



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

Distr.: General
16 December 2020

Original: English

First regular session 2021

1 to 4 February 2021, New York

Item 2 of the provisional agenda

UNFPA – Recommendations of the Board of Auditors

United Nations Population Fund

**Report on the implementation of the recommendations of the
United Nations Board of Auditors, 2019**

Report of the Executive Director

Summary

Pursuant to Executive Board decision 97/2, the UNFPA Executive Director is pleased to submit 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 2019 (A/75/5/Add.8).

The United Nations Board of Auditors acknowledges that UNFPA closed 2019 in good financial health and through sound financial management practices, including processes and controls designed to keep its expenses within financial resources. In the Board opinion, the organization's financial statements represent fairly, in all material respects, the financial position of UNFPA as at 31 December 2019 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 take note of the present report on the actions taken by UNFPA and the further measures planned by the organization to implement the recommendations of the Board of Auditors for the financial period ended on 31 December 2019.



I. Introduction

1. Pursuant to decision 97/2 of the Executive Board, the UNFPA Executive Director is pleased to submit the present report on the implementation of the recommendations of the United Nations Board of Auditors (Board of Auditors) for the year ended on 31 December 2019 (A/75/5/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 at 31 December 2019 and its financial performance and cash flows for the year then ended, in accordance with IPSAS". This affirms the continued efforts of UNFPA to accord the highest priority to resolving the concerns of the Board of Auditors and maintaining the momentum in building a culture of accountability.
3. UNFPA appreciates the Board's acknowledgment that it did not identify significant deficiencies in the area of operation and financial management. UNFPA is continuing to improve procurement management, inventory management, programme management, the harmonized approach to cash transfers, travel management, and the internal control framework. UNFPA is applying a comprehensive and systemic approach to strengthen oversight mechanisms and controls in these areas at different organizational levels.

II. Status of implementation of the audit recommendations

4. The Board of Auditors made 28 new recommendations for 2019. Tables 1 and 2 below summarize the status of implementation of both main and all recommendations for the financial period that ended on 31 December 2019.

Table 1. Status of implementation of main recommendations for 2019

<i>Department responsible</i>	<i>Total</i>	<i>Closure requested</i>	<i>Under implementation</i>
Procurement Services Branch	2	1	1
Policy and Strategy Division and Division for Management Services	2	2	0
Mozambique, Myanmar, and Ethiopia country offices	2	2	0
Total	6	5	1

Table 2. Status of implementation of all recommendations for 2019

<i>Department responsible</i>	<i>Total</i>	<i>Closure requested</i>	<i>Under implementation</i>
Division for Management Services	6	3	3
Procurement Services Branch	3	1	2
Mozambique and Ethiopia country offices	2	1	1
Myanmar country office	3	2	1
Ethiopia country office	3	2	1
Policy and Strategy Division and Division for Management Services	2	2	-
Mozambique, Ethiopia and Myanmar country offices and Division for Management Services	2	-	2
Policy and Strategy Division	1	1	-
Division for Management Services, Office of the Security Coordinator, Mozambique, Ethiopia and Myanmar country offices	1	1	-
Mozambique and Myanmar country offices with support from the Division for Management Services	1	1	-
Mozambique and Ethiopia country offices with support from the Division for Management Services	1	1	-
Mozambique country office	1	1	-
Information Technology Solutions Office, Office of the Security Coordinator and Division for Human Resources	1	-	1
Information Technology Solutions Office	1	-	1
Total	28	16	12

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

A. Procurement management

6. **In paragraph 28, the Board recommends that UNFPA take measures to improve preventive controls, in order to ensure that all UNFPA business units conduct procurement processes in accordance with the thresholds established in the procurement procedures (from the perspective of the solicitation method and procurement authority) and conduct solicitation and contract management using tools based on enterprise resource planning.**

7. Management agrees with the spirit of the recommendation that the current enterprise resource planning (ERP) system lacks many useful functionalities. UNFPA has already taken actions to define the functional requirements in the new ERP system for imposing procurement process controls based on thresholds established through procurement procedures. The new ERP system will address the concerns raised in the areas of process visibility, internal control and effectiveness.

