Note to the Chef de Cabinet

Report of the Secretary-General on the implementation of the recommendations of the Board of Auditors contained in its report on the United Nations peacekeeping operations for the financial period ended 30 June 2014

1. The report of the Secretary-General on implementation of the recommendations of the Board of Auditors, contained in its report on United Nations peacekeeping operations for the financial period ended 30 June 2014, is ready for clearance and was submitted to DGACM for processing on 13 February 2015.

2. The report was prepared pursuant to paragraph 7 of General Assembly resolution 48/216B and provides the updated responses of the Administration. The Administration concurred with most of the recommendations of the Board of Auditor. Many recommendations are completed and closure of the recommendations is requested in the report. The report does not contain any new policy proposals and the Department of Management does not consider there to be any politically sensitive areas in the report.

3. However, there are two recommendations that have been not been accepted by the Department of Management (DM). Both are related to the Headquarters Committee on Contracts (HCC). The first recommendation requests that the Procurement Manual be reviewed to strengthen the roles of the LCCs and HCCs. However, DM states that the roles of these Committees are clearly defined in the Procurement Manual (*pg. 23 para. 56 of the report*).

4. The second recommendation reiterates the advice to strengthen the role of the HCC. DM's response states that the HCC was created to ensure that the ASG/OCSS was able to make informed decisions and that strengthening the role of the HCC beyond its advisory function would weaken the accountability of the ASG/OCSS under the United Nations Financial Rules and Regulations (*pg. 51 para. 131 of the report*).

Proposed action:

- Approval is recommended.

Patrick Carey
24 February 2015

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- Report in Corbag

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United Nations Nations Unies
INTEROFFICE MEMORANDUM MEMORANDUM INTERIEUR

TO: Ms. Susana Malcorra
A: Chef de Cabinet

DATE: 19 February 2015

THROUGH:
S/C DE:

FROM: Yukio Takasu
DE: Under-Secretary-General for Management

SUBJECT: **Report of the Secretary-General on the implementation of the recommendations of**
OBJET: **the Board of Auditors contained in its report on the United Nations peacekeeping operations for the financial period ended 30 June 2014**

1. We are pleased to inform you that the attached report of the Secretary-General was submitted to the Department for General Assembly and Conference Management (DGACM) for processing on Friday, 13 February 2015. The report does not contain any policy proposals and is not viewed as politically sensitive for the Secretariat.

2. The report is prepared pursuant to paragraph 7 of General Assembly resolution 48/216 B and it provides the responses of the Administration, mainly from the Departments of Field Support, Peacekeeping Operations and Management.

3. The Administration has concurred with most of the recommendations of the Board of Auditors (the Board) and many of the Administration's comments have been duly reflected in the report of the Board (A/69/5 (Vol. II)). The report of the Secretary-General provides additional comments from the Administration, where deemed appropriate. In addition, the present report contains updated information on the status of implementation of the recommendations of the Board relating to prior periods that were reported by the Board in Annex II to its report as not having been fully implemented.

4. The Administration did not accept two of the Board's recommendations which proposed strengthening the roles of the committees on contracts and amending the Procurement Manual to reflect this. The Administration notes that the Committees on Contracts are set up to provide advisory services to the Assistant Secretary-General, Office of Central Support Services, who has the delegated authority for procurement matters. In addition, the Procurement Division actively reviews the provisions of the Procurement Manual, and in the Administration's opinion, the Procurement Manual clearly outlines the requirements for submission of

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cases to committees on contracts and therefore, no amendment is required in this regard.

5. The main recommendations of the Board are hereby included in the attached Annex.

6. Thank you.

Annex

Financial report and audited financial statements for the 12-month period from 1 July 2013 to 30 June 2014 and Report of the Board of Auditors, Volume II – United Nations Peacekeeping Operations

Main recommendations

Implementation of IPSAS

(a) Strengthen internal controls and closely monitor the accounting processes and preparation of financial packages at the missions so as to enhance the accuracy of the financial statements;

Budget formulation and management

(b) Ensure that mission chiefs exercise greater vigilance and control over budget variations and re-deployments should be permitted only with full justification.

Travel management

(c) Review the reasons for non-adherence to the advance purchase policy and take effective steps to enforce and monitor compliance by the staff and missions;

Asset management

(d) Ensure that the stipulated time lines for write off as well as disposal of assets are monitored and adhered to by the field missions;
(e) Strengthen asset management procedures to monitor the level of aging stock and their judicious deployment and utilization as well as tracking of items not located during physical verification;

Procurement and contracting

(f) Establish a system of monitoring and review of time lines of various stages of the procurement process to reduce or eliminate delays;
(g) Review the guidelines for obtaining of performance bonds to ensure that they are adequate to secure the interests of the UN and are applied in a consistent manner;

Air transportation

(h) Carry out a thorough analysis of trends of utilization of air resources by missions to determine the optimum size and composition of the aviation fleet to meet the requirement without compromising operational parameters;
(i) Take steps to enable the UNGSC to carry out its function of identifying economies and efficiencies in air tasking by ensuring adherence to the stipulated time frames for sending of flight requests and providing post flight data;

Management of construction projects

(j) Further strengthen procedures for planning and implementation of construction contracts factoring in all foreseeable environmental and security factors that may impinge upon execution of the work through a feasibility study and detailed project report;

Quick Impact Projects

(k) Monitor the implementation of Quick Impact Projects by field missions to ensure adherence to the extant policies relating to the size of individual projects and time lines for their approval and implementation;

Global Field Support Strategy

(l) Take necessary steps to ensure that the activities planned under the GFSS are completed by June 2015 so that the end state vision and Key Performance Indicators are achieved as envisaged;
(m) Review activities identified under the succession management plan and set revised target dates for their completion without further slippages;
(n) Establish a vision, strategy and roadmap for supply chain reforms and ensure its implementation;
(o) Review and finalize the modularization strategic action plan as a matter of urgency;
(p) Expedite the enabling capacities project to ensure that service packages can be seamlessly implemented in the field and modularized camps rapidly deployed;

ICT resources in peacekeeping operations

(q) Empirically evaluate proposals for setting of standards by clearly mentioning the requirements of missions that are sought to be fulfilled by the proposed standards;
(r) Review the provisions of the Procurement Manual to strengthen the role of the Headquarters Committee on Contracts as an effective internal control mechanism;

(s) Review procedures for deployment of ICT assets so as to obviate prolonged delays in deployment and use of assets procured;

(t) Develop a comprehensive Information Security Policy including detailed protocols to be followed by missions and user units including periodical updating of Business Continuity Plans and Disaster Recovery Plans and periodic tests to establish their efficacy; and

(u) Explore the setting up of an organization wide Computer Emergency Response Team (CERT) to coordinate and respond to cyber incidents and threats and carry out real time analysis to develop defensive measures to secure UN's information assets, resources and data.

United Nations A/69/781

General Assembly

Distr.: General
13 February 2015

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Approved on behalf of the Secretary-General.
Chef de Cabinet
25/02/15

Sixty-ninth session
Agenda items 130 and 148[1]

Financial reports and audited financial statements, and reports of the Board of Auditors

Administrative and budgetary aspects of the financing of the United Nations peacekeeping operations

Implementation of the recommendations of the Board of Auditors concerning United Nations peacekeeping operations for the financial period ended 30 June 2014

Report of the Secretary-General

Summary

The present report provides additional information in response to the recommendations of the Board of Auditors contained in its report on the United Nations peacekeeping operations for the 12-month period ended 30 June 2014 (A/69/5 (Vol. II)). The report is submitted in accordance with paragraph 7 of General Assembly resolution 48/216 B, in which the Secretary-General was requested to report to the Assembly, at the same time as the Board of Auditors submitted its recommendations to the Assembly, on measures taken or to be taken to implement those recommendations.

[1] A/69/250

Please recycle

The Administration has concurred with most of the Board's recommendations and many of the Administration's comments have been duly reflected in the report of the Board. The present report provides additional comments from the Administration where appropriate, and information on the status of implementation, the department responsible, the estimated completion date and the priority for each recommendation contained in the report of the Board. In addition, the present report contains updated information on the status of implementation of the recommendations of the Board relating to the prior period that were reported by the Board, in annex II to its report, as not having been fully implemented.

