

Para.	UN Board of Auditors' recommendations (see A/67/5/Add.5 for 2011, A/66/5/Add.5 for 2010)	Financial period first mentioned	Status (by the Board) and estimated time for completion	Comments and/or Actions taken or intended to be taken
Main recommendations				
13	<p>The Board recommends that UNHCR, as a matter of urgency, establish a simple organization-wide risk management approach, building on existing reporting arrangements</p> <p>Division / Service leading the process: Executive Office, Enterprise Risk Management (ERM) project</p> <p><i>[Rec. 1 in acc. with Annex 1 of A/68/5/Add.5]</i></p>	2010	31 December 2013	<p>UNHCR is on track with the implementation of enterprise risk management (ERM), with an initial emphasis on high impact/probability risks as identified by focus groups. The risks that were identified in the 2013 focus groups have been compiled into a risk register that is to be owned by the UNHCR executive team and is being further tailored. The simple ERM framework that was developed in 2012 is being further fine-tuned in 2013, including through integrating it with the operations planning activities. Global implementation of ERM will continue in 2013, and will be strengthened throughout 2014. A senior risk officer position will be filled in the fourth quarter of 2013.</p>
33	<p>The Board recommends that UNHCR examine and address the reasons for deficiencies in country office financial management and reporting capacity.</p> <p>Division / Service leading the process: Division of Financial and Administrative Management (DFAM)</p> <p><i>[Rec. 19 in acc. with Annex 1 of A/68/5/Add.5]</i></p>	2010	31 December 2013	<p>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 analyse 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.</p> <p>On the basis of this analysis, and in consultation with the regional bureau, UNHCR formulated a strategy to address the identified gaps, which was approved by the High Commissioner in 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.</p> <p>Out of the 50 positions, 24 have effectively been established during 2013. Due to resource constraints, additional financial resources could not be provided during the</p>

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				<p>2014 budget planning process for the remaining 26 positions. However, in view of the fact that circumstances and priorities under which these posts were recommended have changed during the past two years, regional bureaux and operations have been asked to ensure that the remaining posts are prioritized and budgeted in 2014.</p> <p>In 2012, UNHCR 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 on financial management was also updated, in particular with regard to International Public Sector Accounting Standards (IPSAS) policies and procedures. An IPSAS Policy Manual has been issued to give guidance on the application of IPSAS within UNHCR (1st edition December 2012, 2nd edition to be released in 2013).</p> <p>UNHCR has developed a new project control methodology. Training is currently being designed for all staff in project control functions, to be delivered during the second semester of 2013. In addition, UNHCR 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 will be pioneered by a pilot group during the last quarter of 2013.</p> <p>A number of steps have been taken in response to enhance UNHCR's reporting capacity. UNHCR has developed a quarterly management financial report for the regional bureaux and divisional directors. Furthermore, UNHCR is developing monthly financial reports for country representatives, with an expected roll-out in the third quarter of 2013. UNHCR has reviewed and updated the MSRP nVision reports, followed by issuance of a guidance note for field and headquarters for using those key reports to monitor UNHCR's operational, administrative and staffing budgets.</p>
49	The Board reiterates its recommendation that UNHCR conduct exhaustive bank reconciliations and	2009	Implemented	This recommendation is considered as fully implemented by the UN Board of Auditors, as set out in the Report of the Board of Auditors for the year ended 31

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	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) [Rec. 5 in acc. with Annex 1 of A/68/5/Add.5]			December 2012 [A/68/5/Add.5].
59	The Board reiterates its previous recommendation that UNHCR should continue to subject all bank accounts to a regular and critical challenge and close any unnecessary bank accounts. Division / Service leading the process: DFAM [Rec. 26 in acc. with Annex 1 of A/68/5/Add.5]	2010	Implemented	This recommendation is considered as fully implemented by the UN Board of Auditors, as set out in the Report of the Board of Auditors for the year ended 31 December 2012 [A/68/5/Add.5].
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 – AFS [Rec. 10 in acc. with Annex 1 of A/68/5/Add.5]	2010	UNHCR considers this recommendation as implemented	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. 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 are generated and transmitted automatically since the third quarter of 2013; (ii) Regular consultations take place with the Division of Human Resources Management (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. Improvements have been

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				<p>made for various asset and liability balances including, for example, the requirement to clear suspense account transactions within six days of the closure, and to reconcile open items. Furthermore, a procedure at the corporate level is in place to monitor general ledger accounts. In revising Chapter 6 of the UNHCR Manual on financial management, UNHCR will embed the month-end reporting requirements.</p> <p>UNHCR has introduced monthly reconciliations of inventory effective June 2013, requiring all representatives to ensure that a monthly reconciliation between stock cards and accounting records is performed for all warehouses.</p> <p>As of 30 September 2013, all offices will also be required to conduct physical counts of inventories at all warehouses on a quarterly basis, the result of which will be reported to HQ.</p>
77	<p>The Board recommends that UNHCR use its work from 2011 to (a) identify any systematic shortcomings in existing systems and working practices, and (b) establish enhanced systems and controls for generating asset data.</p> <p>Division / Service leading the process: DESS – Supply Management Logistics Service (SMLS)</p> <p><i>[Rec. 33 in acc. with Annex 1 of A/68/5/Add.5]</i></p>	2011	UNHCR considers this recommendation as implemented	<p>This recommendation of the Board refers to the transition provision under IPSAS 17 which UNHCR has invoked for property, plant and equipment (PPE) acquired before 1 January 2011. Consequently these items are not recognized yet in the financial statements of 31 December 2012. It is planned to bring all PPE into account by the end of this year.</p> <p>UNHCR identified systematic shortcomings and established several enhanced systems and controls that are being implemented. SMLS performs an analysis of root causes for discrepancies after each verification exercise for assets, both for inventories and property, plant and equipment. Moreover, monthly reconciliation of inventories data has been initiated in June 2013. In order to address the root causes, several improvements were made to MSRP, operating procedures were revised (e.g. new standard operating procedures for warehouse management), training workshops are planned, and exception reports are generated for monitoring purposes.</p>
84	The Board recommends that, in developing its new management approach and to help improve consistency, UNHCR 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	2010	31 December 2013	UNHCR is pursuing a comprehensive approach to address this recommendation. This includes the analysis of current practices and gaps; the development of a risk-based monitoring approach and supporting tools; a consultation process, involving a field reference group, to review the proposed monitoring approach and supporting tools; the piloting of the approach in a selected field location; and the development of instructions, guidance and training – including a standardized checklist and work

