and evolving nature of some IPSAS benefits will require ongoing follow-up. A report summarizing the benefits realization status is being prepared.
92	The Board recommends that UNHCR streamline its performance measurement to focus on mission-critical activities in a more comprehensive way, embracing output volumes, service quality and efficiency of delivery. The prioritization of activities is a managerial responsibility, but criteria should	2010	30 June 2013	UNHCR is carefully monitoring and evaluating the introduction of the Results Framework, which operations have been using for performance measurement since 1 January 2010. Based on findings and feedback from UNHCR staff, the organization has undertaken a review of the Results Framework for 2012-2013. The Results Framework for 2012-2013 has been finalized and integrated into Focus. Furthermore, the reporting instructions for 2011 and 2012 emphasized reporting on critical areas of programme. UNHCR has recognized that additional work is required to ensure that

Para.	Other recommendations made by the UN Board of Auditors' (see A/66/5/Add.5)	Financial period first mentioned	Estimated time for completion	Actions taken or intended to be taken and/or recent updates
	include financial materiality, or the extent to which activities are planned to materially benefit major populations of concern. Division / Service leading the process: DPSM – PASS in collaboration with DFAM – Programme Budget Service (PBS)			performance indicators support not only the monitoring of the quantitative aspects, but also the qualitative dimension of performance. An internal working group will continue to review and improve the formulation of outputs and the related performance indicators. Options for identified core indicators are under discussion, which would focus on mission critical areas and which all operations, as applicable in their context, would be required to monitor and report against. The special focus on tracking progress against Global Strategic Priorities (GSPs) has also been given additional emphasis, with the introduction of a more focused set of GSPs for the 2012-2013 biennium. Tracking progress against performance and impact targets linked to the GSPs is a continued priority for UNHCR; it has been prioritized for operations at key stages of the programme cycle and will continue in 2013. Further refinements to the Results Framework to improve impact and performance measurement are under consideration for the 2014-2015 biennium planning exercise. To streamline reporting on indicators, UNHCR is currently integrating the Standard and Indicator Report into Focus, thereby ensuring that one single set of indicators is used by field operations to monitor programmes and to report on results. Finally, the framework that is meant to guide the discussion on "core indicators" has been developed, while analysis and discussions with the different stakeholders on this subject are ongoing.
100	The Board also recommends that UNHCR develop a summarized scorecard to enhance senior management review of performance and risks at the country and corporate levels, aligned with the development of Focus, in support of the implementation of results-based management. Division / Service leading the process: DPSM – PASS	2010	31 March 2013	This recommendation, together with those in paragraphs 92 and 99, is taken into account in the design of the key business reports that are the subject of Focus phase 2 Global Focus working group process. Consideration is given to identifying data elements for inclusion in the reports that would be indicative of risk factors and which can be correlated with performance. Consideration is also given to presenting such evidence of performance and risk factors in a scorecard format, in order to correlate this information with populations and their level of need, thereby providing senior managers with clear and reliable guidance as to where available and potentially available resources can best benefit populations of concern. The "proof of concept" of the business analysis tool, Global Focus Insight, was finalized and accepted by mid-2012. The tool is now being further developed with

Para.	Other recommendations made by the UN Board of Auditors' (see A/66/5/Add.5)	Financial period first mentioned	Estimated time for completion	Actions taken or intended to be taken and/or recent updates
				dashboards and key reports covering all aspects of budgets, expenditures and progress measurements at the operational, regional and global level, and will highlight critical needs and resource gaps. Global Focus Insight will be introduced to users upon completion in March 2013.
104	UNHCR agreed with the Board's recommendation that it re-establish and entrench the principles laid down in its own guidance by establishing at the country level a policy clearly specifying the circumstances in which country operations should normally commission programme and project evaluations, and requiring explicit planning and budgeting for evaluation during project design. Division / Service leading the process: DPSM in collaboration with the Policy Development and Evaluation Service (PDES)	2010	31 December 2012	In revising the Operations Manual (Chapter 4 of the UNHCR Manual), UNHCR is reassessing the need for providing clearer guidance to field operations on the importance of ensuring that larger operations are subject to evaluation on a regular basis, and that plans and budgets for evaluation activities form part of overall resource requirements. UNHCR does not limit its regular monitoring activities only to performance and service delivery in its operations. With the introduction of the Results Framework and additional guidance, UNHCR operations are also involved in measuring the impact of their interventions. However, it is recognized that a special evaluation, undertaken within UNHCR or with external experts, could provide useful insights to assist operations to analyze achievements and actual impact, and to reassess strategies. While the policy discussions around programme evaluation and other oversight mechanisms are still ongoing, the Operations Manual is planned for provisional release in the second quarter of 2013. It will include guidance to operations on where to find detailed information on programme evaluation. In addition to the instructions released at the end of 2011, instructions on "Detailed Planning and Budgeting for 2013" of October 2012, reiterated the need for operations to commission programme and project evaluations and budget for it.
107	UNHCR accepted the Board's recommendation that, as a matter of urgency, it establish a simple organisation-wide risk management approach, building on existing reporting arrangements. Division / Service leading the process: Executive Office, Enterprise Risk Management (ERM) project	2010	31 December 2013	This recommendation has been reiterated by the Board in its 2011 audit report paragraph 13. UNHCR is on track with the implementation of ERM. At the end of 2012, ERM concepts and the newly developed UNHCR ERM system, comprised of a simple framework and methodology complemented by tools and guidance materials, were shared and discussed with the Senior Management Committee (SMC). A draft corporate risk register was developed incorporating input from the SMC, and risks are being compiled and managed in a way that will optimize short and long-term scalability across all levels of the organization.