I. Introduction

1. In paragraph 7 of its resolution 48/216 B, the General Assembly requested the Secretary-General to report to it on the measures that would be taken to implement the recommendations of the Board of Auditors at the same time as the report of the Board was submitted to the Assembly. Accordingly, the present report is submitted in response to the recommendations of the Board contained in its report on the accounts of the United Nations peacekeeping operations for the 12-month period ended 30 June 2014 (A/69/5 (Vol. II), Chap. II).

2. In preparing the present report, account was taken of the provisions of the following documents:

(a) Resolution 52/212 B (in particular paragraphs 2 to 5) and the note by the Secretary-General transmitting the proposals of the Board for improving the implementation of its recommendations approved by the Assembly (A/52/753, annex);

(b) Paragraph 9 of resolution 68/19 B, in which the Assembly requested the Secretary-General to continue to indicate an expected time frame for the implementation of the recommendations of the Board of Auditors and the priorities for their implementation, including the office holders to be held accountable and measures taken in that regard; and

(c) The recommendation of the Advisory Committee Administrative and Budgetary Questions in paragraph 11 of its report A/69/386, in which the committee indicated it considers that further details in terms of the recommendations of the Board that have not been accepted, including a summarized explanation of the reasons for non-acceptance, should be provided.

3. With regard to prioritization, the Administration noted that the Board had categorized 22 of the 63 recommendations as "main" recommendations. While all accepted recommendations of the Board will be implemented in a timely manner, the main recommendations will be considered to be of the highest priority.

4. The Administration is pleased to note the Board has reported that there was an increase of eight per cent in the implementation rate of recommendations from 43 per cent in the July 2011 – June 2012 financial period to 51 per cent during the July 2012 – June 2013 financial period.

5. Tables 1 and 2 below summarize the status of implementation of newly issued main and all recommendations respectively, as of February 2015:

Table 1
Status of implementation of main recommendations as of February 2015

Department responsible	*Number of recommendations*	*Not accepted*	*Implemented / Closure requested*	*In progress*	*Target date set*	*No target date*
Department of Peacekeeping Operations and Department of Field Support	17	-	2	15	12	3
Department of Peacekeeping Operations, Department of Field Support and Department of Management	2	-	-	2	2	-
Department of Management	3	1	1	1	1	-
Total	**22**	**1**	**3**	**18**	**15**	**3**

6. As indicated in table 1, of the 22 main recommendations issued by the Board, 1 has not been accepted, 3 have been implemented or closure has been requested, and 18 are in progress. Of the 18 main recommendations in progress, 14 are targeted for implementation in 2015 and 1 is due for implementation in 2016. Three recommendations for which no target dates have been set pertain to ongoing activities.

Table 2
Status of implementation of all recommendations as of February 2015

Department responsible	*Number of recommendations*	*Not accepted*	*Implemented / Closure requested*	*In progress*	*Target date set*	*No target date*
Department of Peacekeeping Operations and Department of Field Support	51	-	14	37	31	6
Department of Peacekeeping Operations, Department of Field Support and Department of Management	5	-	-	5	5	-
Department of Management	7	2	3	2	2	-
Total	**63**	**2**	**17**	**44**	**38**	**6**

7. As indicated in table 2, of the 63 recommendations issued by the Board, 2 have not been accepted, 17 have been implemented or closure has been requested, and 44 are in progress. Of the 44 recommendations in progress, 36 are targeted for implementation before the end of 2015 and 2 are due for implementation in 2016. The 6 recommendations for which no target dates have been set pertain to ongoing activities.

8. The Administration did not accept two of the Board's recommendations that proposed strengthening the roles of the committees on contracts and amending the Procurement Manual accordingly. The Administration notes that the committees on contracts are set up to provide advisory services to the Assistant Secretary-General, Office of Central Support Services, who has the delegated authority for procurement matters. In addition, the Procurement Division actively reviews the provisions of the Procurement Manual and in the Administration's opinion, the Procurement Manual clearly outlines the requirements for submission of cases to committees on contracts and therefore, no amendment is required in this regard.

II. Implementation of the recommendations contained in the report of the Board of Auditors

9. The information requested by the General Assembly on the status of implementation of recommendations contained in the report of the Board of Auditors for the financial period ended 30 June 2014 (A/69/5 (Vol. II) is set out below. As indicated in the summary of the present report, most of the Administration's comments have already been included in the report of the Board. Accordingly, additional comments are provided only where deemed necessary.

A. Implementation of IPSAS

10. **In paragraph 20, the Board recommended that in order to enhance the transparency and utility of the financial statements for all stakeholders, the Administration: (a) state the significant accounting policy for the contingent contracted services; (b) provide expenditure figures by budget line-items in annex II to the financial statements to facilitate enhanced appreciation of expenditure incurred; and (c) review the useful lives of assets to be applied prospectively.**

11. The Administration has committed to develop more detailed disclosure in the note on contingent contracted services and to review the useful lives of assets

as part of the 2015 financial statements preparation process. An appropriate level of financial statements disclosure for budget expenditures will also be considered.

Departments responsible:	Department of Management
Status:	In progress
Priority:	Medium
Target date:	Third quarter of 2015

12. **In paragraph 25, the Board recommended that the Administration strengthen internal controls and checks and maintain close monitoring of the accounting process and preparation of financial packages including the trial balance at the missions so as to enhance the accuracy of the financial statements.**

13. The Administration has taken specific actions to strengthen internal controls including weekly monitoring of open items and unusual general ledger balances and the deployment of a monthly reporting analysis to tighten internal controls at the mission level. To support the 2015 financial statements preparation process, a workshop is being planned to provide more structured guidance including lessons learned during the 2014 audit.

Departments responsible:	Department of Management
Status:	In progress
Priority:	High
Target date:	Second quarter of 2015

B. Budget formulation and management

14. **In paragraph 33, the Board recommended that: (a) efforts be intensified to make the budget as realistic as possible so that it can be used as an effective instrument of expenditure control; and (b) the oversight of the Budget Steering and Sub-Steering Committees be strengthened so that situations of over- or under-budgeting are avoided.**

15. The Administration would like to reiterate that budgets are based on the best available information at the time of their preparation, well in advance of the budget implementation period. Budgets are plans that contain forecasted financial requirements based on a number of assumptions. In this context, recognizing the highly volatile operational environment in which most of the peacekeeping missions are deployed, it is normal for variances to occur between the approved budget and its actual implementation. These variances are reported to the General Assembly in budget performance reports, which become important reference documents during the formulation and review of subsequent budgets.

16. In overall terms, peacekeeping operations achieved a 97 per cent budget utilisation rate in the 2013/2014 financial period, which is an indication of a robust monitoring process and budgetary discipline. Regarding part (b) of the recommendation, there is no corresponding finding in the Board's report and as a result, the Administration is unable to comment on it.

Departments responsible:	Department of Peacekeeping Operations and Department of Field Support
Status:	Closure requested
Priority:	Medium
Target date:	Not Applicable

17. **In paragraph 39, the Board recommended that mission chiefs exercise greater vigilance and control over budget variations and re-deployments should be permitted only with full justification.**

18. The Administration reiterates that the redeployments between groups and classes are explained by the missions' volatile operational environments and significant changes in mandates. As previously indicated to the Board, redeployments across groups and classes are an essential feature of allotment management to provide missions with the required flexibility to deliver on their mandates. Accordingly, the redeployment of funds is not an indication of any deficiency in either financial monitoring or control, but rather a mission that is proactively meeting the shifting priorities of operational requirements in response to both internal and external factors. Closure of this recommendation is requested as there was no finding by the Board that re-deployments were unjustified and unapproved.

Departments responsible:	Department of Peacekeeping Operations and Department of Field Support
Status:	Closure requested
Priority:	High
Target date:	Not applicable

19. **In paragraph 54, the Board recommended that the Administration review the methodology adopted to ensure more realistic budgetary projections.**

20. The Administration issues comprehensive guidance in budgeting for major consumables as part of the budget instruction package circulated to all peacekeeping missions. The guidance is updated every year to account for price changes due to contractual costs, consumption patterns or new budgeting parameters for more realistic budgeting.

21. The guidance package is intended to provide a standard approach to budget parameters to the extent possible based on the collective experience of missions, and to support a budget formulation approach where historical trends may not be an adequate indicator for resource planning. In the course of budget formulation, it is an accepted practice that missions should review their recent historical trends of consumption and budget accordingly.