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	<p>to tackle partner underperformance, and should require full documentation of the action taken. This recommendation replaces the Board's previous recommendation.</p> <p>Division / Service leading the process: DFAM – IP Management Service (IPMS)</p> <p><i>[Rec. 35 in acc. with Annex 1 of A/68/5/Add.5]</i></p>			<p>steps for financial verification of UNHCR partners.</p> <p>In addition, UNHCR has taken further steps to strengthen 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, and a workshop for 20 project control officers to improve skills and address field and operational challenges. Both workshops were undertaken during 2012.</p> <p>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 to the field to further strengthen UNHCR's project control capacity. Regular reviews of field operations are being undertaken to incorporate lessons learned.</p> <p>A training package and a guidance note on monitoring and verification of projects implemented by partners have been developed and are ready to be field tested during focused workshops of project control officers planned to be held in the fourth quarter of 2013.</p>
88	<p>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.</p> <p>Division / Service leading the process: DFAM</p> <p><i>[Rec. 11 in acc. with Annex 1 of A/68/5/Add.5]</i></p>	2010	Implemented	<p>This recommendation is considered as fully implemented by the UN Board of Auditors, as set out in the Report of the Board of Auditors for the year ended 31 December 2012 [A/68/5/Add.5].</p>

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99	<p>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.</p> <p>Division / Service leading the process: Division of Programme Support and Management (DPSM) – Programme Analysis & Support Section (PASS)</p> <p><i>[Rec. 13 in acc. with Annex 1 of A/68/5/Add.5]</i></p>	2010	UNHCR considers this recommendation as implemented	<p>To increase the value of UNHCR's planning software (Focus), which provides the framework for performance management at the country level and helps to run operations more cost effectively, UNHCR has continued to simplify the planning process and improve data quality and reporting.</p> <p>The development of Global Focus Insight, the organization's new business analysis tool, has been completed in May 2013 and is fully operational. The software provides new dashboard views and a set of key analytical reports which allow for a range of analysis to be undertaken at all levels of the organization – in a field operation, in a regional office or bureau, as well as at the global corporate level. A series of training sessions at headquarters and webinars for field-based colleagues have been organized to introduce colleagues to the key features of the new tool. A set of user guides has also been prepared.</p> <p>To address the audit recommendation specifically, the new tool now enables the use of performance information extracted from the Focus database with financial information on expenditure extracted from MSRP – which was a major missing link previously. The dashboard on "Progress & Results" allows full comparison between different country operations with thresholds set for assessing the criticality of the measured values for key sectors.</p>
117	<p>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.</p> <p>Division / Service leading the process: DFAM – IPMS in coordination with other relevant divisions/services</p> <p><i>[Rec. 15 in acc. with Annex 1 of A/68/5/Add.5]</i></p>	2010	Roll-out to take place in phases throughout 2013 and 2014	<p>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.</p> <p>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.</p> <p>In response to the audit recommendation, UNHCR decided to enhance the</p>

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				<p>Framework and 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.</p> <p>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 agreements, project monitoring and verification, project closure, and project audit. The progress of the activities is on course as planned.</p> <p>Guidance for each of these major process areas is being developed, taking into consideration the relevant 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.</p> <p>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 (in the field and at headquarters). It builds on existing UNHCR systems (Focus, MSRP, etc.), and will be developed in phases.</p>
120	<p>The Board recommends that UNHCR prioritize:</p> <p>a) improved recording on its enterprise resource planning system, MSRP, by local supply teams, or if this is not achieved, reversion by UNHCR to centralized shipment tracking, to provide a viable delivery time measure;</p> <p>b) comparability between the emergency and non-emergency delivery performance measures</p>	2011	31 December 2013	<p>In order to comprehensively address the various aspects of the recommendation, UNHCR is reviewing the key performance indicators (KPIs) related to shipment tracking, in order to determine the respective responsibilities for each step in the process. As part of its ongoing work to enhance emergency response, UNHCR is also determining measures for non-emergency vs. emergency delivery performance. In addition, UNHCR plans to develop an approach to enhance the KPIs for supply chain professional competencies.</p> <p>After an analysis of the performance targets and “customer” expectations, two high-level areas have been identified where performance of the supply function will be</p>

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	<p>maintained by UNHCR;</p> <p>c) capturing aspects of professional competence within the staffing indicator maintained by UNHCR;</p> <p>d) cascading the corporate key performance indicators developed by UNHCR to form a basis for country-level reporting on supply performance.</p> <p>Division / Service leading the process: DESS – SMLS</p> <p><i>[Rec. 40 in acc. with Annex 1 of A/68/5/Add.5]</i></p>			<p>critical and will be measured. These are:</p> <ul style="list-style-type: none"> • The speed of delivery for standard core relief items; and • UNHCR emergency response capacity and response time. <p>In this regard, KPIs for HQ and field “delivery on-time” have been developed. The KPIs will track orders for core relief items to ensure that they are received on time and in the requested quantities. “HQ on-time” definitions for international orders mean the ratio of purchase order (PO) due date and port of entry date. “Field on-time” definitions for international orders mean the ratio of port of entry date and actual receipt date. These KPIs, together with others to be developed, such as measures of professional competence, will be consolidated into the standard country-level supply reports.</p>
124	<p>The Board recommends that UNHCR impose mandatory requirements on its country operations to consistently:</p> <p>(a) Document their justifications for partner selection, including explicit consideration of value for money, building on examples of good practice;</p> <p>(b) Formally assess the market for alternative partners at regular intervals (with once every five years as the absolute minimum);</p> <p>(c) Consider the alternative of commercial procurement whenever seeking a market-traded service and document the justification when selecting a non-commercial partner without having tested the market.</p> <p>Division / Service leading the process: (a) and (b): DFAM – IPMS in coordination with other relevant divisions/services</p>	2010	30 September 2013	<p>UNHCR has already taken several actions to ensure an improved selection process of partners. All field operations were instructed (through the detailed yearly planning and budgeting instructions from 2011: (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.</p> <p>During 2012, as part of enhancing the Framework for Implementation with Partners, a detailed guidance note has been developed with 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 has been tested and piloted in more than 20 countries. Comprehensive policy instructions and procedures on selection/retention of partners have been issued in August 2013 to guide operations with the selection/retention of partners for 2014. The development of a web-based IT solution (Partner Portal) to facilitate the selection process has also been commissioned.</p> <p>With regard to part (c) of the recommendation, guidance is being developed on the management of implementing partnerships which will include when an alternative</p>