8. **In paragraph 29, the Board recommends that UNFPA ensure that the Procurement Services Branch coordinate with each procurement process user, in order to make the business analytics team of the Branch aware of the users' requirements, with the main objective of building standardized, timely and useful monitoring tools and reports for the users.**

9. The UNFPA Procurement Services Branch has taken various steps to standardize and improve existing procurement monitoring tools and reports and has since worked on documenting, standardizing and enhancing a series of practices, guidelines, and standard operating procedures for the newly formed business analytics team.

10. **In paragraph 38, the Board recommends that UNFPA ensure that information related to purchases is maintained in a reliable and comprehensive corporate electronic system, and that the information is complete and entered in a timely manner, in order to guarantee the effective management and monitoring of the different procurement and solicitation processes conducted by UNFPA.**

11. Management recognizes the importance of reliable information, effective governance and monitoring of the different procurement and solicitation processes. Accordingly, UNFPA has already defined the functional requirements for integrated digitized solicitation and procurement processes to be incorporated in the new ERP system. This will guarantee effective management and monitoring of the processes, including maintaining procurement logs.

12. **In paragraph 53, the Board recommends that the UNFPA country office in Mozambique improve the assessment of the annual procurement plan in order to identify recurrent local acquisitions and undertake processes for the award of long-term agreements or request for quotations, to avoid the risk of splitting and increase the efficiency and effectiveness of this kind of procurement processes.**

13. The UNFPA country office in Mozambique has taken action and begun using a new tool for procurement planning, case identification and tracking to enable the country office to monitor progress along each step of the procurement process. Through the operations management team, the country office is also piggybacking and participating in joint long-term agreements with other United Nations organizations. For small value services, the country office will continue to apply the procurement methods mandated in the relevant procurement policy based on the thresholds and nature of purchases undertaken.

14. **In paragraph 54, the Board recommends that UNFPA country office in Myanmar comply with procurement procedures and monitor the financial thresholds for the different solicitation methods with the utmost accuracy.**

15. In the UNFPA country office in Myanmar, procurement processes follow standard procurement procedures. The country office has explained the circumstances of the different situations, highlighting instances in which a few were beyond the country office's control. An international procurement consultant has since been hired to support the strengthening of internal control processes for procurement and ensure compliance to policies and procedures, particularly during the fourth quarter when there is high programme delivery.

16. **In paragraph 55, the Board recommends that the UNFPA country office in Myanmar create, approve and budget-check purchase orders before the suppliers provide the goods or services.**

17. The UNFPA country office in Myanmar has explained the circumstances of the exceptions. The purchase orders are processed before receiving goods or services based on the thresholds. The country office ensures full compliance with the established fund encumbering process, as outlined in the procurement procedures.

B. Inventory management

18. **In paragraph 64, the Board recommends that UNFPA recognize the inventories under the control of field offices each quarter, as established in the policy and procedures on management of programme supplies.**

19. Beginning in the first quarter 2020, UNFPA has run the system processes required to reflect inventory balances in the general ledger quarterly, instead of upon completion of inventory balance certifications by field offices. Management reiterates that, regardless of the frequency of execution of the general ledger inventory processes, control and reporting on inventory balances are done on an ongoing basis, using the Atlas shipment tracker (inventory control system) data and reports.

20. **In paragraph 65, the Board recommends that UNFPA comply with the preparation of the quarterly reports of conditions indicative of potential problems related to operating effectiveness in the order sourcing, fulfilment and delivery processes.**

21. UNFPA decided to prepare the reports on conditions indicative of potential operating effectiveness issues in the programme supplies management process at reduced frequency due to limitations imposed by the existing ERP system and the extensive manual efforts required to prepare each report. The policy and procedures on management of programme supplies are being revised to reflect this decision.

22. **In paragraph 76, the Board recommends 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.**

23. The Mozambique and Myanmar country offices have implemented additional managerial and oversight controls under the UNFPA representatives in each country to ensure inventory transactions are recorded in the Atlas shipment tracker as they occur. The UNFPA Finance Branch, Division for Management Services, has presented a series of global webinars focused on the proper use of the shipment tracker and provided individual coaching sessions in both country offices.