22. Missions also establish their own consumption baseline by ensuring that an accurate representation of costs is provided in the budget proposals, supported in part by the guidance package issued by Headquarters where such historical trends are not available or uncertain.

Departments responsible:	Department of Peacekeeping Operations and Department of Field Support
Status:	Implemented
Priority:	Medium
Target date:	Not applicable

C. Travel management

23. **In paragraph 59, the Board recommended that the Administration review the actual requirements for official travel and take steps to strengthen budget planning of official travel at mission level in order to ensure optimum allocation and utilisation of resources.**

24. The Administration's comments are reflected in paragraph 60 of the Board's report.

Departments responsible:	Department of Peacekeeping Operations and Department of Field Support
Status:	In progress
Priority:	Medium
Target date:	Ongoing

25. **In paragraph 64, the Board recommended that: (a) the Administration take effective steps to enforce and monitor compliance with the advance purchase policy by the staff and missions, and (b) RSCE review the reasons for non-compliance with the Administrative Instructions and identify areas of improvement including streamlining and monitoring of grant of approvals for travel claims.**

26. RSCE has established monthly key performance indicators to track the implementation of the 16-day policy on issuance of tickets and to enforce this rule with exceptions duly documented, justified and approved. The Administration's additional comments are reflected in paragraph 65 of the Board's report.

Departments responsible:	Department of Peacekeeping Operations and Department of Field Support
Status:	In progress
Priority:	High
Target date:	Third quarter of 2015

27. **In paragraph 70, the Board recommended that: (a) the format of travel request being used by DPKO/DFS be revised to include certification by the program manager as per the extant instructions, and (b) that issuance of such certificates be insisted upon before grant of approval for the proposed travel.**

28. The Administration has revised the request for travel authorization form as recommended by the Board.

Departments responsible:	Department of Peacekeeping Operations and Department of Field Support
Status:	Implemented
Priority:	Medium
Target date:	Not applicable

29. **In paragraph 77, the Board recommended that the missions, together with the RSCE, closely monitor the adjustment of the advances and ensure timely action for adjustment/recovery. Guidelines may be issued detailing the respective responsibilities of the mission and RSCE and ensuring that separation benefits are granted only after getting no dues certificates from the concerned sections.**

30. The Administration's comments are reflected in paragraph 78 of the Board's report.

Departments responsible:	Department of Peacekeeping Operations and Department of Field Support
Status:	In progress
Priority:	Medium
Target date:	Third quarter of 2015

31. **In paragraph 81, the Board recommended that the Administration review the ticketing arrangements that may have been entered in by missions**

with travel firms so as to ensure that discounts are uniformly availed off to avoid unnecessary expenditure.

32. The Administration's comments are reflected in paragraph 82 of the Board's report.

Departments responsible:	Department of Peacekeeping Operations and Department of Field Support
Status:	Implemented
Priority:	Medium
Target date:	Not applicable

D. Asset management

33. **In paragraph 86, while noting the improvements made, the Board recommended that the Administration undertake a more focused effort to ensure that their own instructions in respect of write-off of assets are followed by missions.**

34. The Administration's comments are reflected in paragraph 87 of the Board's report.

Departments responsible:	Department of Peacekeeping Operations and Department of Field Support
Status:	In progress
Priority:	High
Target date:	Ongoing

35. **In paragraph 91, the Board recommended that the Administration review the reasons for delay and ensure that the missions explore the possibility of quicker disposal of the long pending cases while addressing mission specific constraints.**

36. Both DFS and the missions have made substantial progress in the area of disposal by commercial sale as demonstrated by the improved timeline of the process. The timeline of the completed commercial sales (179 days) and pending commercial sales (123 days) are within the established departmental target of 180 days with 30 days tolerance. During the 2013/2014 financial period, DFS provided guidance to the field missions to review local market conditions and explore opportunities for the establishment of disposal agreements with the local authorities and/or resort to alternative disposal methods. Missions were further guided to engage all stakeholders in establishing a robust commercial sale regime for property disposal, conduct sales regularly to avoid accumulation of backlog and further improve disposal performance. The progress achieved was due to the guidance provided and close follow up by DFS. Further guidance to the missions will be provided in the DFS directive and the work plan on property management for the 2015 calendar year.

Departments responsible: Department of Peacekeeping Operations and Department of Field Support

Status:	In progress
Priority:	Medium
Target date:	Ongoing

37. **In paragraph 97, the Board recommended that missions: (a) strengthen their asset management procedures and closely monitor the level of aging stock and their judicious deployment and re-distribution, (b) consider writing off or disposing all obsolete equipment which are no longer in use, and (c) ensure proper assessment of requirement before undertaking procurement so as to ensure that items purchased are utilized.**

38. At UNMISS, a significant portion of the slow-moving items were stocks from the previous Mission which were earmarked for the construction of projects. Some of these projects have been cancelled following the revision of the Mission's mandate. These assets are being reviewed on a quarterly basis in accordance with the property management guidelines. The Asset Management Unit will continue to work with self-accounting units to expedite the redeployment of surplus items. Additional comments by the Administration are reflected in paragraph 98 of the Board's report.

Departments responsible:	Department of Peacekeeping Operations and Department of Field Support
Status:	In progress
Priority:	High
Target date:	Ongoing

39. **In paragraph 101, the Board recommended that missions: (a) improve their procedures for issue and tracking of assets, and (b) exert more effort to trace the "not located" items during physical verification.**

40. The Administration would like to reiterate that items not physically verified at the time of reporting do not necessarily represent a loss or indicate any potential mismanagement. It should be acknowledged that the dynamic operational environment that involves frequent movement of staff and equipment, restrictions of movement, or, in many instances, hostile security conditions on the ground do not always provide for easy access to sites where assets are located.

41. Continuous measures undertaken by DFS have resulted in improvement of the physical accountability of Non-Expendable Property (NEP), which has been consistently exceeding 99 per cent during the last two financial periods. Furthermore, the total number of items not located at the year-end has been reduced over years and represented a meagre 0.58 per cent of the total NEP value in peacekeeping operations as at 30 June 2014.

42. It is confirmed that most of the items eventually get located. The value of items that have been written-off as actual loss during 2013/2014 financial period represented 0.16 per cent of the total DPKO/DFS holdings, which is an indication of effective internal controls, given the peacekeeping operating environment.

43. Notwithstanding, DFS has defined key performance indicators in its Directive and Work Plan on property management for the 2014 calendar year. The performance results have been systematically reviewed and reported by missions on a quarterly basis. The Department has reminded missions to step up the process of physical verification as a key measure for ensuring property record accuracy and plans to finalise this activity well ahead of the end of the financial year in order to allow sufficient time for review and reconciliation of discrepancies identified during the verification process. Furthermore, missions were requested to review and reconcile discrepancies in NEP records and ensure that all NEP items marked with the "Not Found Yet" discrepancy are located or, when appropriate, written-off as lost within the established timeframe. Efforts are in progress at the missions to locate items which have not yet been verified.

Departments responsible:	Department of Peacekeeping Operations and Department of Field Support
Status:	In progress
Priority:	High
Target date:	Ongoing

44. **In paragraph 108, the Board recommended that the Administration review inventory management and practices in missions to reduce the number of over-stocked items and ensure a more rational stocking of items taking into account actual rates of consumption.**

45. The Administration's comments are reflected in paragraph 109 of the Board's report. MINUSMA is in the process of establishing stock levels.

Departments responsible:	Department of Peacekeeping Operations and Department of Field Support
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2015

E. Procurement and contracting

46. **In paragraph 114, the Board recommended that a system of monitoring of timelines of the various stages of the procurement process be instituted to reduce or eliminate delays in procurement.**

47. The Administration's comments are reflected in paragraph 115 of the Board's report.

Departments responsible:	Department of Peacekeeping Operations and Department of Field Support
Status:	In progress
Priority:	High
Target date:	Third quarter of 2015

48. **In paragraph 122, the Board recommended that the Administration ensure that requisitions are sent to Procurement Division in time keeping in**

view the expiry of on-going contracts so that such contracts do not get extended beyond the contracted tenure.

