



**Executive Board of the
United Nations Development
Programme, the United Nations
Population Fund and the United
Nations Office for Project Services**

Distr.: General
12 November 2021

Original: English

First regular session 2022

31 January to 4 February 2022, New York

Item 2 of the provisional agenda

UNFPA – Recommendations of the Board of Auditors

United Nations Population Fund

**Follow-up to the report of the United Nations Board of Auditors for 2020:
status of implementation of the recommendations**

Report of the Executive Director

Summary

The UNFPA Executive Director is pleased to submit, per Executive Board decision 97/2, the present report on the implementation of the recommendations contained in the report of the United Nations Board of Auditors for the financial period ended on 31 December 2020 (A/76/5/Add.8).

The United Nations Board of Auditors acknowledges that UNFPA closed 2020 in good financial health and through sound financial management practices, including processes and controls designed to keep its expenses within financial resources. In the opinion of the Board of Auditors, the organization's financial statements represent fairly, in all material respects, the financial position of UNFPA as of 31 December 2020 and its financial performance and cash flows for the year then ended, in accordance with the International Public Sector Accounting Standards (IPSAS).

A separate table, available on the UNFPA Executive Board website, provides an updated status of the implementation of the audit recommendations.

Elements of a decision

The Executive Board may wish to acknowledge the high rate of implementation of recommendations by UNFPA in the last two consecutive years, and take note of the present report on the actions taken and the further measures planned to implement the recommendations of the Board of Auditors for the financial period ended on 31 December 2020.

Note: The present document was processed in its entirety by UNFPA.

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I. Introduction

1. The UNFPA Executive Director is pleased to submit, per Executive Board decision 97/2, the present report on implementing the recommendations of the United Nations Board of Auditors (Board) for the year ended on 31 December 2020 (A/76/5/Add.8). The Advisory Committee on Administrative and Budgetary Questions (ACABQ) reviewed a summary of the Board of Auditors' principal findings and conclusions and the corresponding report of the United Nations Secretary-General.

2. The United Nations Board of Auditors acknowledges that "UNFPA is in good financial health and provides the opinion that the organization's financial statements represent fairly, in all material respects, the financial position of UNFPA as of 31 December 2020 and its financial performance and cash flows for the year then ended, in accordance with IPSAS". It affirms continued UNFPA focus on according the highest priority to resolving the concerns of the Board of Auditors and maintaining momentum in building a culture of accountability.

3. UNFPA appreciates the Board of Auditors acknowledgment that it did not identify significant errors, omissions, or misstatements in its review of the financial records for the year ended 31 December 2020. UNFPA continues to improve procurement, inventory, programme and travel management, the harmonized approach to cash transfers, and the internal control framework. UNFPA is applying a comprehensive and systemic approach to strengthen oversight mechanisms and controls in these areas at different levels within the organization.

II. Status of implementation of the audit recommendations

4. The Board of Auditors made 24 new recommendations for 2020. Tables 1 and 2 below summarize the implementation status of both main and all recommendations for the financial period that ended on 31 December 2020.

Table 1. Status of implementation of main recommendations for 2020

<i>Department responsible</i>	<i>Total</i>	<i>Closure requested</i>	<i>Under implementation</i>
Procurement Services Branch	2	0	2
Division for Management Services	6	0	6
Total	8	0	8

Table 2. Status of implementation of all recommendations for 2020

<i>Department responsible</i>	<i>Total</i>	<i>Closure requested</i>	<i>Under implementation</i>
Division for Management Services	10	-	10
Procurement Services Branch	2	-	2
Division for Communication and Strategic Partnerships	2	-	2
Egypt country office	2	-	2
Arab States Regional Office	1	1	0
Multiple Offices	7	-	7
Total	24	1	23

5. This report presents the implementation status for all recommendations made by the Board of Auditors for 2020 as well as prior periods. This report comprises seven sections, addressing: (a) the harmonized approach to cash transfers; (b) programme management; (c) inventory management; (d) procurement management; (e) travel management; (f) the internal control framework; and (g) the remaining recommendations from prior financial periods (2016, 2017 and 2019).