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	(c): DPSM in coordination with other relevant divisions/services [Rec. 34 in acc. with Annex 1 of A/68/5/Add.5]			implementation method may need to be considered – either direct implementation by UNHCR or through a commercial service. Relevant content in Chapter 4 of the UNHCR Manual on operations management has been updated accordingly. The updated Chapter is planned to be released provisionally in the third quarter of 2013.
138	The Board recommends that UNHCR (a) implement its plans to create reliable supplier performance information as quickly as possible, and (b) systematically use this information to manage supplier performance and contracts, and make evidence-based framework awards. Division / Service leading the process: DESS –PMCS [Rec. 44 in acc. with Annex 1 of A/68/5/Add.5]	2011	UNHCR considers this recommendation as implemented	Reliable performance information for suppliers is implemented. UNHCR is currently measuring supplier performance through quality monitoring, delivery performance, and price compliance in accordance with the terms agreed in Framework Agreements and other contractual instruments. Although this is not done for all contracts, processes are in place to include as many contracts as possible, in particular high value contractual agreements. In addition, UNHCR is in process of developing an Annual Vendor Evaluation Form. The activity is ongoing.
158	The Board recommends that UNHCR develop a clear strategy for extending the range of support to the field for the procurement of key services based on: (a) Analysis of the extent of expenditure on services such as security, telephony, fuel supply or vehicle maintenance across the country network. (b) Analysis of the extent to which global suppliers have a market presence in key UNHCR locations, and expert advice on the extent for savings from more consistent contracting and consolidated global buying power. (c) Feedback from supply officers in countries on the priorities for establishing Global Frameworks.	2011	UNHCR considers this recommendation as implemented	UNHCR has developed a clear strategy for extending the range of support to the field for the procurement of key services. A thorough analysis of expenditure on services such as security, telephony, fuel supply and vehicle maintenance across operations has been done globally from 2008 to 2013, in order to identify high spend categories, improve efficiency, verify compliance with policies and procedures and provide recommendations for procurement strategy development. In follow-up of the 2008-2013 analysis, UNHCR is currently working with field-based supply officers to improve coordination of procurement throughout the organization, so that the field does not have to invest huge amounts of time tendering for goods that can best be sourced centrally. In addition by working with the field, UNHCR can improve on specification, benchmarking prices, lead times, vendor performance, etc. UNHCR will continue to analyse which global suppliers have a market presence in key locations, and will provide expert advice on the possibilities for savings from

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	<p>Division / Service leading the process: DESS – PMCS</p> <p><i>[Rec. 49 in acc. with Annex 1 of A/68/5/Add.5]</i></p>			<p>more consistent contracting and consolidated global buying power. In addition, UNHCR will continue to work on obtaining feedback from supply officers in the field on the priorities for establishing Global Frameworks. This activity is ongoing, as new requirements and new contracts are added to the list of purchased goods and services.</p>
160	<p>The Board also recommends that the strategy should incorporate (a) clear prioritisation for which services will be examined and tested in each year from 2012 to 2015 and (b) approval from the Contracts Committee to the choices made, and for the commitment of in-house and consultancy resources to developing and letting frameworks.</p> <p>Division / Service leading the process: DESS – PMCS</p> <p><i>[Rec. 50 in acc. with Annex 1 of A/68/5/Add.5]</i></p>	2011	UNHCR considers this recommendation as implemented	<p>A prioritization of services to be incorporated in the procurement strategy is implemented. UNHCR is currently focusing on the rationalization of vehicle procurement, warehousing, materials handling (warehouse operations), transportation, leases, IT consultants, global learning and public sector fundraising, where the most significant savings are anticipated and which involve considerable resources. In the coming months, other groups of services or goods, such as generators, building maintenance, building refurbishment and air charter services, will be considered and identified, and the required approvals of the choice will be made. This activity is ongoing.</p>

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Other recommendations				
16	<p>The Board 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.</p> <p>Division / Service leading the process: DFAM – AFS</p> <p><i>[Rec. 4 in acc. with Annex 1 of A/68/5/Add.5]</i></p>	2010	UNHCR considers this recommendation as implemented	This recommendation will be implemented in the context of main recommendation para. 73 from 2010 <i>[Rec. 10 in acc. with Annex 1 of A/68/5/Add.5]</i> and as detailed above.
18	<p>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.</p> <p>Division / Service leading the process: Division of Human Resources Management (DHRM)</p> <p><i>[Rec. 6 in acc. with Annex 1 of A/68/5/Add.5]</i></p>	2007	Implemented	This recommendation is considered as fully implemented by the UN Board of Auditors, as set out in the Report of the Board of Auditors for the year ended 31 December 2012 [A/68/5/Add.5].
26	<p>The Board recommends that UNHCR (a) review its working capital requirements including the adequacy of the \$50 million ceiling currently applied to the working capital and guarantee fund, and (b) manage its programmes and cash flows with the aim of maintaining its average unencumbered cash holdings at a level equivalent to no more than two months'</p>	2011	31 December 2014	With regard to part (a) of the recommendation, UNHCR carried out an in-depth review of the adequacy of the \$50 million ceiling currently applied to the Working Capital and Guarantee Fund. With the implementation of IPSAS in 2012, it became clear that the net asset/reserve of the organization is rather high, as also noted by the Board of Auditors in their 2012 report. In light of this situation, UNHCR concluded that it should not increase the ceiling at this stage. However, as the impact of IPSAS implementation becomes further embedded into UNHCR's operations and, having