49. The Administration's comments are reflected in paragraph 123 of the Board's report.

Departments responsible:	Department of Peacekeeping Operations and Department of Field Support
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2015

50. **In paragraph 129, while recognizing the need for some flexibility in seeking performance bond, the Board recommended that the Administration review the guidelines for obtaining such bonds to ensure that they are adequate to secure the interests of the UN and result in consistent application of provisions.**

51. The Administration requests for the closure of this recommendation, since its content is already the practice, as the Board observed. Specific guidelines to buyers and requisitioners on performance security are provided in the Procurement Manual (Section 9.34). Vendors would incur additional costs for re-issuing Performance Bonds which may be passed on to the Organization. In addition, vendors may ask for Performance Bond reductions as the "Not To Exceed" (NTE) balance (and the Organization's risk exposure) on the contract decreases over time.

In this regard, the Administration requests that the Board take into consideration that extension of a contract usually occurs at the end of the contract term, when the contract expenditures approaches the NTE value. In such situations, the existing performance bond normally adequately mitigates risk of the outstanding vendor obligation.

Departments responsible:	Department of Management
Status:	Closure requested
Priority:	High
Target date:	Not applicable

52. **In paragraph 132, the Board recommended that UNAMID reviews the control mechanisms in place to ensure that recoveries on account of liquidated damages and other contract related breaches are effected in a timely manner.**

53. The Administration's comments are reflected in paragraph 131 of the Board's report.

Departments responsible:	Department of Peacekeeping Operations and Department of Field Support
Status:	Implemented
Priority:	Medium
Target date:	Not applicable

54. **In paragraph 139, the Board recommended that the missions: (a) develop a system which will enable it to capture and collect all types of**

discounts offered in the contract and (b) ensure coordination between the different sections within the mission so that invoices are processed within the specified timeframe to secure prompt payment discounts.

55. The non-utilisation of prompt payment discounts mainly related to problems experienced during the deployment of Umoja at the missions. These issues were escalated to the United Nations Headquarters and subsequently resolved. The missions are now taking advantage of prompt payment discounts, where applicable. The use of invoice due dates provided through Umoja has further facilitated the tracking of invoices with prompt payment discounts.

Departments responsible:	Department of Peacekeeping Operations and Department of Field Support
Status:	Implemented
Priority:	Medium
Target date:	Not applicable

56. **In paragraph 150, the Board recommended that the provisions in the Procurement Manual be reviewed to strengthen the role of the LCC/HCC as an effective internal control mechanism and to ensure best value for money, accountability and transparency in procurement decisions.**

57. The Procurement Division actively reviews the provisions of the Procurement Manual and in the Administration's opinion, no additional guidance is required as the Procurement Manual clearly outlines the requirements for

submission of cases to committees on contracts, whether locally or at Headquarters, as well as the responsibilities of the parties involved in the process. Please also refer to the Administration's comments for the recommendation in paragraph 387 of the Board's report.

Departments responsible:	Department of Management
Status:	Not accepted
Priority:	Medium
Target date:	Not applicable

F. Regional Procurement Office

58. **In paragraph 156, the Administration accepted the Board's recommendation that: (a) the missing elements be incorporated in the JAP; (b) definite target dates be set for finalisation of the JAP and in any case the JAP should be finalized before the start of the fiscal year; and (c) the annual planning process should result in the preparation of mission specific plans in addition to the JAP.**

59. The Administration agrees with the recommendation and has implemented it as follows:

(a) *Missing elements in the Joint Acquisition Plan (JAP):* The regional procurement office (RPO) is incorporating estimated quantities and delivery dates/timelines (as applicable), as well as target dates for the initiation and

completion of procurement actions in compliance with the approved service level agreement (SLA) during the development of the regional acquisition plan (RAP), previously known separately as JAP and mission-specific acquisition plans, which will include goods/services common to all missions as well as mission-specific requirements. Also, the framework policy of the RPO was revised to incorporate additional instructions for developing the RAP, at the Regional Procurement Steering Group (RPSG) meeting on 15 September 2014.

(b) *Target dates for finalization of RAP:* The Administration agrees that definite target dates for finalizing the RAP should be set, and the RAP should be finalized before the start of the fiscal year. In this regard, the framework policy of RPO was revised accordingly on 15 September 2014. The planning process starts with the preparation of individual missions acquisition plans based on their budget proposals. A draft RAP shall then be developed and consolidated in January-February of each year by each Chief Procurement Officer and shared with senior management in missions and appropriate self-accounting units, for their review and feedback. The RAP shall be finalized, approved and signed by the RPSG in July of each year after issuance of approved budget. The approval may be electronic (by email) if an RPSG meeting cannot be scheduled in July. The RAP shall be reviewed at RPSG meetings and any amendments/ changes/ additions have to be approved by the RPSG.

(c) *Mission-specific acquisition:* The draft acquisition plan shall be prepared by the Chief Procurement Officers of the client missions, who have been designated as the mission's focal points for the RPO in each mission, in coordination with self-accounting units and senior management in the respective mission. A copy of the revised Framework Policy for the RPO was provided to the Board for its information.

Departments responsible:	Department of Management
Status:	Implemented
Priority:	Medium
Target date:	Not applicable

60. **In paragraph 160, the Board recommended that Procurement Division take concerted action to improve utilisation rates of regional systems contracts by missions. Where there are such contracts, the missions should normally be prevailed upon to avail of them.**

61. The Procurement Division has undertaken a supporting role in order to improve the utilisation rates of regional systems contracts by missions. The Board was informed of the following management actions during the course of the audit: (a) the Directors and Chiefs of Mission Support have issued instructions to their staff on actions to be taken by self-accounting units, prior to raising shopping carts; (b) the utilization rates are provided to missions on a monthly basis and discussed at every RPSG meeting; (c) that the Regional Systems Contracts are put

in place by the RPO based on forecasted requirements provided by the Missions; and (d) regional systems contracts, as with global system contracts, do not have any guarantee of minimum purchase and the regional systems contracts permit the contractors to deliver only after the receipt of the purchase orders from the missions. The Procurement Division, in consultation with senior management in DFS at headquarters and in missions, continue to support efforts to increase utilization rates for the regional systems contracts by reducing the procurement lead times, promoting closer communication with missions, reducing delivery time, etc.

62. The Administration requests for the closure of this recommendation.

Departments responsible:	Department of Management
Status:	Closure requested
Priority:	Medium
Target date:	Not applicable

G. Vehicles Fleet Management

63. **In paragraph 168, the Board reiterated its recommendation that the Administration continue their efforts to eliminate excess LPV holdings.**

64. The Administration's comments are reflected in paragraph 166 of the Board's report.

Departments responsible:	Department of Peacekeeping Operations and Department of Field Support
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2015

H. Fuel Management

65. **In paragraph 172, the Board recommended that the payment procedures be streamlined to be able to claim prompt payment discounts. There should be strict timelines for processing of fuel bills coupled with robust mechanisms for monitoring of these timelines.**

66. Please see the Administration's comments above on the recommendation in paragraph 139 of the Board's report.

Departments responsible:	Department of Peacekeeping Operations and Department of Field Support
Status:	Implemented
Priority:	Medium
Target date:	Not applicable

I. Air transportation

67. **In paragraph 176, the Board recommended that Administration closely monitor the implementation of AIMS not only in the three pilot missions but subsequently across all missions and obviate any further slippages.**

68. The Administration's comments are reflected in paragraph 177 of the Board's report.

Departments responsible:	Department of Peacekeeping Operations and Department of Field Support
Status:	In progress
Priority:	Medium
Target date:	Third quarter of 2015

69. **In paragraph 181, the Board recommended that Administration carry out a trend analysis of utilisation of air resources by missions to determine the optimum size and composition of aviation fleet required without compromising operational parameters.**

70. The Administration's comments are reflected in paragraph 180 of the Board's report.

Departments responsible:	Department of Peacekeeping Operations and Department of Field Support
Status:	In progress
Priority:	High
Target date:	Third quarter of 2015

71. **In paragraph 183, the Board recommended that missions analyse flight needs and flight schedules to maximise passenger and cargo payload per**

flight to improve aircraft capacity utilization and efficiencies and thereby reduce costs on air transport.