A. Harmonized approach to cash transfers

6. **In paragraph 40, the Board recommends that UNFPA strengthen its assurance activities monitoring procedures at all governance levels (global, regional and country), with the purpose of having a process that gives an accurate overview of the implementing partners subject to well-timed spot checks and/or audits.**

7. UNFPA management is strengthening the monitoring of assurance activities by: (a) automating the selection of implementing partners subject to assurance activities through the implementing partner assurance system; and (b) revisiting the current approach, timelines and capacities for conducting and reporting assurance activities, especially considering that the COVID-19 pandemic is still impacting delivery, and that the Board of Auditors expects UNFPA to implement assurance to the same level of timeliness as it had before the pandemic. These changes in approach will have to consider the necessary capacities and resources in the respective regional and country offices.

8. **In paragraph 41, the Board recommends that UNFPA update the implementing partners' risk ratings in the implementing partner assurance system in a timely and accurate manner, in order to have precise planned assurance activities and overcome the limitations of the implementing partner assurance system.**

9. UNFPA management is addressing this by: (a) reiterating guidance to offices to avoid the cases where assessments conducted in a given year were uploaded too late for the system to consider them in the automated assurance plan for that year; (b) conducting a comprehensive review of the implementing partner assurance system micro-assessment risk ratings to correct errors in data entry that may be existing; and (c) redesigning the implementing partner risk profile, in which the micro-assessment risk rating is one factor for the new enterprise resources planning system.

10. **In paragraph 42, the Board recommends that UNFPA incorporate automatic controls into the new enterprise resource planning system, with the aim of determining the implementing partners subject to mandatory assurance activities in a timely and accurate manner.**

11. The relevant specifications for the automation of assurance selection have already been developed. UNFPA management will work with the enterprise resource planning system team to incorporate these specifications in the new enterprise resources planning system. As the Board of Auditors has already been informed, the automation in the current implementing partner assurance system had temporarily been suspended for 2020 due to the complexity of differentiated selection criteria, and a corporate decision had been taken to minimize further application development and to focus on developing the new enterprise resource planning system.

12. **In paragraph 43, the Board recommends that UNFPA provide effective training to the third-party auditors on the use of the implementing partner assurance system.**

13. UNFPA management will provide training to existing third-party auditor companies and any other audit firms that may in the future have access to enter reports in the system.

14. **In paragraph 49, the Board recommends that the UNFPA Arab States Regional Office implement effective and timely monitoring procedures regarding the assurance activities, with the purpose that each country office should accomplish the pending assurance activities and the follow-up thereto.**

15. The UNFPA Arab States Regional Office has addressed this recommendation by ensuring compliance with the assurance activities through its established monitoring and oversight committee to ascertain that the country offices complete the scheduled assurance activities.

16. **In paragraph 62, the Board recommends that UNFPA carry out microassessments in a timely manner and record the dates and risk rating in an accurate manner in the implementing partner assurance system tool, with the purpose of having an updated risk rating for implementing partners, precise cash transfer modalities to implementing partners and adequate assurance activities.**

17. Due to COVID-related travel restrictions after the onset of the pandemic, the previous guidance to country offices was to postpone micro-assessments. This resulted in delays in performing micro-assessments. As the Board of Auditors has already been informed, this guidance has now been updated, and micro-assessments can be performed remotely subject to the agreement of the third-party service providers. To correct data entry errors, a quality review of micro-assessments data is being done; in addition, refresher training will be provided on how to enter micro-assessments in the current system, noting that the system is expected to change as part of the new enterprise resource planning system.

18. **In paragraph 63, the Board recommends that UNFPA strengthen its microassessment monitoring procedures at all governance levels (global, regional and country), in order to have accurate and updated implementing partner assessments.**

19. Management is strengthening the monitoring of micro-assessments by conducting: (a) a comprehensive review of the implementing partner assurance system micro-assessment risk ratings to correct errors in data entry that may exist and to follow up on overdue assessments; and (b) ongoing periodic reviews of new data entry and overdue assessments and follow-up with country offices through the regional offices. As the Board of Auditors has already been informed, the micro-assessment is just one factor considered in determining assurance activities.