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	<p>expenditure.</p> <p>Division / Service leading the process: DFAM</p> <p><i>[Rec. 18 in acc. with Annex 1 of A/68/5/Add.5]</i></p>			<p>due regard to this recommendation from the Board of Auditors, UNHCR will further review the adequacy of the \$50 million ceiling currently applied to the Working Capital and Guarantee Fund.</p> <p>With regard to part (b) of the recommendation, UNHCR's unencumbered cash holding balance does not exceed a level of equivalent to two months expenditure, and this level will continue to be maintained.</p>
30	<p>The Board recommends that UNHCR enhance its internal financial reporting by determining a thorough understanding of key information needs required at each level of management, including variance analysis and a "dashboard" of key indicators for senior management, with sufficient narrative to focus attention on areas requiring attention.</p> <p>Division / Service leading the process: DFAM</p> <p><i>[Rec. 20 in acc. with Annex 1 of A/68/5/Add.5]</i></p>	2011	31 December 2013	<p>UNHCR acknowledges the importance of quality internal financial reporting and has worked towards improving its reporting capacity, taking the points raised by the Board into due account.</p> <p>For this purpose, UNHCR has developed a Management Financial Report and Analysis which is distributed to UNHCR senior management (Directors of regional bureaux and divisions) at the end of each quarter. This is being further refined to present more supporting analysis of the data and narrative information at business unit level to assist management in focusing on areas of concern.</p> <p>In addition, as part of the Annual Programme Review process, UNHCR produces reports and variance analyses for senior management to highlight key issues and information as required for decision-making.</p> <p>To address the deficiencies in the financial management and reporting capacity of country offices, UNHCR will also roll out monthly financial reports for country representatives in the third quarter of 2013. Each report will contain a dashboard of key indicators.</p>
34	<p>The Board recommends that UNHCR analyses the causes of the writes-off and allowances for doubtful accounts which were recorded in 2011 and introduce monthly reviews of working capital balances to safeguard UNHCR assets.</p> <p>Division / Service leading the process: DFAM – AFS</p>	2011	30 September 2013	<p>The analysis of write-offs and allowances for doubtful accounts has been done. Revised standard operating procedures for the submission of requests for the write-off of monetary assets have been issued in July 2013. A new template introduced for the write-off of monetary assets will facilitate more systematic analysis in the future.</p> <p>UNHCR is continuously monitoring and following up on long-outstanding receivables. Tangible progress is being made by working more closely with account owners at headquarters and in field offices.</p>

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	<i>[Rec. 21 in acc. with Annex 1 of A/68/5/Add.5]</i>			In addition, UNHCR is continuously monitoring the level of current assets, including cash balances, with emphasis for operational needs (an equivalent of 1.7 months of expenses at the end of 2012).
39	<p>The Board recommends that UNHCR develop appropriate job descriptions and prioritizes the recruitment of suitably qualified personnel for appointment to the additional approved finance and project control posts as soon as practicable.</p> <p>Division / Service leading the process: DFAM (with DHRM)</p> <p><i>[Rec. 22 in acc. with Annex 1 of A/68/5/Add.5]</i></p>	2011	31 December 2013	UNHCR agrees with this recommendation, but is constrained by the availability of resources. Effective 2013, the High Commissioner approved the creation of 50 Finance, Administrative/Finance and Project Control positions to strengthen financial capacity in field operations. These positions in the field are being filled through a phased approach, taking into consideration the biennial cycle as well as resource availability. Of those 50 positions, 24 were established during 2013 and 26 positions were deferred to 2014. Due to resource constraints, additional financial resources could not be provided during the 2014 budget planning process for the deferred 26 posts but, in view of the fact that the circumstances and priorities under which these posts were established have evolved and changed during the past two years, the bureaux have been asked to ensure that the remaining posts are prioritized and budgeted for 2014 where warranted.
46	<p>The Board recommends that UNHCR: (a) implement appropriate high level financial controls for monitoring activities in the field and review its existing accountability structures to identify and ensure that an appropriate internal controls framework exists and is in operation; and (b) benchmark its accountability structure against similarly devolved organizations, working towards a framework that meets operational needs while enhancing accountability and control.</p> <p>Division / Service leading the process: DFAM – Office of the Controller</p> <p><i>[Rec. 23 in acc. with Annex 1 of A/68/5/Add.5]</i></p>	2011	31 December 2013	<p>UNHCR is planning to address gaps in internal controls with regard to financial management by updating its Delegation of Authority Plan (DOAP) and Chapter 6 of the UNHCR Manual on financial management. An internal audit on the DOAP is being undertaken during 2013 by the United Nations Office of Internal Oversight Services (OIOS).</p> <p>Furthermore, UNHCR engaged a consultant to review the financial internal control framework and its application to financial transactions, and to benchmark its existing practices against similarly devolved organizations.</p>

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48	<p>The Board also recommends that UNHCR (a) review and update its current anti-fraud policies and procedures to ensure its fraud detection and monitoring systems are appropriate; and (b) develop comprehensive guidance which includes guidance on anti-money laundering.</p> <p>Division / Service leading the process: DFAM</p> <p><i>[Rec. 24 in acc. with Annex 1 of A/68/5/Add.5]</i></p>	2011	<p>UNHCR considers this recommendation as implemented</p> <p>31 December 2013</p>	<p>In July 2013, UNHCR issued a revised "Strategic Framework for the Prevention of Fraud and Corruption," which aims to raise awareness about the issue, strengthen controls, highlight procedures for detection and investigation, provide concrete and practical advice to staff in recognizing fraud indicators and identifying potential risk areas, and provide tools to prevent and address situations of fraud and corruption.</p> <p>Regarding guidance on anti-money laundering, UNHCR is in the process of finalizing a concept paper which will lay the basis for developing and implementing such guidance. UNHCR has consulted with relevant organizations in the UN system and with the UN Finance and Budget Network on developing comprehensive guidance on anti-money laundering, however it understands that this is not a priority for them.</p>
52	<p>The Board reiterates its previous recommendation that UNHCR develop robust and documented quality control procedures to validate the integrity of the data supplied to its actuaries.</p> <p>Division / Service leading the process: DFAM with DHRM</p> <p><i>[Rec. 25 in acc. with Annex 1 of A/68/5/Add.5]</i></p>	2010	Implemented	<p>This recommendation is considered as fully implemented by the UN Board of Auditors, as set out in the Report of the Board of Auditors for the year ended 31 December 2012 [A/68/5/Add.5].</p>
56	<p>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.</p> <p>Division / Service leading the process: DESS – SMLS</p>	2010	<p>UNHCR considers this recommendation as implemented</p>	<p>This recommendation refers to the transition provision under IPSAS 17 which UNHCR has invoked for PPE acquired before 1 January 2011. Consequently, these items are not recognized yet in the financial statements of 31 December 2012. It is planned to bring all PPE into account by the end of this year.</p> <p>UNHCR has intensified its efforts to cleanse asset data during 2012 and 2013 and has enhanced guidance on asset management. UNHCR has conducted annual physical verification exercises to validate the completeness and correctness of asset management data in the system. In addition, training on asset management was organized for all regions within the organization. Policy Instructions and Procedures</p>