72. The Administration's comments are reflected in paragraph 184 of the Board's report.

Departments responsible:	Department of Peacekeeping Operations and Department of Field Support
Status:	In progress
Priority:	Medium
Target date:	Third quarter of 2015

73. **In paragraph 189, the Administration agreed with the Board's recommendation to: (a) ensure strict adherence to the timeframes for sending requests so as to enable planning of efficient and cost effective flight options and (b) ensure that post flight analysis checklist is furnished to SAOC[2] for better future tasking.**

74. In accordance with the directive issued by the Under-Secretary-General for Field Support (USG/DFS) in November 2009, requests for aviation support should be sent to the office of the USG/DFS at least 10 working days in advance of the proposed travel to allow for all operational and administrative planning to be undertaken in a systematic manner. A similar directive would be issued to United Nations Senior Management and other implementing parties for strict compliance.

[2] Strategic Air Operations Centre

Departments responsible:	Department of Peacekeeping Operations and Department of Field Support
Status:	In progress
Priority:	High
Target date:	Second quarter of 2015

75. **In paragraph 194, the Board recommended that SAOC undertake a thorough cost analysis of UN fleet operations to ascertain areas where efficiencies can be achieved.**

76. The Administration's comments are reflected in paragraph 195 of the Board's report.

Departments responsible:	Department of Peacekeeping Operations and Department of Field Support
Status:	In progress
Priority:	Medium
Target date:	Second quarter of 2015

J. Management of construction projects

77. **In paragraph 198, the Board recommended that monitoring of construction projects be further strengthened and that missions be advised to submit their reports with all details so as to enable effective monitoring and redressing of any impediments to timely completion of the projects.**

78. The Administration's comments are reflected in paragraph 199 of the Board's report.

Departments responsible:	Department of Peacekeeping Operations and Department of Field Support
Status:	In progress
Priority:	Medium
Target date:	Third quarter of 2015

79. **In paragraph 211, the Board recommended that: (a) the missions strengthen their procedures for planning and implementation of construction contracts to factor in all foreseeable environmental and security factors that may impinge upon execution of the work, (b) a proper feasibility study be conducted and a detailed project report prepared before proposing project time lines, and (c) completion dates should be realistic and practical so as to avoid the possibility of slippage in the stipulated schedule.**

80. The Administration's comments are reflected in paragraphs 201, 202, 208, 210 and 212 of the Board's report. Further, the implementation of the Guidelines on the Governance of Major Construction Projects will improve construction project management in the missions.

Departments responsible:	Department of Peacekeeping Operations and Department of Field Support
Status:	In progress
Priority:	High

Target date: Fourth quarter of 2015

81. **In paragraph 221, the Board recommended that Administration conduct a review of current arrangements across peacekeeping missions to ensure consistent application of the requirements for performance security to protect the interests of the organisation.**

82. In accordance with paragraph 6 of Chapter 9.34 of the Procurement Manual, security instruments are not required for all solicitations or contracts, and whether they are needed requires a careful assessment of the facts and circumstances of the procurement. In accordance with paragraph 7, the Procurement officer should determine whether security instrument is necessary. It should be noted that liquidated damages are intended to compensate for actual losses caused by any delay, and not as a penalty for delays or an "incentive" to ensure that the contractor performs on time. The enforceability of liquidated damages provisions depends on the facts and circumstances of the procurement action concerned and the substance and terms and conditions of the contract in question. The determination as to when and how to use liquidated damages provisions in United Nations contracts is complex and such clauses are not appropriate for all contracts.

Departments responsible: Department of Peacekeeping Operations and Department of Field Support

Status: Implemented

Priority:	Medium
Target date:	Not applicable

K. Quick Impact Projects

83. **In paragraph 240, the Board recommended that: (a) the implementation of QIPs by field missions should be periodically monitored by UNHQ to ensure that the missions adhere strictly to the DPKO/DFS policies stipulating the size of individual projects and time lines for their approval and implementation particularly after release of first instalment of payment to the implementing agency, (b) there should be documented evaluation of the assessment of capacities and selection of implementing partners for carrying out the projects, and (c) QIP Management Teams consisting of properly trained and dedicated staff should be constituted for managing the QIPs.**

84. DPKO provides policy and good practices on implementation of quick-impact projects (QIPs) to missions. Due to capacity limitations at Headquarters, policy compliance; identification and resolution of bottlenecks; monitoring; support to evaluation of impact and effectiveness are carried out by individual missions. UNAMID has identified the risks relating to project implementation and developed risk mitigation measures to address delays in implementation of QIPs. Furthermore, DPKO shared a collection of lessons learned and best practices with UNAMID to support the Mission in establishing efficient procedures and practices that conform to the requirements of the DPKO/DFS Policy on Quick Impact

Projects. UNISFA is improving its QIP governance and project practices by providing the required resources and training to the concerned staff. Additional comments are reflected in paragraph 241 of the Board's report.

Departments responsible:	Department of Peacekeeping Operations and Department of Field Support
Status:	In progress
Priority:	High
Target date:	Third quarter of 2015

L. Management of human resources

85. **In paragraph 247, the Board recommended that the Administration monitor the progress of performance appraisals by all missions as per the e-Performance program and monitor performance of its staff against established performance parameters.**

86. DFS monitors timely completion of performance appraisals by the missions. In particular, the Department has developed and implemented a monitoring framework that includes two e-Performance campaigns aimed at monitoring compliance and the timely completion of mid-term and end-of cycle reviews. Such monitoring campaigns involve regular communication with the missions, including UNSOA on the overall compliance ratio for both the mid-term and end-of-cycle reviews, in addition to a detailed annual report on the status of each staff member in the process of performance appraisal. With this report, the

missions can proactively follow up with staff members and first reporting officers to conclude the performance appraisal in a timely manner. Completion of e-Performance has also been included in the Senior Managers Compact and the Heads of Missions are accountable for ensuring compliance.

Departments responsible:	Department of Peacekeeping Operations and Department of Field Support
Status:	Implemented
Priority:	Medium
Target date:	Not applicable

87. **In paragraph 250, the Board recommended that the mission conduct a review of the use of individual contractors focusing on overlapping duties with regular staff and rationalize their utilization.**

88. As earlier indicated to the Board, UNAMID had reduced the number of individual contractors from 3,300 as of July 2013 to 1,600 as at July 2014. A further reduction to 1,391 has been achieved as at 31 December 2014. The international individual contractors have been reduced from 29 in August 2014 to zero as of 31 December 2014. The Mission is also considering the possibility of outsourcing cleaning works, for which the majority of individual contractors are hired.

Departments responsible:	Department of Peacekeeping Operations and Department of Field Support

Status:	In progress
Priority:	Medium
Target date:	Third quarter of 2015

M. Implementation of the Global Field Support Strategy

89. **In paragraph 261, given that 2015 is the last year of GFSS implementation, the Board recommended that regular meetings are held to ensure that the implementation of the strategy is on track.**

90. The GFSS Steering Committee remains an important body for providing advice and recommendations in support of DFS senior management's direction and execution of the strategy. DFS agrees that regular meetings of the Steering Committee should be held at critical junctures in the remaining period of implementation. The most recent GFSS Steering Committee meeting was held in advance of the production of the GFSS Progress Report in November 2014. Regular GFSS Steering Committee meetings will be held for the remainder of the duration of the GFSS implementation period.

Departments responsible:	Department of Peacekeeping Operations and Department of Field Support
Status:	In progress
Priority:	Medium
Target date:	Second quarter of 2015

91. **In paragraph 273, the Board recommended that the Administration take all necessary steps to ensure that the activities planned under the GFSS are completed by June 2015 so that the end state vision and KPIs are fully achieved. An important element of such an effort would be effective periodic monitoring of progress achieved. The initiatives rolled out under the strategy should be main-streamed in the working of DFS at the earliest in order to ensure that the momentum achieved is not lost.**

92. DFS is fully committed to the mainstreaming of the GFSS initiatives, benefits, and tools into the ongoing strategic management of the Department beyond GFSS. Some strategic change initiatives – such as the standardized funding model – have been developed and post-GFSS will continue to be refined and need to be implemented as a mainstream part of doing business in DFS. For other initiatives, such as supply chain management and the expansion of shared services, or the development of a business analytics framework, these have emerged during the latter stages of the GFSS implementation period and their roll-out and implementation will occur beyond June 2015.