B. Programme management

20. **In paragraph 73, the Board recommends that the UNFPA country offices in Egypt, the Sudan and the Syrian Arab Republic build the capacity of implementing partners on the correct use of the global programming system module in Atlas, in order to have an accurate and good-quality workplan progress report.**

21. The UNFPA country office in the Syrian Arab Republic reviewed the results of the implementing partners' assurance activities for 2020. Based on the main findings, the country office developed a capacity-building plan for implementing partners that include a five-day training (including on-the-job support by country offices and field office staff) in the areas of workplan preparation, especially for detailed budget breakdowns, the global programming system module in Atlas, electronic funding authorization, certificate of expenditure, and workplan progress reports. The capacity-building plan is being implemented with the training already delivered to 17 implementing partners in the Damascus, Hama, Latakia, and Aleppo governorates. The most recent training for the last three implementing partners was delivered in November 2021. The recommendations and actions points were shared with the participating implementing partners for further follow-up and improvement. Follow-up visits are being conducted to monitor the implementation of the recommendations by the implementing partners. To date, eight visits to implementing partners in Damascus have taken place.

22. The UNFPA country office in Sudan will conduct customized training (using the global programming system module) to build the capacities of implementing partners on the module's planning and reporting.

23. The UNFPA country office in Egypt is aware of limited implementing partners reporting capacity. To address this, the country office held a virtual workshop with all implementing partners in June 2020 on workplan progress report requirements and individual coaching by the country office staff on results-based monitoring and reporting. The country office is part of the results-based monitoring initiative, one of the planned interventions to build a results-based monitoring capacity-building model for UNFPA partners to enhance their capacities further to deliver high-quality results.

24. In paragraph 74, the Board recommends that the UNFPA country offices in Egypt, the Sudan and the Syrian Arab Republic strengthen, in a timely manner, the reviews carried out by the programme officer prior to the approval of the workplan progress report and the corresponding funding authorization and certificate of expenditure form, so that the workplan progress report represents actual progress in the activities executed by the implementing partner.

25. The UNFPA country office in the Syrian Arab Republic, to further strengthen the management of implementing partners and improve the quality of the workplan progress reports, funding authorizations, and certificates of expenditure, has reviewed and revised its implementing partner focal point system. The new system, whereby one focal point per implementing partner will be assigned (rather than one focal point per thematic area), is expected to strengthen coordination with implementing partners and have more customized support, improve efficiency, accountability, and timeliness in the review of workplan progress reports, funding authorizations and certificates of expenditure. The role of the field offices is re-engineered, allowing for more engagement in implementing partner management and accordingly ensuring that the reports submitted by the implementing partners represent the real progress of executed activities. The terms of reference of the new implementing partner focal points have been developed in consultation with all relevant units, and the new role of the field offices is being finalized. The new implementing partner focal point system is currently being piloted with three implementing partners and will be fully extended to the other implementing partners as of the first quarter of 2022. A three-day refresher training on the roles, procedures and review tools and checklists was conducted in October 2021 for implementing partner focal points and all country office personnel (including field office personnel) who have a role in global programming system reporting.

26. The technical units and implementing partner managers of the UNFPA country office in Sudan are assigned clear responsibility for reviewing the workplan progress report to ensure they reflect the real progress of activities. The management support unit – as overall programme oversight and quality assurance body – will review and quality check the workplan progress reports.

27. The UNFPA country office in Egypt has already started implementing the recommendation in its reporting for the first quarter of 2021. All progress reports submitted by implementing partners are carefully reviewed by the concerned programme officers and monitoring and evaluation specialists before being approved in the Atlas system. Country office management issued necessary guidance to all relevant staff on these requirements, which are currently being implemented.

C. Inventory management

28. In paragraph 88, the Board recommends that UNFPA improve its supply monitoring process at the regional and country governance levels, with the purpose of detecting business units that require support for maintaining timely and accurate information about the entity's supplies and the delivery of inventory to implementing partners.

29. The new supply-chain management unit, to be launched in June 2022, includes a country office support and monitoring team, which will incorporate regional supply-chain management specialists to provide support to country offices and monitor their supply-chain management performance. Together with the improved supply-chain management capabilities and controls of the new enterprise resource planning system, this will allow UNFPA to maintain and provide timely and accurate information about supplies inventories and their delivery to implementing partners.

30. In paragraph 89, the Board recommends that UNFPA incorporate preventive controls related to inventory information into the new enterprise resource planning system, in order to provide early alerts at each stage of the supply process.

31. UNFPA will design and implement an adequate mix of automated processing functions and preventive and detective controls in its new enterprise resource planning system. This will improve the tracking of shipments and the timely and accurate recording of inventory transactions, and reporting and other detective controls that will support better monitoring by the country office support and monitoring team, which will be created within the new supply-chain management unit.

