

**ANNEX 5 - STATUS AS AT 1 JULY 2015 OF THE 15 RECOMMENDATIONS IN THE REPORT  
ON AUDIT AND INVESTIGATION ACTIVITIES CONDUCTED IN 2010 (DP/FPA/2011/5)**

	<b>Recommendation</b>	<b>Management status update</b>	<b>Status</b>
#1	Building on the midterm review of the UNFPA strategic plan, 2008-2013, the Executive Director should elaborate a vision statement that would reorder the priorities and guide UNFPA for the subsequent strategic plan and results framework. This vision statement should be supported by a strategic communication approach targeted at the public and UNFPA employee		<b>Implemented (2012)</b>
#2	<p>UNFPA should ensure that:</p> <ul style="list-style-type: none"> <li>▪ Vacant positions are filled without delays by competent staff;</li> <li>▪ Staff have the necessary UNFPA-related competencies and skills in management, programming, monitoring and evaluation and operations as required;</li> <li>▪ A programme is launched to ensure succession planning, develop young talent within the organization, and develop and provide career paths and training. The recourse to temporary personnel (retirees, officers-in-charge) should be discouraged.</li> </ul>	<p><u><i>New Human Resources Strategy</i></u></p> <p>Implementation of the new Human Resources (HR) Strategy started in 2014. A new Division for Human Resources (DHR) structure was implemented, which included the deployment of senior HR professionals (“HR Strategic Partners”) to support Regional Offices and Headquarters units. One of their key responsibilities will be to support the decentralization of recruitment activities and to support Regional Offices in strategically planning HR needs.</p> <p><u><i>Succession planning and talent management</i></u></p> <p>Leadership Pool assessments and rotation exercises have helped placing staff to fill critical vacancies. A total of 58 candidates were assessed in two rounds in 2014. In total, 51 positions were filled using the Leadership Pool since February 2014, including 32 new assignments and 19 rotations.</p> <p>Additionally, under the new DHR structure a new Talent Management Branch was created. Its tasks include a focus on active succession planning and development of talent in-house.</p> <p><u><i>Vacancy management</i></u></p> <p>DHR has been taking steps to decentralize recruitment activities. A new e-Recruit Atlas module (paperless recruitment) was launched in October 2014. The system gives more control to the hiring managers regarding the recruitment process and could speed up the recruitment processes as all recruitment steps are processed electronically worldwide. From 2012 to 2014 the average recruitment time, measured from the time candidates are long-listed to the time of award, has been reduced from 160.2 to 135 days.</p> <p>The vacancy rate of staff declined from 17.6 per cent as at 31 December 2013 to 14.7 per cent as at 1 June 2015.</p> <p><u><i>Development of staff competencies</i></u></p> <p>UNFPA continues to support the upskilling of staff by providing a number of learning opportunities.</p> <p>The Population School concept was introduced in 2014, as part of the activities promoted through the Innovation Fund. Under this concept, offices and regions are empowered to create learning opportunities for UNFPA staff as well as other UN staff and partners and to attract direct funding. All these activities will be supported and coordinated by the UNFPA Population School within the Division of Human Resources.</p> <p>Three LEAD workshops were conducted in 2014, and 784 staff members completed the Distance Learning on Population Issues courses. The Career Fitness programme initiatives, designed to help</p>	<b>Implemented (2014)</b>

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		staff members manage their careers more effectively, was continued during 2014, with 12 staff members trained as certified coaches to support other UNFPA staff.	
<b>#3</b>	UNFPA should comply with Executive Board decisions 2008/12, paragraph 2; 2009/18, paragraph 4; and 2010/26, paragraph 11. UNFPA should further elaborate an evidence-based methodology to be applied at corporate level for making investment decisions and at country level for designing the programme in 2011. UNFPA should also develop and implement a comprehensive training in 2012 on evidence-based programming.		<b><i>Implemented (2013)</i></b>
<b>#4</b>	UNFPA should encourage country offices to focus their programme priorities, thus developing no more than eight outputs and reducing the number of implementing partners and AWP's to a manageable size.		<b><i>Implemented (2013)</i></b>
<b>#5</b>	While complying with Executive Board decision 2000/19: Review of the system for the allocation of UNFPA resources to country programmes, UNFPA should develop a flexible process to better align programme resource allocation with beneficiaries' needs.		<b><i>Implemented (2013)</i></b>
<b>#6</b>	At the Board's second regular session 2012, UNFPA should submit an assessment report on the new structure after a review of the headquarters, regional offices and country offices. This report would also inform the design of the new strategic plan, 2014– 2018.	<p>The restructuring of the UNFPA Headquarters was completed by the end of 2014, by establishing two distinct divisions, the Division for Governance and Multilateral Affairs (to lead the development of strategies and policies to promote UNFPA's institutional objectives in intergovernmental and inter-agency processes) and the Division of Communication and Strategic Partnerships (to advocate greater awareness of and commitment to the International Conference on Population and Development goals) to replace the previously existing Internal and External Relations Division.</p> <p>The restructuring was followed with an update of the UNFPA's Organizational Handbook, which codifies a series of organizational changes introduced since 2007 to ensure full alignment of the organizational structure with UNFPA's strategic direction, Executive Board decisions, audit and recommendations. The Organizational Handbook, which includes the Terms of References for all UNFPA business units, is a key tool for creating clarity about structure, roles and responsibilities, delegation of authority and accountability.</p>	<b><i>Under implementation, with significant progress achieved since 2013</i></b>
<b>#7</b>	UNFPA should take the opportunity of the midterm review of the strategic plan, 2008–2013, to streamline indicators, improve their relevance, specificity and measurability, and simplify the results framework		<b><i>Implemented (2012)</i></b>