Departments responsible:	Department of Peacekeeping Operations and Department of Field Support
Status:	In progress
Priority:	High
Target date:	Second quarter of 2015

93. **In paragraph 279, the Board recommended that communication efforts in all the PKO Missions and Special Political Missions be re-doubled to ensure and embed success of the GFSS.**

94. DFS agrees that communication is an integral and vital component to any change initiative and supports the recommendation to improve communication efforts as part of GFSS but also for any future strategic change initiatives. Quarterly updates are ongoing and an effort is underway to further develop an online platform to enhance communications across the field and provide access to relevant information links. Additional communication products and presentations have been developed and disseminated. GFSS is a regular topic of communication to field missions through monthly video / teleconferences with all Directors and/or Chiefs of Mission Support.

Departments responsible:	Department of Peacekeeping Operations and Department of Field Support
Status:	Implemented
Priority:	Medium
Target date:	Not applicable

95. **In paragraph 284, the Board recommended that the Administration work out a strategy to ensure that the elements and tools of the model are invariably used for first year budget formulation to ensure that newly mandated missions are able to access necessary resources without any delay and rapidly mobilize to initiate operational implementation.**

96. The Administration's comments are reflected in paragraph 285 of the Board's report.

Departments responsible:	Department of Peacekeeping Operations and Department of Field Support
Status:	In progress
Priority:	Medium
Target date:	Second quarter of 2015

97. **In paragraph 291, the Board recommended that the REG be re-constituted with clearly defined role and responsibilities complementing the other structures already in place in a mutually reinforcing manner to ensure regular review of efficiency measures across the field in order to incorporate practical benefits and savings under GFSS.**

98. The important element of this recommendation appears to lie in the fulfilment of the purposes/functions of the Resource Efficiency Group (REG) rather than the establishment of a re-constituted body. DFS wishes to clarify that it does not have a substantive concern with regard to the recommendation that the REG should be reconstituted. The Department reiterates that despite the format of the REG not being sustained, the function that the REG was initially established to serve is being pursued through multiple other processes - the strategic budget review process and the civilian staffing review process. The average cost per uniformed personnel deployed has consistently been falling over the last 5 years,

which provides clear evidence that the Department is actively seeking and implementing efficiencies. Through strengthening its focus on business analytics in the future, the function (as opposed to the form) of the REG will continue to be improved. Similarly, these other processes/fora have similar membership, so the reconstitution of the REG needs to ensure that the clarity of roles and responsibilities reinforces the resource stewardship framework and not detracts from it. DFS will initiate reconstitution of REG, or charge another review body with the same cross-cutting responsibilities.

Departments responsible:	Department of Peacekeeping Operations and Department of Field Support
Status:	In progress
Priority:	Medium
Target date:	Second quarter of 2015

99. **In paragraph 297, the Board recommended that the activities identified under the succession management plan be reviewed and revised target dates set for their completion. They may thereafter be strictly monitored to obviate the possibility of any further slippages.**

100. The Administration's comments are reflected in paragraph 298 of the Board's report.

Departments responsible:	Department of Peacekeeping Operations and Department of Field Support

Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2015

101. **In paragraph 302, the Administration concurred with the Board's recommendation that steps be taken to build on the initiatives underway to bridge the civilian gender gap by adding to the recruitment and representation of women at all levels with an emphasis at senior levels.**

102. A Senior Women Talent Pipeline Initiative was launched in February 2014 to increase the number of external senior level women who apply for D-1 and D-2 positions in field missions. This had led to a 20 per cent increase in the number of external women applicants to D-1 and D-2 level position specific vacancies. DFS will re-open the pipeline to target French and Arabic female speakers who can be considered as candidates to fill critical remaining gaps. Additional analysis is being conducted to determine the issues around failure to retain women and there are efforts to obtain additional resources to support women staff at the P-5 and D-1 levels.

Departments responsible:	Department of Peacekeeping Operations and Department of Field Support
Status:	In progress
Priority:	Medium
Target date:	Ongoing

103. **In paragraph 306, the Board recommended that action be taken in a time bound manner to include a performance indicator to track the geographic deployment of staff in field missions.**

104. The Administration's comments are reflected in paragraph 307 of the Board's report.

Departments responsible:	Department of Peacekeeping Operations and Department of Field Support
Status:	In progress
Priority:	Medium
Target date:	Third quarter of 2015

105. **In paragraph 312, the Board recommended that the Administration ensure that the activities under the customer service integration plan are completed in a time bound manner and that there are no further slippages so as to ensure that the end state vision is achieved as envisaged.**

106. The Administration's comments are reflected in paragraph 311 of the Board's report.

Departments responsible:	Department of Peacekeeping Operations and Department of Field Support
Status:	In progress
Priority:	Medium
Target date:	Second quarter of 2015

107. **In paragraph 320, the Board recommended that steps be taken to set up a vision, strategy and roadmap for supply chain reforms at the earliest and ensure implementation of supply chain reforms in support of peacekeeping operations. This should include a plan to ensure main-streaming the supply chain reforms in the business processes of the DFS, its regional centres and field missions even after the conclusion of GFSS in June 2015.**

108. The Administration's comments are reflected in paragraph 321 of the Board's report.

Departments responsible:	Department of Peacekeeping Operations and Department of Field Support
Status:	In progress
Priority:	High
Target date:	Second quarter of 2015

109. **In paragraph 324, the Board recommended that DFS establish a mechanism to monitor compliance with the requirement of obtaining clearance from the UNGSC by the missions prior to sourcing non-expendable assets. There should be clear binding instructions to ensure adherence to the policy of sourcing of non-expendable assets only after obtaining clearance from the UNGSC.**

110. The Administration's comments are reflected in paragraph 325 of the Board's report.

Departments responsible:	Department of Peacekeeping Operations and Department of Field Support
Status:	In progress
Priority:	Medium
Target date:	Second quarter of 2015

111. **In paragraph 330, the Board recommended that: (a) the modularization strategic action plan be finalized and approved at the earliest, and (b) UNGSC engage mission leaders on possible modularization requirement for addressing risk of lack of client demand for modules.**

112. The Administration's comments are reflected in paragraph 331 of the Board's report. Also UNGSC confirmed that as of 31 December 2014 the additional content on modularization has been added to the Centre's intranet site.

Departments responsible:	Department of Peacekeeping Operations and Department of Field Support
Status:	Implemented
Priority:	High
Target date:	Not applicable

113. **In paragraph 337, the Board recommended that the enabling capacities project be expedited to ensure that service packages can be seamlessly implemented in the field and help in rapid deployment of modularized camps.**

114. The Administration's comments are reflected in paragraph 336 of the Board's report.

Departments responsible:	Department of Peacekeeping Operations and Department of Field Support
Status:	In progress
Priority:	High
Target date:	Second quarter of 2015

115. **In paragraph 340, the Administration agreed with the Board's recommendation that UNGSC enter into Service Level Agreements (SLA) with the missions it is providing services to and develop operational KPIs for the service lines as well as corporate KPIs for shared services.**

116. UNGSC has forwarded the draft SLA to each client mission to which it provides finance, human resources and procurement support for their comments. UNGSC is preparing the key performance indicators for the administrative services.

Departments responsible:	Department of Peacekeeping Operations and Department of Field Support
Status:	In progress
Priority:	Medium
Target date:	Third quarter of 2015

117. **In paragraph 345, the Board recommended that: (a) major construction projects be closely monitored and the contractual terms**

including liquidated damages enforced in the event of unjustified delay, (b) the Administration ensure greater accuracy and transparency in publishing the results of surveys relating to client satisfaction so they can better serve the intended purpose of acting as indicators for remedial action, and (c) a Standard Operating Procedure be developed for compilation and analysis of data for each KPI.

118. MONUSCO has implemented regular monitoring procedures for the three construction projects. Other comments of the Administration are reflected in paragraph 344 of the Board's report.

Departments responsible:	Department of Peacekeeping Operations and Department of Field Support
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2015

119. **In paragraph 348, the Board recommended that RSCE carries out an analysis to ascertain the reasons for the low payloads with a view to ascertaining whether there needs to be any change in the deployment of the aircraft to enable their better utilization.**

120. The Administration reiterates that this recommendation has been overtaken by events because the Transportation and Movements Integrated Control Centre is no longer tasking the two aircraft.