24. **In paragraph 77, the Board recommends that UNFPA and its Mozambique and Ethiopia country offices carry out all procedures established in the policy and procedures on management of programme supplies in a timely manner, keeping the flow of operations updated and with their respective documentation in the shipment tracker.**

25. The Mozambique and Ethiopia country offices have implemented additional managerial oversight resources and controls under the responsibility of the UNFPA representatives to ensure all procedures mandated by the policy and procedures on management of programme supplies are performed consistently and timely. The UNFPA Finance Branch, Division for Management Services, has presented a series of global webinars providing refresher training on the shipment tracker, periodic inventory certifications and key requirements of the policy and procedures on management of programme supplies. It also held individual coaching sessions with both country offices.

26. **In paragraph 84, the Board recommends that the UNFPA country offices in Ethiopia and Mozambique improve the standard operating procedure for customs clearance by incorporating the missing minimum activities established in the policy.**

27. Management has taken note of the recommendation. In this regard, the country offices in Mozambique and Ethiopia will revise the respective customs clearance standard operating procedures for the commodities for which UNFPA is the consignee, based on the policy and procedures on management of programme supplies. However, it is essential to note that in the case of Mozambique the consignee for sexual and reproductive commodities is the Ministry of Health. In this regard, the country office in Mozambique will continue to use the standard operating procedures already designed and being implemented by the Ministry of Health.

28. **In paragraph 94, the Board recommends that the UNFPA country office in Ethiopia put in order the supplies stored in the warehouse, with the purpose of complying with the storage conditions established in the policy.**

29. Management is pleased to report that the supplies of the UNFPA country office in Ethiopia have already been put in order by the World Food Programme (WFP) to ensure compliance with the storage conditions established in the policy and procedures on management of programme supplies.

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

31. The UNFPA country office in Ethiopia, in consultation with the WFP, the manager of the warehouse, is exploring the modalities and mechanisms to monitor and maintain daily logs of temperature and humidity of the WFP warehouse.

32. **In paragraph 96, the Board recommends that the UNFPA country office in Ethiopia evaluate the conditions of the products, in order to identify damaged or unusable supplies.**

33. Management is pleased to report that the country office in Ethiopia has already undertaken an exercise to evaluate the products' conditions and did not encounter damaged products. Instances in which the external cardboard boxes were discovered to be bent, the country office found that the goods inside were not damaged.

C. Programme management

34. **In paragraph 110, the Board recommends that UNFPA country offices recognize correctly the expenditures incurred by implementing partners, in order to avoid expenditures that are not eligible or not aligned with the workplan or agreements signed between the parties.**

35. The policies and procedures for the preparation, management and monitoring of workplans and for management of cash transfers to implementing partners both clearly state requirements regarding expense eligibility and the related review and approval processes. To better build capacity and train UNFPA personnel, UNFPA management has presented a global webinar (organized by the Policy and Strategy Division and the Finance Branch) to support improved policy compliance and refresh knowledge on what constitutes eligible expenditures, workplan design and approval, and criteria for reviewing expense reports and accepting expenditures. The webinar also touched on other key areas affecting workplan management and cash transfer processes, as identified through the annual workplan review, the performance management reporting process, and internal audit reports.

36. **In paragraph 111, the Board recommends that UNFPA headquarters build capacity and provide training to country office staff, in order to ensure that the criteria for accepting expenditure are respected, in accordance with the policies and the applicable regulations.**

37. UNFPA management presented a global webinar (organized by the Policy and Strategy Division and the Finance Branch) to support improved policy compliance by refreshing essential policy requirements and knowledge on what constitutes eligible expenditures, workplan design and approval, and criteria for reviewing expense reports and accepting expenditures. The webinar also touched on other key areas affecting workplan management and cash transfer processes identified through the annual workplan review, the performance management reporting process, and internal audit reports.