32. In paragraph 97, the Board recommends that the UNFPA country offices in the Sudan and the Syrian Arab Republic enhance actions to manage the receipt and inspection forms in the shipment tracker, with the purpose of maintaining the flow of operations with corresponding legible supporting documentation.

33. The UNFPA country office in the Syrian Arab Republic reviewed the processes of receipts, inspection, and delivery of programme supplies to identify and close gaps. The shipment tracker focal point and the logistics assistants have been provided extensive coaching to improve the quality of records keeping. They ensure that the required documentation is made available and attached in support of each transaction in the shipment tracker, following clear instructions and guidance. The country office is conducting regular reviews of shipment tracker records for completeness of supporting documentation. It performs the reconciliation between shipment tracker records and the out-of-Atlas records maintained by the warehouse focal point. This makes it possible to detect any pending transaction and perform a timely update of the shipment tracker.

34. The UNFPA country office in Sudan, in 2020, strengthened the human resources component dedicated to the supply chain and inventory management. The country office established a supply chain management team led by international staff and supported by two United Nations Volunteers. The country office management and budget owners ensure that a complete and accurate process is followed when physically receiving programme supplies and control mechanisms are applied. The established supply chain management team will ensure that the receipt and inspection process is conducted appropriately to satisfy the requirements explained in the procurement procedures and the policy on the management of programme supplies.

35. In paragraph 98, the Board also recommends that the UNFPA country offices in the Sudan and the Syrian Arab Republic strengthen the review of the preparation and review of delivery slips, in order to ensure a complete and accurate process that allows the country offices to maintain reliable information on the goods delivered.

36. The UNFPA country office in the Syrian Arab Republic has reviewed its processes of receipts, inspection, and delivery of the programme supplies to identify gaps and respond to the findings. The country office is addressing the capacity issue of logistics staff by providing them with close coaching through the operations management team. It has enforced the systematic review of the delivery slips and the receiving and inspection forms by the international operations manager (or the national operations manager in their absence), indicated by putting the initials on all approved forms. This review prevents the inconsistencies previously noted between the shipment tracker records and the forms, mostly concerning measurement units and unit prices.

37. As mentioned in the comments above relating to the recommendation in paragraph 97 of the Board of Auditors' report, the UNFPA country office in Sudan has established a supply chain management team. The country office management and budget owners ensure that a complete and accurate process is followed when managing programme supplies and control mechanisms. The supply chain management team will ensure that the receipt and inspection process is conducted appropriately to satisfy the requirements explained in the procurement procedures and the policy on the management of programme supplies.

D. Procurement management

38. In paragraph 107, the Board recommends that the UNFPA country offices in the Sudan and the Syrian Arab Republic strengthen their procurement monitoring process in order to conduct quarterly reviews of the procurement plan in a timely manner.

39. At the beginning of 2021, the UNFPA country office in the Syrian Arab Republic conducted a thorough review of its procurement plan for 2021 and developed a strategy for its implementation. After the funding cuts in March and April 2021, the procurement plan was reviewed in April 2021, and the online tool was updated accordingly. The plan has subsequently been reviewed as part of the second and third quarter reviews and updated in the online tool accordingly.

40. At the UNFPA country office in Sudan, the supply chain management team (established in 2020) is tasked with coordinating the quarterly reviews of the procurement plans among the different stakeholders in the country office. The quarterly review of the procurement plan is an integral part of the strategic information system reporting and key performance indicators of a few staff involved in the process. This allows the country office to better monitor the review and provides clarity on accountability. The supply chain management team will ensure that the procurement planning and quarterly reviews are conducted to satisfy the requirements explained in the procurement procedures and the systematic instructions issued by the Procurement Services Branch.

41. In paragraph 108, the Board recommends that the UNFPA country offices in the Sudan and the Syrian Arab Republic use the procurement planning tool in an efficient and timely manner, in order to accurately identify actual procurement needs.

42. The UNFPA country office in the Syrian Arab Republic has been using offline procurement planning and monitoring tools to manage its procurement since the offline procurement plan includes more details for analysis, covering the parent category/subcategory, the verified unit cost, the responsible procurement focal point, the procurement lead-time, the expected delivery time and local deadline to start the procurement process. The offline tool is reviewed and updated quarterly and is also updated for procurement regularly, with a review at the end of each quarter. Implementation of the corrective measures is being monitored; the country office expects to be fully compliant by the fourth quarter of 2021, adhering to the deadline stipulated in the procurement procedures.