Departments responsible:	Department of Peacekeeping Operations and Department of Field Support
Status:	Closure requested
Priority:	Medium
Target date:	Not applicable

121. **In paragraph 352, the Board recommended that: (a) all functions from the missions be expeditiously transferred to RSCE as envisaged in the SLAs and RSCE initiate necessary action to complete the transition phase by June 2015, and (b) RSCE initiate action for defining KPIs that cover the entire process of work including work to be performed by the missions.**

122. The Administration's comments are reflected in paragraph 353 of the Board's report.

Departments responsible:	Department of Peacekeeping Operations and Department of Field Support
Status:	In progress
Priority:	Medium
Target date:	Second quarter of 2015

123. **In paragraph 358, the Board recommended that the Administration explore mechanisms to provide remote access to on-boarding staff at the missions to complete formalities obviating the necessity of them visiting RSCE. Till such time that check-in/check-out services are provided from**

RSCE, it should report the expenditure incurred on DSA/MSA of the checking-in and checking-out personnel.

124. The Administration's comments are reflected in paragraph 359 of the Board's report.

Departments responsible:	Department of Peacekeeping Operations and Department of Field Support
Status:	In progress
Priority:	Medium
Target date:	Third quarter of 2015

N. Information and Communication Technology (ICT) resources in peacekeeping operations

125. **In paragraph 367, the Board recommended that the Administration carry out an analysis to identify the main factors leading to such wide variations between allocations and expenditure in order to strengthen budgetary formulation and control mechanisms.**

126. This recommendation is addressed through the performance reports that are issued by missions at the end of each fiscal period. All variations in expenditures necessitated by changes in operational requirements are reported to the General Assembly. Additional comments are reflected in paragraph 366 of the Board's report.

Departments responsible:	Department of Peacekeeping Operations and Department of Field Support
Status:	Implemented
Priority:	Medium
Target date:	Not applicable

127. **In paragraph 373, the Board recommended that: (a) proposals for standards should be evaluated in an empirical manner by clearly defining the operational requirements that are sought to be fulfilled, (b) while finalizing standards, market research be done with emphasis on the solution or benefit sought to be achieved, and (c) competitive bidding should be the first line of approach in the larger interest of transparency in the organization.**

128. The Administration's comments are reflected in paragraph 374 of the Board's report.

Departments responsible:	Department of Management, Department of Peacekeeping Operations and Department of Field Support
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2015

129. **In paragraph 376, the Board recommended that a comprehensive benefit-cost analysis be undertaken while adopting new standards or replacing old standards and these should be reflected in the business case proposing the change.**

130. The Administration's comments are reflected in paragraph 377 of the Board's report.

Departments responsible:	Department of Management, Department of Peacekeeping Operations and Department of Field Support
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2015

131. **In paragraph 387, the Board reiterated its recommendation at paragraph 150 of its report which emphasises the need to strengthen the role of the HCC.**

132. The Administration does not accept the recommendation as the HCC's recommendation was followed to the letter and spirit. As previously indicated, at no time was the HCC or any of the internal controls circumvented. Moreover, the following facts are reiterated:

(i) the Board's report fails to acknowledge that the Director of the Procurement Division (PD) has the authority to decide if an amendment would significantly affect the procurement process that led to the original contract award. In fact, paragraph 12.3 (e) of the Procurement Manual states that (emphasis added): "Any proposed amendment or modification of a Contract

previously reviewed by the HCC where, ***in the judgement of the Director, UN/PD or CPO***, such amendment would significantly affect the procurement process that led to the original Contract award, the criteria on which the original award was made, or the original contractual terms. The Committee shall review such proposed modification with reference to the criteria on which the original award was approved";

(ii) in paragraph 385 of its report, the Board fails to recognize that, by conducting a competitive bidding process, the HCC's concern was fully addressed, and continuation of services in the meantime was required. Management also reiterates that extensions were made under the authority given to the Director of PD from the Assistant Secretary-General of OCSS; and

(iii) the HCC was created to ensure that the Assistant Secretary-General of OCSS makes informed decisions taking into account HCC recommendations. A "strengthening" of the role of HCC beyond its advisory role, would weaken the accountability of the Assistant Secretary-General of OCSS under the United Nations Financial Regulations and Rules.

Departments responsible: Department of Management
Status: Not accepted

Priority:	High
Target date:	Not applicable

133. **In paragraph 389, the Administration agreed with the Board's recommendation to explore the possibility of shifting, fully or partially, the risk and responsibility of supply of ICT equipment to the vendor by stipulating the delivery locations at the user missions after making a cost-benefit analysis of such alternate arrangements.**

134. DFS will continue to coordinate with the Procurement Division to implement the recommendation.

Departments responsible:	Department of Management, Department of Peacekeeping Operations and Department of Field Support
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2016

135. **In paragraph 395, the Board recommended that: (a) the procedures for utilization of ICT assets including whether the procurement was necessary in the first place be reviewed so as to eliminate such prolonged delays in utilization, and (b) guidelines be framed for the extent of redundancy required for leased bandwidth.**

136. The Administration's comments are reflected in paragraphs 392 and 396 of the Board's report. It should, however, be noted that in some cases, ICT equipment is purchased and maintained in stock as "critical spares" for equipment already in use. As such, these stock items are held for longer periods.

Departments responsible:	Department of Peacekeeping Operations and Department of Field Support
Status:	In progress
Priority:	High
Target date:	Second quarter of 2015

137. **In paragraph 401, the Board recommended that: (a) the staffing requirements of missions be reviewed to ensure that the number of staff engaged is commensurate with its requirements, and (b) a separate budget line be introduced to indicate the resource allocations and expenditure in the mission budgets and that of RSCE and UNGSC for deployment of contractors as is done for consultants.**

138. The Administration's comments are reflected in paragraph 402 of the Board's report.

Departments responsible:	Department of Management, Department of Peacekeeping Operations and Department of Field Support
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2015

139. **In paragraph 417, the Board recommended that: (a) Administration develop a comprehensive Information Security Policy including detailed protocols that should be followed by missions and user units to secure the IT assets, (b) a concerted awareness drive be undertaken to sensitize the users of the threats to information security and the basic steps that should be adopted by all for cyber hygiene, (c) missions develop and implement formal Information Security Incident Management Programs (ISIMPs) delineating clearly the roles and responsibilities of ICT security personnel, and (d) the Administration explore the setting up of an organization wide Computer Emergency Response Team (CERT) to coordinate and respond to cyber incidents and threats and carry out real time analysis to develop defensive measures to secure UN's information assets, resources and data.**

140. The Administration's comments are reflected in paragraph 418 of the Board's report.

Departments responsible:	Department of Management, Department of Peacekeeping Operations and Department of Field Support
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2016

141. **In paragraph 423, the Board recommended that: (a) Business Continuity Plan (BCP) and Disaster Recovery Plan (DRP) be updated**

periodically after an in-depth re-assessment of threats and vulnerabilities, (b) the missions carry out risk assessments of all its critical ICT assets and formulate a robust Risk Management Plan which should be incorporated in its DRP and BCP, (c) missions carryout periodic tests so that the efficacy of their plans to handle emergency situations can be assured, and (d) mission formulate a systematic schedule of awareness and training programs for key staff handling DRP and BCP to produce a reliable resource base to effectively deal with disaster or disaster-like situations.

142. The Administration's comments are reflected in paragraph 424 of the Board's report.

Departments responsible:	Department of Peacekeeping Operations and Department of Field Support
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2015

III. Implementation of the recommendations contained in the report of the Board of Auditors concerning United Nations peacekeeping operations for the financial period ended 30 June 2013[3]

143. In paragraph 10 of General Assembly resolution 68/19 B, the Secretary-General was requested to provide, in his next report on the implementation of the recommendations of the Board of Auditors concerning the United Nations

[3] A/68/5 (Vol. II)

peacekeeping operations, a full explanation for the delays in the implementation of all outstanding recommendations of the Board, the root causes of the recurring issues and the measures to be taken.