38. **In paragraph 124, the Board recommends 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.**

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

- (a) The country office in Ethiopia had planned capacity-building sessions in the second semester of 2020 for staff and implementing partners to improve and strengthen the global programming system's monitoring and correct use to promote effective and efficient management of the system's use among implementing partners. Some restrictions linked to COVID-19 remained in October and November 2020. As a result, physical group sessions are not yet possible. Follow up and technical assistance for implementing partners on Atlas and the global programming system are being carried out remotely via phone;
- (b) The county office in Myanmar will improve and strengthen the monitoring and correct use of the global programming system to promote effective and efficient management of the system use among implementing partners. As indicated by the country office in Myanmar to the auditors during the audit, the late submissions mentioned were related to the humanitarian situation, particularly in Rakhine, where the work environment is different and implementing partners have difficulties collecting information on time. The country office will continue to support and encourage implementing partners to submit e-FACE forms on time; and
- (c) The country office in Mozambique has received training from the headquarters global programming system team. The country office had additional internal training for the system from 3 to 5 November 2020. Implementing partners have also received training on the system to enable them to improve e-FACE submissions.

40. In paragraph 125, the Board recommends that the UNFPA country offices in Ethiopia and Mozambique update all the bank accounts of each implementing partner agreement.

41. The country office in Ethiopia has updated all bank accounts. All implementing partner agreements uploaded in partner information management system were revised to ensure that relevant bank accounts stated in the implementing partner agreements correspond to those in the vendor portal.

42. The country office in Mozambique has verified and updated implementing partners' bank accounts to ensure that relevant bank accounts in implementing partner agreements correspond to those in the vendor portal. The country office has also incorporated this verification and revision item as part of the e-FACE payment checklist.

D. Harmonized approach to cash transfers

43. In paragraph 134, the Board recommends that the UNFPA country office in Myanmar perform the spot checks in a timely manner and make efforts to improve the proactive and effective review of financial monitoring and control over the implementing partners.

44. The country office in Myanmar has taken note of the recommendation. It will continue planning and conducting spot checks within the approved timeframe. Nine out of the ten planned spot checks are ongoing, and the draft reports will be available by end December 2020. One implementing partner will undergo spot checks jointly with the Asia and the Pacific Regional Office.

E. Travel management

45. In paragraph 152, the Board recommends that UNFPA and the Ethiopia, Mozambique and Myanmar country offices make efforts to ensure that travel requests and security authorizations are submitted in a timely manner, in order to ensure that the organization's resources are utilized efficiently and effectively.

46. Management is encouraging country offices to confirm travel itineraries as early as possible and purchase, not only book, airline tickets at least 21 days in advance of travel date, when traveling is below first class, and at least 14 days in advance when traveling in economy class. The organization acknowledges that it is not always possible to comply with this timeline (given humanitarian response requests or timelines linked to partners' response). Still, it expects offices to

plan as early as possible, given the constraints. The policy mandates that all travel be approved prior to the trip's start.

47. Management also strongly encourages obtaining security clearance before travel. This is an individual responsibility and enables personnel to get updated security advisories and be included in security arrangements. Webinars were held in the fourth quarter 2020 to provide a refresher on the travel policies. The need to submit travel requests and obtain timely security clearance was emphasized.

48. For this recommendation, the specific actions of the country offices in Ethiopia, Mozambique and Myanmar include the following:

- (a) The country office in Ethiopia is now enforcing that staff submit travel requests on time, failing which the Representative will not approve travel. However, there are instances where short notice requests are being approved, mainly related to emergency and humanitarian response requests or requests coming from donors and main partners linked to strategic events/activities;
- (b) The country office in Myanmar will continue approving purchase orders before travel once travel authorization and security clearance are granted. Most trips are domestic, and all domestic airfares are fixed, so there is no saving on tickets purchased earlier or closer to the travel date; and
- (c) The country office in Mozambique will improve the oversight of timely submission and processing of travel requests and security clearance through a travel dashboard. However, it is worth mentioning that, given the nature of UNFPA work, there are always instances out of the country office's control that lead to submission of travel requests on short notice, such as for activities or events triggered by donors or short notice requests from or contingent on the confirmation of high-level government authorities.

49. **In paragraph 153, the Board recommends that UNFPA monitor compliance with the deadlines established in the guidance on the authorization of official business travel, with the purpose of managing such travel in an effective, efficient and timely manner.**

50. UNFPA management at corporate level already tracks the timeliness of travel requests for travel originating at headquarters. As UNFPA develops and implements a new ERP solution, it is fully expected that a global travel module will track these indicators for country offices.