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#8	<p>UNFPA should:</p> <ul style="list-style-type: none"> <li>Review job descriptions and identify skills and expertise required for key positions. This review should start first at country level. The review should take into consideration the various types of operations and depart from the old business model based on country office typology;</li> <li>Define in a transparent manner lines of responsibilities, supervision and accountability, as well as key performance indicators;</li> <li>Use the PAD system to promote accountability of performance as measured by key performance indicators;</li> <li>Develop or outsource the development of standard training packages and organize annual training sessions for newly appointed professionals. The use of e-learning may be developed as a complement to these institutional trainings.</li> </ul>	<p>After the introduction of a new competency framework in 2014, new generic job descriptions were developed for 21 key management, programme and operations positions. Drafts of these job descriptions were shared with the HR Strategic Partners to obtain input into the design process from the field. The new job descriptions were approved in April 2015, posted on UNFPA's Intranet and are now accessible to all UNFPA Country Offices</p> <p>Updated Terms of Reference for all UNFPA business units, including Headquarters Divisions and Branches and Regional and Country Offices have been documented in the revised Organizational Handbook. The goal of the Organizational Handbook review, completed in April 2015, was to clarify responsibilities, accountability and delegation of authority.</p> <p>DHR has worked closely with managers/supervisors to address underperformance. It has developed a performance management portal to improve the overall quality of performance feedback and guidelines for addressing underperformance. DHR also launched a scheme to recognize good performance.</p> <p>The completion rate of the performance assessment and development process achieved a level of 95 per cent or higher in all regions and at Headquarters.</p> <p>UNFPA has redesigned its orientation programme for newly appointed professionals in the following fashion:</p> <ul style="list-style-type: none"> <li>Basic Induction for all new staff in their home office/unit;</li> <li>Orientation workshops on operations at Headquarters;</li> <li>Orientation workshops on programme in the Regions; and</li> <li>Workshops for new managers at HQ</li> </ul> <p>UNFPA is using a "multi-channel" approach to all its learning programmes, which includes also elements of e-learning. Specifically in support of orientation programmes, UNFPA is using e-learning mainly for:</p> <ul style="list-style-type: none"> <li>The basic induction;</li> <li>Operation standards;</li> <li>Programming approaches;</li> <li>Management basics; and</li> <li>Languages.</li> </ul>	<p><b>Under implementation, with significant progress achieved since 2012</b></p>
#9	<p>UNFPA should integrate the Monitoring and Evaluation (M&amp;E) function within country offices' cycle of operations. The effective recruitment of M&amp;E officers has yet to be seized as an opportunity and necessary step towards the creation of a more formalized results oriented M&amp;E system to support evidence-based programming and evidence-based management of country offices' programmes and activities.</p> <p>UNFPA should also pursue its efforts to develop a solid country programme evaluation methodology to better contribute to the evidence required for making informed programming decisions, better respond to evaluation questions that</p>	<p><i>Human Resources for Monitoring and Evaluation</i></p> <p>The 2015 Annual Report on Evaluation notes that the staff ratio in terms of percentage of professional Monitoring and Evaluation (M&amp;E) staff to overall staff increased to 3 per cent in 2014.</p> <p>There has been a significant increase (28.3 per cent) in the number of M&amp;E officers in country offices, with a corresponding decline in the number of focal points. Almost half of UNFPA country offices are now staffed with a dedicated M&amp;E officer although variations exist across regions.</p> <p><i>Evaluation</i></p> <p>With the adoption of the revised evaluation policy in 2014, UNFPA introduced a number of enhancements with a view to strengthening the capacity and professionalization of the evaluation function. In line with the policy, the Evaluation Office ensures quality control of the programme evaluations by clearing all terms of reference and providing support to the selection of evaluators through the M&amp;E focal advisors in the Regional Offices.</p>	<p><b>Implemented (2014)</b></p>