Para.	Other recommendations made by the UN Board of Auditors' (see A/66/5/Add.5)	Financial period first mentioned	Estimated time for completion	Actions taken or intended to be taken and/or recent updates
				Communication and learning strategies were successfully tested and executed in two field locations and one headquarters location. Global implementation of ERM is on course for 2013 and will continue into 2014. This implementation consists of deploying ERM to a maximum of 10 major operations, as well as to the main divisions and regional bureaux at headquarters. Additional training for the SMC, the development of a plan to integrate ERM into existing systems and processes, and transitioning the ERM project team to a permanent unit are also planned for 2013.
114	The Board recommends that UNHCR review the various approaches to project tracking across its network in order to identify best practice with wider applicability and assess compatibility with the corporate information technology strategy. Division / Service leading the process: DPSM – PASS	2010	30 June 2013	With reference to the comments on the recommendations in paragraphs 99 and 100, UNHCR is in the process of substantially enhancing the functionality of Focus, including in the monitoring of transactions and the performance of implementing partners. Alongside further development of Global Focus, it is expected that these improvements will support a consistent and effective tracking of projects in different environments. A comprehensive strategy on information management has been developed and was adopted in January 2012. The actions to be implemented in the context of the strategy include the introduction of more tools and guidance in support of more effective monitoring of programmes. Tracking of performance by implementing partners has been integrated in the Focus 2 software. The software will provide the user with standard project description forms, work plans and performance reports, facilitating monitoring and performance reporting and aligning partner projects to UNHCR strategic objectives. Further development of Focus will depend on ensuring a fully functioning and robust planning and management tool. A review will be made at the end of the first quarter of 2013, when the next steps for finalizing the outstanding design elements (including the Implementing Partner Module) will be decided.
127 and 128	UNHCR agreed with the Board's recommendation that the range of indicators used in partner agreements is broadened through revised guidance and that performance frameworks be subjected to management authorization before agreements are signed. UNHCR stated that this would be	2010	30 June 2013	Current guidance and formats for partner agreements already provide for the possibility of including additional indicators, as suggested by the partner, where the relevant indicator could not be found in the Results Framework. These additional indicators are analyzed by the working group with a view to their possible inclusion in a further revision of the Results Framework. UNHCR will consider how best to strengthen a sense of ownership and ensure

Para.	Other recommendations made by the UN Board of Auditors' (see A/66/5/Add.5)	Financial period first mentioned	Estimated time for completion	Actions taken or intended to be taken and/or recent updates
	taken forward as part of its broader development of performance reporting. Division / Service leading the process: DPSM – PASS in collaboration with DFAM – IPMS			rigorous scrutiny of the framework for planned results (RBM), included in the project agreement by responsible managers both in the field and at headquarters, as part of quality assurance. The enhancement of the Focus software includes new features related to the management of implementing partners – with uploading of agreed targets into Focus – thereby allowing a strengthening of the monitoring of performance to be undertaken by each partner. This module will be field tested prior to being introduced to field operations for the implementation of 2013 programmes. In addition to the update under the recommendation in paragraph 114, the improved version of Focus will allow partners to record indicators of their choice, in addition to those proposed by UNHCR. The system will also ensure that only assigned staff (normally senior staff who are part of the management team) can finalize and make changes to the partnership agreements.
133	UNHCR agreed with the Board's recommendation that, in developing its new management approach and to help improve consistency, it establish common checklists that can be issued to officers in the field to detail the partner visits they undertake. The checklists should emphasize the need for firm action by country offices to tackle partner underperformance, and should require full documentation of the action taken. This recommendation replaces the Board's previous recommendation. Division / Service leading the process: DFAM – IPMS	2010	30 September 2013	UNHCR has taken further steps for strengthening project control and monitoring, including through a "Field Reference Group" workshop attended by 30 staff members from UNHCR and partners, focusing on detailing standard operating procedures, supporting tools and checklists for monitoring and verification of projects (November 2012), and a workshop for 20 Project Control Officers to improve skills and address field and operational challenges (December 2012). The standard job descriptions of project control staff have been revised to enhance accountability and segregation of duties. New Project Control Officers were recruited and are being assigned in the field to further strengthen UNHCR's project monitoring capacity. Regular reviews of field operations are being undertaken to incorporate lessons learned. A training package and a guidance note on monitoring and verification of projects implemented by partners are being developed and are expected to be ready by the second quarter of 2013.