51. For this recommendation, the specific actions of the country offices in Ethiopia and Mozambique include the following:

- (a) The country office in Ethiopia is analysing its travel processes. It will soon develop standard operating procedures for travel to improve efficiency and effectiveness in business travel;
- (b) The country office in Mozambique is planning measures to improve the oversight of timely submission and processing of travel requests and security clearance through a travel dashboard. However, given the nature of UNFPA work there are always instances out of country office's control that lead to submission of travel requests on short notice, such as for activities or events triggered by donors or short notice requests coming from or contingent on the confirmation of high-level government authorities.

52. **In paragraph 154, the Board further recommends that UNFPA make travellers and managers aware of their duties and roles as envisaged in the travel guidance and policies.**

53. UNFPA induction materials include an introduction to travel management, covering roles and responsibilities. Additionally, UNFPA regularly holds travel information sessions and training for all staff (travellers, travel arrangers, travel approvers) which always covers such topics. To address this recommendation, a series of webinars were held in October and November 2020 to give a refresher on travel policies and requirements for all UNFPA staff (travellers, travel arrangers, travel approvers). Webinars were scheduled at different times to accommodate all time zones. In addition, the presentation as well as the recording of one of the sessions were made available on the UNFPA

internal travel website Travel Community for staff members who may not have been able to attend. All sessions highlighted the roles and duties of travellers, travel arrangers and travel approvers. The presentation includes checklists that can be used as reference for each one of these roles.

54. In paragraph 165, the Board recommends 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.

55. UNFPA management fully acknowledges the need for strengthening information and communication technology (ICT) tools to improve the travel management process, aiming to increase its effectiveness and efficiency. UNFPA is already in the process of developing a new corporate ERP solution, and the travel module of the new ERP, with all the related monitoring mechanisms, will be rolled out to all country offices as well.

56. In paragraph 166, the Board recommends that UNFPA improve the travel process to ensure timely payment of the daily subsistence allowance, in order to avoid possible unregistered liabilities.

57. UNFPA management fully acknowledges the need for timely payment of the daily subsistence allowance and covers this aspect in the travel related webinars. Moreover, a global travel module in the new ERP system will streamline the processing of daily subsistence allowance disbursement for country offices, similar to what is already in place for UNFPA headquarters.

F. Internal control framework

58. In paragraph 173, the Board recommends that UNFPA perform disaster recovery plan testing and then release an approved disaster recovery plan for its data centre at headquarters, taking into consideration the enhancements made as result of the disaster recovery exercise and any important additional information.

59. UNFPA is finalizing its disaster recovery test plan and will conduct the disaster recovery test by end December 2020. The results, after tabulation, will be submitted to the Board of Auditors. The UNFPA Information Technology Solutions Office has finalized a call tree to quickly reach staff in the event of a disaster. The changes to the disaster recovery plan are undergoing a final review with senior management. The tests will be completed by end December 2020.

60. In paragraph 181, the Board recommends that UNFPA take measures to ensure that conflicts between Atlas system user profiles are resolved in a timely manner, in accordance with the established policy and workplan.

61. UNFPA management continues to focus attention on the resolution of Atlas user profile conflicts. A concerted effort to eliminate conflicts was completed in 2020. A report, developed by the Information Technology Services Office, now tracks exceptions and is reviewed by the Division for Management Service on a semi-annual basis for follow up with the business unit to determine whether an exemption granted is still required. This recommendation has been addressed by management.

62. In paragraph 190, the Board recommends that UNFPA undertake a documented review and revision of its policies and procedures in a timely manner in order to comply with the policy for development, approval and issuance of UNFPA policies, procedures, tools and guidance notes, in order to keep all procedures properly updated.

63. UNFPA initiated its annual review of policies and guidance notes in July 2020. As part of this review, UNFPA added a column to better document discussions between the Policies and Procedures Manual Secretariat and the respective divisions. In late 2019, UNFPA changed the policy template to remove a mandatory revision date (replacing it with compulsory review) and issued the revised policy for development, approval and issuance of UNFPA policies, procedures, tools and guidance notes to clarify the language on the mandatory revision. The updated policy now reads: “a mandatory review of policy content every three years to determine whether or not a revision should be initiated”.