Para.	UN Board of Auditors' recommendations (see A/67/5/Add.5 for 2011, A/66/5/Add.5 for 2010)	Financial period first mentioned	Status (by the Board) and estimated time for completion	Comments and/or Actions taken or intended to be taken
	<i>[Rec. 31 in acc. with Annex 1 of A/68/5/Add.5]</i>			were issued to update and enhance rules and procedures with respect to Asset Management Boards (AMBs). The latter stipulates that the Headquarters Asset Management Board (HAMB) should convene at least monthly and the Local/Regional Asset Management Boards (LAMBs/RAMBs) quarterly, or more frequently if required. Furthermore, the exception reports related to PPE were revised and enhanced.
63	<p>The Board recommends that UNHCR, building upon the progress already made in terms of performing daily bank reconciliations on high value accounts, explore the costs and benefits of extending, where feasible, this practice across major bank accounts outside headquarters.</p> <p>Division / Service leading the process: DFAM</p> <p><i>[Rec. 27 in acc. with Annex 1 of A/68/5/Add.5]</i></p>	2011	Implemented	This recommendation is considered as fully implemented by the UN Board of Auditors, as set out in the Report of the Board of Auditors for the year ended 31 December 2012 [A/68/5/Add.5].
63	<p>The Board also recommends that UNHCR regularly review all inventory items for obsolescence and damage and that it write down the values accordingly.</p> <p>Division / Service leading the process: DESS – SMLS</p> <p><i>[Rec. 32 in acc. with Annex 1 of A/68/5/Add.5]</i></p>	2010	UNHCR considers this recommendation as implemented	<p>UNHCR has implemented a regular review of inventory for obsolescence and damage.</p> <p>As part of the comprehensive physical verification exercise of assets undertaken by UNHCR in 2011, inventory items were reviewed for obsolescence and damage, and were written off, as and when required. For the 2012 annual physical verification of inventories, UNHCR issued instructions which also require identifying damaged and obsolete items.</p> <p>In November 2012, UNHCR issued an Inventory Management Policy. This policy covers 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.</p> <p>UNHCR has assigned a senior supply manager to regularly monitor the level of stocks in warehouses, including obsolete and damaged stock. In June 2013, UNHCR</p>

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				started to perform monthly reconciliations of the inventories in all warehouses to ensure that quantities in MSRP are in line with physical quantities and to identify and adjust obsolete and damaged items.
66	<p>The Board recommends that (a) the Division of Financial and Administrative Management of UNHCR develop and provide to all relevant staff members programmes of training on month-end and year-end cut-off in bank reconciliation processes and ensure compliance through test checks of bank reconciliations, and (b) UNHCR, in its monthly review of bank reconciliations ensure that transactions are posted to the correct financial period and, during 2012, address the weaknesses identified.</p> <p>Division / Service leading the process: DFAM</p> <p><i>[Rec. 28 in acc. with Annex 1 of A/68/5/Add.5]</i></p>	2011	Implemented	This recommendation is considered as fully implemented by the UN Board of Auditors, as set out in the Report of the Board of Auditors for the year ended 31 December 2012 [A/68/5/Add.5].
69	<p>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.</p> <p>Division / Service leading the process: DFAM</p> <p><i>[Rec. 9 in acc. with Annex 1 of A/68/5/Add.5]</i></p>	2010	Implemented	This recommendation is considered as fully implemented by the UN Board of Auditors, as set out in the Report of the Board of Auditors for the year ended 31 December 2012 [A/68/5/Add.5].
70	<p>The Board recommends that UNHCR review the attributed useful economic lives of assets, with particular attention given to the useful lives of vehicles in light of the proposed fleet management</p>	2011	UNHCR considers this recommendation as implemented	As part of the Global Fleet Management project, UNHCR has reviewed the useful lives of its vehicles, which make up the large majority of its PPE. The conclusion was that the useful life for light vehicles should remain five years, as evidence shows that vehicle operating costs increase significantly past the five year threshold. It was also

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	<p>policy currently being developed.</p> <p>Division / Service leading the process: DESS – SMLS</p> <p><i>[Rec. 29 in acc. with Annex 1 of A/68/5/Add.5]</i></p>			<p>confirmed that all other agencies operating similar vehicles under a structured fleet management model in similar contexts (e.g. WFP, IFRC, and ICRC) apply the same useful life.</p>
73	<p>The Board recommends that UNHCR (a) monitor country office compliance with the terms of 'rights of use' agreements, and (b) issue instructions to Representatives reasserting their responsibility to maintain accurate and up to date records of UNHCR assets loaned to implementing partners.</p> <p>Division / Service leading the process: DESS – SMLS with DFAM – IPMS; and DPSM</p> <p><i>[Rec. 30 in acc. with Annex 1 of A/68/5/Add.5]</i></p>	2011	UNHCR considers this recommendation as implemented	<p>UNHCR has provided further guidance to field operations on their responsibilities related to assets on loan to implementing partners. UNHCR has, as in 2011, included assets loaned to implementing partners in its physical verification exercise of PPE. The approach to assets subject to 'right of use' agreements with implementing partners was included in the instructions and guidance on physical verification sent to field operations at year-end.</p> <p>In addition to the instructions issued to the field on the annual physical verification of PPE, UNHCR is monitoring and reviewing the status of 'right of use' agreements by country to ensure they are annually updated. In the mid-term, MSRP will be enhanced to generate automatic 'right of use' updates to be sent to implementing partners for signature.</p>
92	<p>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 include financial materiality, or the extent to which activities are planned to materially benefit major populations of concern.</p> <p>Division / Service leading the process: DPSM – PASS</p> <p><i>[Rec. 12 in acc. with Annex 1 of A/68/5/Add.5]</i></p>	2010	UNHCR considers this recommendation as implemented	<p>A working group involving staff from key divisions and technical units at headquarters completed an in-depth review of the performance elements in the Results Framework – the formulation of outputs and performance indicators. The reviewed Results Framework was published and used for the 2014-2015 planning exercise.</p> <p>Since the examination by the Board in 2010, significant improvements have been noted in the use of the Results Framework by operations. At the same time, UNHCR recognizes that improvements are still required in the quality of data used to set baselines and capture progress and results.</p> <p>It is expected that the release of the new Global Focus Insight analysis tool (see details in comments for main recommendation 99) will prompt a renewed focus on data quality. Operations managers will now have more opportunity to analyse trends, as operational data is traceable and comparable back to 2010 plans.</p>