43. The UNFPA country office in Sudan will ensure that the procurement plan is prepared promptly, respecting deadlines stipulated in the procurement procedures. The country office management has taken note of the gaps in procurement planning, is focused on strengthening internal capacity, and in 2020 established a new unit in charge of procurement and inventory. The country office management tasks the international operations manager and the supply chain management team to conduct regular awareness and sensitization training for relevant staff to ensure better planning. The supply chain management team will ensure that the procurement plans are produced and entered into the procurement planning tool. Quarterly reviews are conducted, satisfying the requirements and timelines of procurement procedures and the systematic instructions provided by the Procurement Services Branch.

44. In paragraph 118, the Board recommends that UNFPA strengthen monitoring and internal controls to ensure the timely and accurate submission of all long-term agreement evaluation reports to suppliers.

45. The UNFPA Procurement Services Branch acknowledged the delay in submitting the reports of suppliers of core commodities in past years due to technical issues in the tool and the need to conduct extensive manual work to reflect accurate results. The tool has been in use in recent months and is still subject to changes and testing so that it adapts to the needs of a changing business. UNFPA commits to conducting the 2021 vendor assessment on time and to provide the reports to suppliers by the end of the first quarter of 2022.

46. In paragraph 119, the Board recommends that UNFPA increase gradually the scope of the long-term agreement evaluation reports to all UNFPA business units, in order to have a wider overview of the use of such agreements in areas beyond core commodities.

47. The UNFPA Procurement Services Branch is developing a tool similar to that used for core commodities to monitor the performance of long-term agreements for non-core commodities. The tool will be operational and ready for use by the end of 2021. Regarding the vendor evaluation of other business units, the UNFPA Procurement Service Branch will:

- (a) Conduct regular follow-up of the purchase-order-based vendor performance evaluations;
- (b) Share summaries of the aggregated results of purchase-order-based performance evaluations with all business units;
- (c) Produce and make available a simple standard template for all business units to produce annual vendor performance evaluation reports;
- (d) Produce and share instruction notes with all business units explaining how the aggregate scores of the purchase-order-based vendor evaluations and the standard templates should be used to prepare and disseminate vendor performance evaluation reports to respective vendors.

48. Overall, UNFPA management expects the new enterprise resource planning system to bring a more efficient platform that allows business unit efficiency and standardization when evaluating suppliers. The Procurement Services Branch has captured the business requirements from the vendor performance evaluation in the form of user stories and communicated them to the enterprise resource planning system development team.

49. In paragraph 132, the Board recommends that the UNFPA country offices in Egypt, the Sudan and the Syrian Arab Republic strengthen the local procurement process in order to receive services or goods after a purchase order has been issued, to ensure that the procurement process is completed under budget-checked criteria.

50. Management has taken note of the recommendation and is pleased to report on efforts in the three country offices:

- (a) The UNFPA country office in the Syrian Arab Republic has educated staff and enforced accountability at all levels to ensure purchase orders are used as contracting tools before receiving goods and services. In addition, to balance the workload and ensure timely issuance of the purchase orders, more Atlas requisitioners and buyers have been added. Implementation of the corrective measures is being monitored, and the country office expects no new cases of post-issuance of purchase orders;
- (b) The UNFPA country office in Sudan, by December 2021, will implement specific measures to strengthen local procurement processes, including using purchase orders as a contracting tool for ordering goods and services and encumbering funds before delivering goods and services, as required by procurement procedures and the internal control framework. To strengthen the internal control framework, the country office will take measures to implement the requirements of procurement procedures on the use of Atlas-generated purchase orders as a contracting tool for the

procurement of goods and services and a mechanism for encumbering funds in the respective budget;

(c) The UNFPA country office in Egypt has already started implementing this recommendation by initiating a close review of current procurement processes monitored by the head of the office and operations analyst, to ensure all purchase orders are issued, budget-checked and signed by the vendor before delivering goods and services, as required by procurement procedures and the internal control framework.