Para.	Other recommendations made by the UN Board of Auditors' (see A/66/5/Add.5)	Financial period first mentioned	Estimated time for completion	Actions taken or intended to be taken and/or recent updates
138	The Board recommends that UNHCR review and reconcile the management letters issued by the independent auditors against implementing partner financial monitoring reports, with follow-up action taken where appropriate. Division / Service leading the process: DFAM – IPMS	2010	31 December 2012	UNHCR has implemented an annual review of all project audit certificates, including a review of unqualified opinions and follow-up on issues (such as inconsistencies with internal monitoring reports) with the relevant field offices. A system has been put in place for tracking and analyzing annual project audit reports (qualified and non-qualified). In addition, as part of the comprehensive review of the UNHCR Framework for Implementing with Partners, UNHCR has completed a study on the current project audit approach, with the support of an expert consultancy on audit/risk management, and is shifting to risk-based management. The terms of reference for the audit of implementing partners have been revised and issued to all offices in December 2012, to include enhanced assessment of the partner's internal controls. UNHCR considers this recommendation implemented.
150	The Board recommends that UNHCR make it an explicit requirement that a comparative assessment against a "do-minimum" or "no-change" base option be included in each of the action plans it produces for internal and donor consideration on tackling protracted refugee situations. The purpose is to enable UNHCR to measure the value to be gained from the proposed solution, and does not imply that UNHCR should consider a "do-minimum or "do-nothing" option as acceptable. Division / Service leading the process: Division of International protection (DIP) in collaboration with DPSM	2010	Ongoing	UNHCR continues to review all protracted refugee situations, with a view to exploring with States and other partners the feasibility of comprehensive solutions strategies, bringing into play each of the available durable solutions, to be implemented in close consultation with countries of asylum, host countries, resettlement countries and refugees themselves. In 2012, solutions strategies have been designed and developed with the inclusion of resource analysis, taking into account needs and gaps, for protracted refugee groups such as Afghans, Angolans, Liberians, Rwandans and others. UNHCR is also developing benchmarks which define success in solutions. A monitoring and evaluation consultant has been hired to this end, with the task to design benchmarks which measure solutions progress along a spectrum of legal, economic and social fronts. These benchmarks will be in line with UNHCR impact and performance indicators, the former which measure change in the situation of persons of concern and the latter which measure progress necessary towards achieving the objectives. Additionally, the organization continues to explore how new approaches, including innovative partnerships, can bring progress to situations of protracted displacement. As an example, the Transitional Solutions Initiative provides an opportunity to better include displacement needs on the development agenda; similarly, the Secretary General's Policy Committee Decision on Durable Solutions offers an opportunity for strengthened cooperation and leverages complementarity between agencies.

UNHCR
The UN Refugee Agency

FOLLOW-UP TO THE RECOMMENDATIONS OF THE BOARD OF AUDITORS IN THEIR 2011 REPORT ON THE 2010 ACCOUNTS **[as at January 2013]**

Para.	Other recommendations made by the UN Board of Auditors' (see A/66/5/Add.5)	Financial period first mentioned	Estimated time for completion	Actions taken or intended to be taken and/or recent updates
154	UNHCR agreed with the Board's recommendation that its guidance for country offices on designing durable solutions be supplemented with concise checklists, compiled in the light of project experience, to help country teams better identify and budget for the costs that regularly arise in durable solutions. Division / Service leading the process: DPSM	2010	30 June 2013	The revision of the UNHCR Reintegration Handbook will be completed in the first quarter of 2013. It will be greatly reduced in size, focusing on the provision of user-friendly and concise checklists. UNHCR is developing benchmarks which define success in solutions. A monitoring and evaluation consultant has been hired to this end, with the task to design benchmarks which measure solutions progress along a spectrum of legal, economic and social fronts. This information will be added to the Handbook in June 2013. Used together, the checklists, which include types of interventions along with the benchmarks/indicators, will assist field offices to better develop programmes focused on clear objectives. This will support offices to define the scope and cost of activities.