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				<p>The prioritization of activities in field operations is driven by key considerations linked to optimizing the impact on the protection and well-being of persons of concern with the resources available.</p> <p>The emphasis on tracking progress of Global Strategic Priorities is also maintained and provides an important anchor for emphasizing the importance of data quality and consistency.</p> <p>UNHCR will keep the use of the Results Framework under active review, in order to ensure that it continues to meet the needs of operations and allows for proper and meaningful planning and reporting on results.</p>
97	<p>The Board recommends that UNHCR continue to work to cleanse its asset register, focusing initially on those assets with a residual value.</p> <p>Division / Service leading the process: DESS – SMLS</p> <p><i>[Rec. 36 in acc. with Annex 1 of A/68/5/Add.5]</i></p>	2011	UNHCR considers this recommendation as implemented	<p>This recommendation of the Board refers to the transition provision under IPSAS 17, which UNHCR has invoked for PPE acquired before 1 January 2011. Consequently, these items are not recognized yet in the financial statements of 31 December 2012. It is planned to bring all PPE into account by the end of this year.</p> <p>UNHCR has concentrated the physical verification exercise in 2012 on assets with a residual value. UNHCR reviewed all PPE acquired in 2011 and 2012 and made corrections where required. In addition, UNHCR has performed analytical reviews to determine the correctness of data related to such assets, through monthly review of exception reports and daily review of purchase orders for PPE.</p> <p>The cleansing of the asset register continues in line with the transitional provision set out in IPSAS 17. As part of this, UNHCR is currently screening all assets with acquisition dates in 2010 and 2009 that have a residual net book value. In addition, missions of headquarters staff to selected field operations are used to physically verify the accuracy of asset data in MSRP.</p>
100	<p>The Board reiterates its previous recommendation that UNHCR clearly identify the objectives and envisaged benefits of the IPSAS project and develop a methodology to formally track and manage benefits realization.</p>	2010	Implemented	<p>This recommendation is considered as fully implemented by the UN Board of Auditors, as set out in the Report of the Board of Auditors for the year ended 31 December 2012 [A/68/5/Add.5].</p>

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	<p>Division / Service leading the process: DFAM</p> <p><i>[Rec. 37 in acc. with Annex 1 of A/68/5/Add.5]</i></p>			
100	<p>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.</p> <p>Division / Service leading the process: DPSM – PASS</p> <p><i>[Rec. 14 in acc. with Annex 1 of A/68/5/Add.5]</i></p>	2010	UNHCR considers this recommendation as implemented	This recommendation has been addressed as part of the implementation of main recommendation 99 from 2010 <i>[Rec. 13 in acc. with Annex 1 of A/68/5/Add.5]</i> as the new business analysis tool, Global Focus Insight, provides senior management with analytical dashboard views of performance at all levels of the organization.
104	<p>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.</p> <p>Division / Service leading the process: DPSM in collaboration with the Policy Development and Evaluation Service (PDES)</p> <p><i>[Rec. 2 in acc. with Annex 1 of A/68/5/Add.5]</i></p>	2010	31 December 2013	<p>In revising Chapter 4 of the UNHCR Manual on operations management, UNHCR is reassessing the need to provide clearer guidance 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 in analysing achievements and actual impact, and to reassess strategies.</p> <p>To address this concern, and in addition to the instructions released at the end of 2011, the instructions on "Detailed Planning and Budgeting for 2013" of October 2012 reiterated the need for operations to commission programme and project evaluations and to budget for it.</p> <p>Since the earlier progress updates on the implementation of this recommendation, the evaluation function in UNHCR has been the subject of examination by OIOS. The</p>

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				report recommends a strengthening of the programme evaluation function, fully in line with the recommendations made by the Board of Auditors. The modalities for this will be followed up by the newly appointed Head of the Policy Development and Evaluation Service (PDES). Due to this staff change, combined with the OIOS examination of the evaluation function, discussions on the modalities for programme evaluation have therefore been delayed.
106	<p>The Board recommends that the supply function structure and the accountability lines recommended by DESS, already applied in some countries, be applied consistently throughout the UNHCR network.</p> <p>Division / Service leading the process: DESS – SMLS / PMCS</p> <p><i>[Rec. 38 in acc. with Annex 1 of A/68/5/Add.5]</i></p>	2011	31 December 2013	<p>UNHCR agrees with the need to apply the structure recommended by SMLS in all country operations. UNHCR is working on strengthening the lines of accountability for supply staff in the field by establishing a process of joint objective setting among field operations, local supply staff and SMLS. Objectives for supply officers have been agreed between SMLS and representatives, as applicable.</p> <p>In addition, SMLS aims to provide regular feedback on the performance of supply officers, in agreement with the Directors of the regional bureaux, and has already started this for some operations. By the end of 2013, feedback on performance for all supply staff will have been provided by SMLS and PMCS.</p> <p>Vacancies of supply staff have been discussed with DHRM, especially for French speaking countries. A recommendation to recruit externally for certain positions has been made and is being implemented. Moreover, an analysis of supply structures has been initiated by region (e.g. Southern Africa) and country, and recommendations on enhancing supply structures were issued.</p>
114	<p>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.</p> <p>Division / Service leading the process: DPSM – PASS</p> <p><i>[Rec. 3 in acc. with Annex 1 of A/68/5/Add.5]</i></p>	2010	Ongoing	<p>Since the earlier update, there have been important developments with regard to Focus 2, the results-based management software. The initial provider was unable to complete the work within the agreed timeframe and quality standard, as a result of which the contract had to be terminated. Given the significant delays incurred, the scope of the Focus 2 software was subsequently reduced to a more limited set of new functionalities linked to role-based access control, improved user interface and enhanced indicator management. The planned module to generate and manage the development of projects in Focus was postponed for later implementation. The new contractor has delivered the new set of functionalities in June 2013, but</p>