51. In paragraph 142, the Board recommends that the UNFPA country office in Egypt strengthen the local procurement process so that purchase orders are raised in Atlas before a contract for professional services is issued to suppliers, in order to ensure that the procurement process is completed under budget-checked criteria.

52. The UNFPA country office in Egypt has already started implementing this recommendation by ensuring a close review and monitoring of current procurement processes by the head of the office and the operations analyst, to ensure that all purchase orders (including those related to the award of professional contracts) are issued and budget-checked in time before signing any contract with the suppliers.

53. In paragraph 143, the Board recommends that the UNFPA country office in Egypt ensure that all transparency standards are used for the local procurement process in an efficient and timely manner, in order to guarantee that all information is clearly defined and made known to all interested parties.

54. The UNFPA country office in Egypt already started implementing this recommendation in the second quarter of 2021. All solicitation documents, including requests for quotation, now include criteria for selection, including weights assigned for each criterion. Furthermore, all requests for quotations are being checked and reviewed by the operations analyst before advertisement, to ensure that they are complete in all respects. Internal controls are established by the country office to confirm receipt of required technical clearances from the relevant headquarters business unit, as per procurement procedures, including mandatory review by the Procurement Services Branch of solicitation documents, with an estimated value equal to or greater than \$100,000 before publishing them for potential bidders.

E. Travel management

55. In paragraph 156, the Board recommends that UNFPA strengthen its travel monitoring process at all governance levels (global, regional and country), in order to guarantee access to timely information for decision-making and increase the possibility for access to better travel alternatives.

56. UNFPA is currently designing and implementing a global travel module in its new enterprise resource planning system that will strengthen its travel monitoring process at all levels (global, regional, local) and allow for a more timely decision-making process, as required.

57. In paragraph 157, the Board recommends that UNFPA improve the post-travel process to ensure the timely recording of travel expenses, in order to avoid potential unrecorded liabilities.

58. UNFPA is currently designing and implementing a global travel module in its new enterprise resource planning system that will include automatic reminders and dashboards to ensure improvements in the post-travel process and consequently a more timely recording of expenses and liabilities.

F. Internal control framework

59. **In paragraph 170, the Board recommends that UNFPA strengthen monitoring and internal controls to ensure the timely submission of reports to donors in the donor agreement and report tracking system.**

60. UNFPA management, through the Division for Communications and Strategic Partnerships, will implement the proposed new customer relationship management tool in the new enterprise resource planning system that will address the issues of governance and monitoring in the existing donor agreement report tracking system. The timeline for deployments of this tool is aligned with the ‘go-live’ date of the new enterprise resource planning system.

61. **In paragraph 171, the Board recommends that UNFPA strengthen its governance structure to build the capacity to present timely and accurate donor reports, in order to keep the flow of operations updated at the global, regional and country levels.**

62. Please refer to comments above relating to the recommendation in paragraph 170 of the Board of Auditors’ report (A/76/5/Add.8).

G. Recommendations from the prior financial periods 2019, 2017 and 2016

63. In annex 1 to its report for the year ended 31 December 2020, the Board of Auditors provided a summary of the status of implementation of recommendations for previous financial periods. Information is provided below on the six recommendations assessed by the Board to be ‘under implementation’. The information set out in table 3 below is in the order in which the recommendations are presented in annex 1.

Table 3. Status of implementation of recommendations from previous periods considered not fully implemented in annex 1 to the report of the Board of Auditors for the financial period that ended on 31 December 2020

<i>Department responsible</i>	<i>Total</i>	<i>Implemented or closure requested</i>	<i>Under implementation</i>
Information Technology Solutions Office	1	1	-
Division for Management Services and Office of the Executive Director	1		1
Country office in Ethiopia	1		1
Multiple offices	3		3
Total	6	1	5

Report of the Board of Auditors for the year ended 31 December 2016 (A/72/5/Add.8)

64. **In paragraph 100, the Board recommended that UNFPA put in place a mechanism for monitoring the adoption of software policies and procedures and ensure their compliance across the entity.**

65. UNFPA has implemented this recommendation by issuing guidance on the adoption of software policies and procedures to create a more consistent model.

Report of the Board of Auditors for the year ended 31 December 2017 (A/73/5/Add.8)

66. In paragraph 16, UNFPA agreed with the Board's recommendation to formalize the enterprise risk management policy to guide staff at country offices and supplement the guidance in place for managing the enterprise risks.