64. **In paragraph 198, the Board recommends that UNFPA establish update procedures and measures for the review, maintenance and updating of the global directory, and an oversight mechanism to ensure that the information contained in the directory and the separation list is updated.**

65. UNFPA management takes note of the recommendation related to updating the global directory policy and strengthening the oversight role to ensure the availability of updated information in the global directory.

G. Recommendations from the prior financial periods 2017 and 2016

66. In annex 1 to its report for the year ended 31 December 2019, the Board provided a summary of the status of implementation of recommendations for previous financial periods. Information is provided below on the five recommendations assessed by the Board to be “under implementation”. The information is set out below in the order in which the recommendations are presented in annex 1.

67. Table 3 summarizes the implementation of the five recommendations.

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 2019

<i>Department responsible</i>	<i>Total</i>	<i>Implemented or closure requested</i>	<i>Under implementation</i>
Division for Management Services and Technical Division	1	1	-
Division for Management Services	1		1
Information Technology Solutions Office	2		2
Division for Management Services and Office of the Executive Director	1		1
Total	5	1	4

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

68. **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.**

69. 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 progresses to integrate all elements into one package consisting of ERM policy, risk framework and risk appetite statement and its operationalization.

70. **In paragraph 59, the Board recommends that UNFPA monitor the distribution process to ensure that the inventory is handed over to the intended beneficiaries by the implementing partners and get assurance on whether inventory has been utilized as intended.**

71. The policy and procedures on management of programme supplies establishes a robust framework of procedures and control activities that collectively provide UNFPA with assurances over the proper utilization of programme supplies, collectively referred to as the ‘last mile assurance’ process, which includes: (a) development of supply-chain maps, demonstrating the flow of products along the different supply-chain levels; (b) implementing partner supply chain management capacity and risk assignments; (c) periodic implementing partner reporting on the management and safeguarding of programme supplies; and (d) regular implementing partner ‘last mile’ spot checks

and audits, which use extracts from UNFPA delivery records and national logistics management information systems for the tracing of samples of deliveries and distributions down to the service delivery points where the products are made available to beneficiaries. Design of the last mile assurance process and training of close to 100 staff members from 60 offices was completed in October 2019. An initial batch of last mile audits of the 16 largest implementing partners that received around 35 per cent of total inventories donated through the UNFPA supplies programme in 2018 was completed in 2019. The last mile assurance process design, templates and guidance notes have been completed. Reports were obtained from implementing partners in 2020, covering supplies delivered in 2019 and the first half of 2020, respectively (with the next batch of report due on 28 February 2021); and spot checks covering the programme supplies delivered in 2019 and 2020 are being executed in line with the last mile assurance process implementation calendar.

72. In paragraph 87, the Board recommends that UNFPA establish an enterprise resource planning solution which will have a global travel and expenses module at all country offices to facilitate the travel management activities and reporting, including reporting of travel data globally in real time.

73. UNFPA acknowledges the benefits of extending travel and expenses module functionality to the field. At this time, UNFPA is piloting the Atlas travel and expense module in the field in one regional office – the Asia and the Pacific Regional Office in Bangkok. It is anticipated that the lessons of this exercise will inform the design and set-up of a planned new ERP solution incorporating a global travel and expense module.

74. In paragraph 98, the Board recommends that UNFPA: (a) incorporate the requirements for ICT security awareness training in the existing policies; and (b) make it mandatory and establish an enforcement mechanism for all staff members to complete information security awareness training.

75. UNFPA has incorporated ICT security awareness training requirements in the new ICT security policy, and the new policy establishes the mandatory ICT security awareness training requirements to be enforced in consultation with the Division of Human Resources.

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

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

77. Upon the advice of the Policies and Procedures Manual Secretariat, the Information Technology Solutions Office is reviewing all its policies to create a more consistent model. UNFPA will hold webinars with country offices upon finalization to ensure understanding and compliance.

III. Conclusion

78. UNFPA welcomes the report of the Board of Auditors for the UNFPA financial statements for the year ended 31 December 2019 and its overall conclusion that UNFPA closed 2019 in good financial health through 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 Board of Auditors' concerns. UNFPA is committed to addressing areas of improvement identified in the report and will continue to strengthen and widen the scope of these initiatives.