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	are of interest to stakeholders while enhancing the involvement of programme countries.	<p>A regional focal point system introduced in 2014 helps the coordination and harmonization of evaluation practices across UNFPA and provides backstopping support to regional M&amp;E advisers.</p> <p>The Evaluation Office and regional offices continued to support learning and development for country office M&amp;E officers and focal points, delivering three regional capacity development workshops for a total of 89 participants. The Evaluation Office also participated in workshops delivered with the Programme Division, focused on results monitoring and evaluations.</p> <p>In line with the revised evaluation policy, the Evaluation Office is responsible for key elements of the quality assurance mechanisms, and introduced additional measures focused on the key preparatory and reporting phases of the evaluation process to improve the quality of country programme evaluations.</p> <p>Looking ahead, the Evaluation Office has identified a range of tools and mechanisms to be put in place including: an easily accessible roster of evaluators; a comprehensive resource platform on UNFPA intranet; development of more comprehensive guidance to guide UNFPA evaluation; and strengthened quality assurance mechanisms for both corporate and programme evaluations.</p> <p>The <i>My Results</i> tool, part of the Strategic Information System, launched at the end of the 2014 facilitates monitoring of results by the Country Offices through setting of baselines, annual targets and quarterly progress milestones for each.</p>	
#10	UNFPA should adopt a more rational, integrated and strategic approach to management, following the logical approach recommended by the International Organization of Supreme Audit Institutions (INTOSAI) to better articulate risk management, internal controls and policies. This would help to assess priorities, timing and resources needed for these important internal reforms.		<b>Implemented (2013)</b>
#11	UNFPA should comply with Executive Board decisions 2006/8, paragraph 3; 2006/13, paragraph 6; 2007/10, paragraph 5; 2008/13, paragraph 14; 2009/15, paragraph 16; and 2010/22, paragraph 14; and ensure that risk management is a systematic approach embedded in the culture of UNFPA and drives decision making, the design of control activities including those in the ERP system.	<p>UNFPA Management has taken action on developing an Enterprise Risk Management (ERM) framework and policy as well as developing a consolidated register that helps UNFPA reduce barriers to delivering its mandate. UNFPA undertook a risk identification process and has identified 12 top corporate risk areas, including fraud risk, for an initial round of strategic risk assessment. A risk register is being developed to assess these risks by nature and category, empowering UNFPA to communicate action plans and mitigate risk at every level of the organization.</p> <p>UNFPA is in the process of formalizing an ERM framework, in line with the COSO<sup>1</sup> ERM framework, that highlights clear support from the top, introduces change in incremental steps, leverages existing resources, harmonizes existing risk management activities and embeds ongoing ERM improvements, knowledge sharing and continuing education into the business fabric of the organization.</p>	<b>Under implementation with significant progress made since 2013</b>

<sup>1</sup> Committee of Sponsoring Organizations of the Treadway Commission (COSO).

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#12	UNFPA should comply with Executive Board decisions 2007/10, paragraph 4; 2007/29, paragraph 3; 2008/13, paragraph 16; 2009/15, paragraph 16; and 2010/22, paragraph 14; and should continue to develop an internal control framework following international guidance and standards. UNFPA should also ensure that staff is fully trained in using and monitoring internal controls.	<p>The UNFPA Internal Control Framework (ICF), originally issued in March 2009, was updated in April 2015 to cover seven business processes and use the language aligned with the COSO 2013 Framework.</p> <p>The updated ICF reflects:</p> <ul style="list-style-type: none"> <li>▪ The language of COSO 2013;</li> <li>▪ The role of management and oversight bodies with regards to internal controls; and</li> <li>▪ Controls monitoring and oversight tools and systems that exist within the organization.</li> </ul> <p>The third revision of the ICF, underway at the time of preparation of this management update in June 2015 will cover the programme management processes.</p>	<b>Under implementation, with significant progress made since 2013</b>
#13	Given the rapid changes in technology, UNFPA should undertake a complete reassessment of its ICT architecture, including the organization, management and staffing of the MIS Branch. Failure to invest in information and communications technology will prevent UNFPA from implementing an organization-wide solution to its systemic operations and controls issues. More importantly, the assessment will also support UNFPA in identifying strategic opportunities in enhancing and aligning the ICT strategy, organization and governance arrangements.	<p>UNFPA's Executive Committee approved the new 2014-2017 ICT Strategy in December of 2014. It is a comprehensive document composed of three instruments:</p> <ul style="list-style-type: none"> <li>▪ The ICT Strategy itself which sets the direction;</li> <li>▪ The ICT Strategic Plan which outlines specific interventions to achieve the strategy; and</li> <li>▪ The ICT Operating Plan which documents the operational activities for running the business.</li> </ul> <p>The strategy includes a re-assessment of the ICT architecture and the organization, management and staffing of MIS. There are now 29 posts in MIS, compared to 22 in 2011, to support the implementation of the 2014-2017 Strategy.</p>	<b>Implemented (2014)</b>
#14	UNFPA should address the root causes of deficiencies pertaining to programme implementation and execution modalities while continuing to follow up on the recommendations of the external auditors (See also recommendations No. 3 and 4).		<b>Implemented (2012)</b>
#15	Para 64. UNFPA should clearly identify the implications of the adoption of IPSASs for the Fund's programme and operations; review the project implementation plan; assign sufficient resources; and enhance project governance and oversight to minimize the risks that could prevent an effective IPSASs implementation by the established deadline of 1 January 2012.		<b>Implemented (2012)</b>

**Note:** This status update should be read in conjunction with the update provided in Annex 5 to the report on Audit and Investigation Activities for the year 2014 (DP/FPA/2014/6) for those activities implemented in previous years.