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				comprehensive testing has identified ongoing challenges, which so far have prevented UNHCR from completing and releasing the upgrade for use in operations. Discussions are currently underway to decide on the best and most appropriate way forward for further system development, including how best to support project tracking taking into account the various approaches developed by operations and their interoperability with other systems.
115	<p>The Board recommends that UNHCR (a) assess the need for basic induction training in procurement or supply management across its cadre of supply officers, giving priority to officers holding a management role, (b) establish the number and distribution of supply staff holding relevant and recognized professional procurement qualifications, and (c) consider the extent to which the number of supply staff should be increased by external recruitment or by requiring professional study and qualification linked to career progression to senior supply posts.</p> <p>Division / Service leading the process: DESS</p> <p><i>[Rec. 39 in acc. with Annex 1 of A/68/5/Add.5]</i></p>	2011	Implemented	This recommendation is considered as fully implemented by the UN Board of Auditors, as set out in the Report of the Board of Auditors for the year ended 31 December 2012 [A/68/5/Add.5].
124	<p>The Board recommends that UNHCR, in the guidance issued by DESS, reiterate the need for country-level supply officers to assess the scope for grouping orders, identifying the most beneficial routes of supply and, where appropriate, the development of national framework agreements.</p> <p>Division / Service leading the process:</p>	2011	31 October 2013	<p>Local procurement planning is a key part of the new standard operating procedures (SOPs) on supply planning, which have been drafted and will be launched during the third semester of 2013. Another element of the SOPs is the grouping of orders, as per the needs of an operation, and the decision on the type of sourcing.</p> <p>UNHCR has identified the following goods, usually available locally, for which national Framework Agreements should be established: jerry cans, buckets and sleeping mats. Provided that the related specifications are in line with UNHCR specifications, procuring those items at the national level may reduce cost and</p>

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	<p>DESS – SMLS / PMCS</p> <p><i>[Rec. 41 in acc. with Annex 1 of A/68/5/Add.5]</i></p>			<p>delivery time.</p> <p>A gap analysis by country, product and service and a global map have been conducted, and a repository (baseline) of all global Frame Agreements has been created in order to facilitate better procurement planning. This tool will provide field offices with a thorough picture of the purchase options at their disposal, globally as well as in their region. Potentially, some other elements regarding the procurement plan and actions through headquarters (forecasting) and information on excess stock at warehouses will be shared with them in order to avoid inaccurate requests.</p> <p>A regular exchange of information on existing global and local framework agreements has been established, so that grouping orders and better procurement planning are facilitated. This activity is ongoing.</p>
127 & 128	<p>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 taken forward as part of its broader development of performance reporting.</p> <p>Division / Service leading the process: DPSM – PASS in collaboration with DFAM – IPMS</p> <p><i>[Rec. 16 in acc. with Annex 1 of A/68/5/Add.5]</i></p>	2010	UNHCR considers this recommendation as implemented	<p>Guidance and formats for partner agreements currently already provide for the possibility of including additional indicators, as suggested by the partner, in case the relevant indicator could not be found in the Results Framework. These additional indicators are analysed by the working group that is reviewing the Results Framework, with a view to their possible inclusion in a revised Results Framework.</p> <p>Reference is also made to the update provided under recommendations 92 and 99 with regard to the revision of the Results Framework and the challenges encountered with the completion of the Focus 2 software. However, the delay in the completion of Focus 2 has not delayed the implementation of the revised Results Framework for 2014-2015 in the current version of Focus.</p> <p>UNHCR will keep the Results Framework under active review in order to ensure that it continues to meet the needs of operations and allows for proper and meaningful planning and reporting on results.</p>
130	<p>The Board recommends that UNHCR investigate the potential to institute quantified analysis of warehouse requirements for all major non-food items and material deliveries in the pipeline into the enterprise resource planning system, MRSP, financial</p>	2011	UNHCR considers this recommendation as implemented	<p>Instructions and procedures on warehouse network optimization have been issued to the representatives, bureaux and supplier officers in the field during the second quarter of 2013. UNHCR has assigned a senior supply officer to analyse and monitor warehouse requirements in comparison to the existing warehouse network. Preliminary analysis has been done and a number of warehouses have been identified</p>

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	management system. Division / Service leading the process: DESS – SMLS [Rec. 42 in acc. with Annex 1 of A/68/5/Add.5]			for potential closure. Work is now ongoing with operations to agree on such closures. Furthermore, UNHCR has commenced to review the warehouse networks by region or by country which will be an ongoing process.
131	The Board also recommends that UNHCR require supply staff to verify that there is access to sufficient warehouse capacity before ordering large quantities of goods. Division / Service leading the process: DESS – SMLS [Rec. 43 in acc. with Annex 1 of A/68/5/Add.5]	2011	31 December 2013	A Senior Planning Officer (Supply Chain) at headquarters is responsible for coordinating with the field on best replenishment solutions, monitoring of ordered quantities and evaluating warehouse capacity on a continuous basis. Guidance on best replenishment solutions and evaluation of warehouse capacity before ordering large quantities will also be formalized in the revised version of Chapter 8 of the UNHCR Manual on supply chain management. Standard operating procedures for replenishment planning, which also address the availability of warehouse capacity, have been drafted and will be rolled out by the end of 2013, starting with the largest operations.
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 [Rec. 17 in acc. with Annex 1 of A/68/5/Add.5]	2010	Implemented	This recommendation is considered as fully implemented by the UN Board of Auditors, as set out in the Report of the Board of Auditors for the year ended 31 December 2012 [A/68/5/Add.5].
142	The Board recommends that UNHCR avoid duplicated and divergent efforts by different country offices by, (a) defining the information to be collated and retained for tracking supplier performance in terms of consignment delivery, to time, quality and completeness, and (b) developing an easy-to-use	2011	UNHCR considers this recommendation as implemented	UNHCR defined the information to be collated to track on-time delivery, quality and completeness for which key performance indicators have been developed. UNHCR developed a user-friendly template for tracking supplier performance in country operations, and is working on revising the tracking tool and reports. The data to be collected is defined and the templates are set-up in MSRP. While the MSRP tool is a work in progress – testing, data collection protocols and reports – the tracking is now