67. UNFPA is currently developing an enterprise risk management policy and revising the existing risk management framework for effective risk management in UNFPA. The risk appetite statement remains in draft format as UNFPA advances to integrate all elements into one package consisting of the enterprise risk management policy, risk framework and risk appetite statement and its operationalization.

Report of the Board of Auditors for the year ended 31 December 2019 (A/75/5/Add.8)

68. In paragraph 76, the Board recommended that UNFPA and its Mozambique and Myanmar country offices update inventory transactions in a timely manner and accurately record them, in order to avoid inaccurate financial reporting for management decision-making.

69. The UNFPA country office in Myanmar, at the end of each month, ensures that the shipment tracker focal point works together with the logistics focal point for reconciliation to ensure all transactions (delivery slips) are captured in the shipment tracker. In addition, country office management nominated an alternate shipment tracker focal point to support the timely updating of the shipment tracker. The country office management will continue facilitating the timely updating of the tool.

70. The UNFPA country office in Mozambique strengthened in-house capacity by hiring additional staff and ensuring compliance with the updating and management of the shipment tracker. In addition, the country office is planning to designate a logistics focal point (required as per UNFPA policies and procedures on the management of programme supplies), to be based in Pemba (northern Mozambique), to ensure that movements of goods are scrutinized, and the inherent supporting documents are issued and routed to the shipment tracker focal point in due time. These measures are expected to be completed before the end of 2021.

71. In paragraph 95, the Board recommended that the UNFPA country office in Ethiopia monitor on a daily basis the temperature and humidity of the warehouse, and keep respective logs.

72. The UNFPA country office in Ethiopia is in advanced discussions with the World Food Programme, which manages the warehouse, to ensure the implementation of actions suggested in the above recommendation. In October 2021, the country office purchased two devices to take temperature and humidity; these were installed in November 2021.

73. In paragraph 124, the Board recommended that the UNFPA country offices in Ethiopia, Mozambique and Myanmar take measures to improve and strengthen the monitoring and correct use of the global programming system to promote effective and efficient management of the use of the system among implementing partners.

74. The UNFPA country office in Ethiopia plans to conduct capacity-building training for its implementing partners on programme management, specifically on using the global programming system. This activity was initially scheduled to take place in two rounds during August and September 2021. However, due to COVID-19 pandemic-related restrictions and the emergency response, this activity will now take place in December 2021.

75. The UNFPA country office in Mozambique delivered additional training in October 2021 on the global programming system and included all implementing partners. During 2020, most implementing partners spot-checked by UNFPA teams also received refresher training on the global programming system. This practice of spot-checks continued throughout 2021.

76. The UNFPA country office in Myanmar has nominated and trained five staff members as global programming system focal points. There have been a series of global programming system training for programme and finance teams and implementing partners to promote understanding of the system for its effective use. The country office management continues to monitor global programming system use for compliance.

77. In paragraph 165, the Board recommended that the UNFPA country offices in Ethiopia, Mozambique and Myanmar incorporate into the information system strengthened tools related to the travel management process, in order to increase the effectiveness and efficiency of that process.

78. The UNFPA country office in Ethiopia introduced the online DocuSign travel authorization template to ensure that travel requests are submitted promptly, and relevant approvals (electronic signatures) are secured in advance.

79. The travel monitoring tool developed by the country office in Mozambique and reviewed by the Board of Auditors is still in use. The country office has been reviewing and making some changes to the tool, adapting it to specific situations, as deemed necessary.

80. As one of its solutions, the country office in Mozambique is tracking travel using a travel log. Also, the country office participates in the inter-agency business operations strategy initiative and has included sourcing for a long-term arrangement for travel.

81. In the Myanmar country office, this recommendation will be addressed with the new global travel module of the ongoing enterprise resource planning system implementation.

III. Conclusion

82. UNFPA welcomes the report of the Board of Auditors for the UNFPA financial statements for the year ended 31 December 2020 and its overall conclusion that UNFPA closed 2020 in good financial health through its sound financial management practices, including processes and controls designed to keep its expenses within the available financial resources. The organization continues to accord the highest priority to achieving a record of unqualified audit opinions and resolving the concerns of the Board of Auditors. UNFPA is committed to addressing the areas of improvement identified in the report and will continue to strengthen and widen the scope of these initiatives.