Para.	UN Board of Auditors' recommendations (see A/67/5/Add.5 for 2011, A/66/5/Add.5 for 2010)	Financial period first mentioned	Status (by the Board) and estimated time for completion	Comments and/or Actions taken or intended to be taken
	<p>template for supply units to capture such data consistently.</p> <p>Division / Service leading the process: DESS – SMLS</p> <p><i>[Rec. 45 in acc. with Annex 1 of A/68/5/Add.5]</i></p>			established in Excel and rolled out.
149	<p>The Board recommends that UNHCR emphasize in its guidance to Supply Officers the underlying planning principle that the collective uncertainties of tendering, supplier performance, logistics, scope for government intervention, and involvement by multiple partners, will tend to extend practical lead times for medical supplies well beyond theoretical durations. In some cases this will demand earlier requisitioning.</p> <p>Division / Service leading the process: DESS – SMLS in coordination with the DPSM – Public Health & HIV/AIDS Section</p> <p><i>[Rec. 46 in acc. with Annex 1 of A/68/5/Add.5]</i></p>	2011	31 December 2013	UNHCR implemented the Board recommendation that the guidance to supply officers emphasize the underlying planning principle. Standard operating procedures for supply/demand and replenishment planning have been drafted and will be rolled out by the end of 2013, starting with the largest operations. Regarding medical supplies, instructions require that the oldest items in stock are distributed first. In addition, the shelf life of medical supplies will be monitored through exception reports.
150	<p>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.</p>	2010	Ongoing	UNHCR will continue to strive to implement this recommendation; however, it is not always advisable in all situations to apply the “indicative model for durable solution business case presentation”. In line with its solutions mandate, UNHCR will actively pursue, where opportunities arise, the design and implementation of comprehensive solutions strategies in close consultation with host, resettlement and donor countries, as well as where appropriate, countries of origin, and it will include in these strategies, as appropriate, a statement on gains which could be garnered if further investments were made in solutions.

Para.	UN Board of Auditors' recommendations (see A/67/5/Add.5 for 2011, A/66/5/Add.5 for 2010)	Financial period first mentioned	Status (by the Board) and estimated time for completion	Comments and/or Actions taken or intended to be taken
	<p>Division / Service leading the process: Division of International protection (DIP) in collaboration with DPSM</p> <p><i>[Rec. 7 in acc. with Annex 1 of A/68/5/Add.5]</i></p>			
150	<p>The Board also recommends that UNHCR require country operations, as part of annual work planning, to assess whether they have the necessary expertise and scale to act as the procurer of medical supplies, and whether an alternative agency is better placed to procure such specialist items in their country.</p> <p>Division / Service leading the process: DESS – PMCS in coordination with DPSM – Public Health & HIV/AIDS Section</p> <p><i>[Rec. 47 in acc. with Annex 1 of A/68/5/Add.5]</i></p>	2011	UNHCR considers this recommendation as implemented	UNHCR has established cooperation with other agencies for the procurement of medical supplies. When a UNHCR operation has to procure medical supplies in exceptional situations, the organization will continue to consult with expert agencies through UNHCR's Public Health and HIV/AIDS Section.
154	<p>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.</p> <p>Division / Service leading the process: DPSM</p> <p><i>[Rec. 8 in acc. with Annex 1 of A/68/5/Add.5]</i></p>	2010	30 September 2013	The release of the revised UNHCR Handbook for Reintegration is planned for the third quarter of 2013. It will be reduced in size, focusing on the provision of user-friendly and concise checklists. UNHCR has developed benchmarks which define success in solutions. A monitoring and evaluation consultant was commissioned, with the task to design benchmarks which measure solutions progress along a spectrum of legal, economic and social fronts, whose work is now completed. The consultant's findings and recommendations are now being incorporated into the final draft of the updated Handbook for Reintegration. Used together, the checklists, which include types of interventions along with 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.
155	<p>The Board recommends that UNHCR amend its Supply Manual to require country supply teams to regularly market-test key locally-procured services to</p>	2011	UNHCR considers this recommendation as implemented	The requirement to conduct market surveys has been included in the updated version of Chapter 8 of the UNHCR Manual on supply chain management, although it specifically relates to waivers of competitive bidding. The Manual has been updated

Para.	UN Board of Auditors' recommendations (see A/67/5/Add.5 for 2011, A/66/5/Add.5 for 2010)	Financial period first mentioned	Status (by the Board) and estimated time for completion	Comments and/or Actions taken or intended to be taken
	<p>specific cycles.</p> <p>Division / Service leading the process: DESS – PMCS</p> <p><i>[Rec. 48 in acc. with Annex 1 of A/68/5/Add.5]</i></p>			and is ready to be issued following approval from senior management.
163	<p>The Board recommends that where Global Framework Agreements are not found to be feasible, UNHCR consider the production of generic service specifications for adaptation by local supply officers on a country-by-country basis.</p> <p>Division / Service leading the process: DESS – PMCS</p> <p><i>[Rec. 51 in acc. with Annex 1 of A/68/5/Add.5]</i></p>	2011	UNHCR considers this recommendation as implemented	<p>Together with other UN agencies, UNHCR participates in a working group that develops standard requirements for common services. On this basis, UNHCR has defined standard terms of reference for key services. Templates for Requests for Proposals (RFPs), as well as templates for model contracts and Invitation to Bid (ITB) documents, are available on the UNHCR intranet. UNHCR will, however, perform a thorough review of the service categories as a basis upon which to develop generic service specifications.</p> <p>UNHCR is currently sharing the terms of reference for various goods and services with field offices to standardize requirements and increase the speed for the completion of various procurement actions. By doing so, UNHCR is able to consolidate its global buying power through volume concentration, price benchmarking and supplier rationalization. This activity will be continued as new requirements are established.</p>
187	<p>The Board recommends that UNHCR: a) perform a comprehensive appraisal of the provision of internal audit services examining the costs and benefits of a range of possible options for addressing the weaknesses identified; and b) determine the preferred response, develop a full business case and timetable for the implementation of revised arrangements that preserve the strengths of the current arrangement and ensure the continuation of internal audit activity through any transition period.</p> <p>Division / Service leading the process:</p>	2011	Implemented	This recommendation is considered as fully implemented by the UN Board of Auditors, as set out in the Report of the Board of Auditors for the year ended 31 December 2012 [A/68/5/Add.5].

Para.	UN Board of Auditors' recommendations (see A/67/5/Add.5 for 2011, A/66/5/Add.5 for 2010)	Financial period first mentioned	Status (by the Board) and estimated time for completion	Comments and/or Actions taken or intended to be taken
	<p>Inspector General's Office</p> <p><i>[Rec. 52 in acc. with Annex 1 of A/68/5/Add.5]</i></p>			