144. In Annex II to its report for the period ended 30 June 2014 (A/69/5 (Vol. II), chap. II), the Board provided a summary of the status of implementation of the 49 recommendations from the previous financial period. Of the 49 recommendations, 7 had been overtaken by events, 25 had been fully implemented by the Administration and 17 were in progress at the time the Board issued its report for the period ended 30 June 2014. Information is provided below on the 17 recommendations that were in progress and it is set out in the order in which the recommendations were presented in the report of the Board for the period ended 30 June 2013 (A/68/5 (Vol. II)).

145. Table 3 provides a detailed analysis of the status of implementation, as of February 2015, of the 17 recommendations that were assessed by the Board to be in progress.

Table 3
Status of implementation of outstanding previous recommendations as of February 2015

Department responsible	*Number of recommendations*	*Not accepted*	*Implemented*	*In progress*	*Target date set*	*No target date*
Department of Peacekeeping Operations and Department of Field Support	12	-	4	8	7	1
Department of Peacekeeping Operations; Department of Field Support and Department of Management	1	-	-	1	1	-
Department of Management	4	-	-	4	3	1
Total	**17**	**-**	**4**	**13**	**11**	**2**

146. It should be noted that, of the 17 recommendations that were in progress as per annex II of the Board's report (A/69/5 (Vol. II), chap. II), 4 recommendations were subsequently implemented as of February 2015. Out of the 13 recommendations that remain in progress, 11 are targeted for implementation before the end of 2015. The 2 recommendations without target dates pertain to ongoing activities.

147. **In paragraph 26 of its report A/68/5 (Vol. II), the Board recommended that the Administration: (a) expedite the write-off process for assets left in the liquidated missions and achieve full disposal by the end of financial year 2013/14; and (b) enhance the management of transferred assets by promptly identifying the entity responsible for loss or damage during transfer-out and transfer-in delivery.**

148. The Board confirmed in annex II to its report A/69/5 (Vol. II) that part (a) of the recommendation has been implemented.

149. With regard to part (b) of the recommendation, it was noted in paragraph 27 of the Board's report (A/68/5 (Vol. II)) that: "*...the Administration stated that it had now fully reconciled the non-expendable property items transferred from MINURCAT and UNMIS. There are now no items pending acknowledgement by receiving missions*". The details on the final disposition of the assets of UNMIS and MINURCAT are reflected in A/68/709 of 17 January 2014 and A/69/596 of 19 November 2014 respectively.

Departments responsible:	Department of Peacekeeping Operations and Department of Field Support
Status:	Implemented
Priority:	Medium
Target date:	Not applicable

150. **In paragraph 39 of its report A/68/5 (Vol. II), the Board recommended that the Procurement Division establish a mechanism to enable all registered vendors to have the opportunity to bid at some point in the interest of fairness and transparency.**

151. The Administration comments are reflected in Annex II of the Board's report A/69/5 (Vol. II).

Departments responsible:	Department of Management
Status:	In progress
Priority:	Medium
Target date:	First quarter of 2015

152. **In paragraph 42 of report A/68/5 (Vol. II), the Administration accepted the Board's recommendation that it: (a) optimize the availability of prompt payment discount rates during contract negotiations; and (b) establish a mechanism to monitor the implementation of such discounts.**

153. The Board confirmed in annex II to its report A/69/5 (Vol. II) that part (a) of the recommendation has been implemented.

154. With regard to part (b) of the recommendation, please refer to the Administration's comments above on the recommendation in paragraph 139 of the Board's report A/69/5 (Vol. II).

Departments responsible:	Department of Peacekeeping Operations and Department of Field Support
Status:	Implemented
Priority:	High
Target date:	Not applicable

155. **In paragraph 44 of report A/68/5 (Vol. II), the Procurement Division accepted the Board's recommendation that it enhance the collection of**

contractor performance reports, and make better use of the information, to facilitate decision-making in contract awards or extensions.

156. The Administration reiterates its comments in paragraph 27 of A/68/751.

Departments responsible:	Department of Management
Status:	In progress
Priority:	Medium
Target date:	Third quarter of 2015

157. **In paragraph 62 of report A/68/5 (Vol. II), the Administration agreed with the Board's recommendation that it define a consistent and more robust evaluation method for assessing the cost-effectiveness of the Regional Procurement Office.**

158. The cost benefit analysis for the Regional Procurement Office is under review considering its dependency on the implementation of Umoja, which is expected to be implemented by 31 December 2015.

Departments responsible:	Department of Management
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2015

159. **In paragraph 82 of its report A/68/5 (Vol. II), the Board recommended that the Administration strengthen its monitoring of the status of the**

allotment of missions and ensure that proper approval is obtained before redeployments are made between groups and classes.

160. The Administration comments are reflected in annex II of the Board's report A/69/5 (Vol. II).

Departments responsible:	Department of Management
Status:	In progress
Priority:	Medium
Target date:	Ongoing

161. **In paragraph 93 of its report A/68/5 (Vol. II), the Board recommended that the Department of Field Support and the Office of Human Resources Management develop a national staff recruitment standard operating procedure and establish how they will monitor and enforce mission compliance.**

162. The Administration comments are reflected in annex II of the Board's report A/69/5 (Vol. II).

Departments responsible:	Department of Management, Department of Peacekeeping Operations and Department of Field Support
Status:	In progress
Priority:	Medium
Target date:	Second quarter of 2015

163. **In paragraph 110 of its report A/68/5 (Vol. II), the Board recommended that the Administration strengthen aviation management by improving the link between planning assumptions, operational requirements and contractual/budgeting processes based on the development of an effective performance measurement framework.**

164. The Aviation Information Management System is currently operational in MONUSCO, UNISFA and UNMISS. The system will be rolled-out progressively to the remaining missions during the first half of 2015.

Departments responsible:	Department of Peacekeeping Operations and Department of Field Support
Status:	In progress
Priority:	Medium
Target date:	Third quarter of 2015

165. **In paragraph 114 of its report A/68/5 (Vol. II), the Board recommended that UNDOF and UNOCI establish strategic fuel reserve as soon as possible to support the mission mandate.**

166. A new fuel requirement at UNOCI is being finalized after which stock of fuel will be held at the established levels. In UNDOF, the Standard Operating Procedure has been amended taking the prevailing circumstances into consideration.

Departments responsible:	Department of Peacekeeping Operations and Department of Field Support
Status:	In progress
Priority:	Medium
Target date:	Third quarter of 2015

167. **In paragraph 117 of its report A/68/5 (Vol. II), the Board recommended that the Administration enhance the effectiveness of monitoring of fuel consumption through trend analysis, systematic reporting of abnormal consumption, prompt corrective and disciplinary action against suspected frauds, and the promotion of monitoring tools such as the electronic fuel management system**.

168. The electronic fuel management system has been implemented in MINUSMA, UNIFIL, UNMISS, and UNOCI. The system will be rolled out to MINUSTAH during the 2014/2015 financial period.

Departments responsible:	Department of Peacekeeping Operations and Department of Field Support
Status:	In progress
Priority:	Medium
Target date:	Ongoing

169. **In paragraph 121 of its report A/68/5 (Vol. II), the Board recommended that the Administration enhance the role of the Fuel Operation Unit in fuel fraud prevention.**

170. With the ongoing implementation of the Electronic Fuel Management System, missions are able to detect abnormal consumptions in a timely manner and all such cases are referred, initially, to the concerned self-accounting unit for review. Unresolved cases are then referred to the security investigations units for action as appropriate.

Departments responsible:	Department of Peacekeeping Operations and Department of Field Support
Status:	Implemented
Priority:	Medium
Target date:	Not applicable

171. **In paragraph 122 of its report A/68/5 (Vol. II), the Board also recommended that the Administration encourage the Fuel Working Group to start communication activities as soon as possible, and establish a similar coordination mechanism within fuel related units at missions.**

172. Please refer to the Administration's comments above on the recommendation in paragraph 121 of the Board's report A/68/5 (Vol. II).

Departments responsible:	Department of Peacekeeping Operations and Department of Field Support
Status:	Implemented
Priority:	Medium
Target date:	Not applicable

173. **In paragraph 141 of report A/68/5 (Vol. II), the Administration agreed with the Board's recommendation that it develop a more systematic approach for missions to draw on when implementing global field support strategy tools and principles. This will include a plan on how such tools and principles will be deployed in missions after the five-year project duration.**

174. The Administration is currently preparing a guidance that will ensure sustainment of GFSS beyond 1 July 2015. A detailed report on this guidance will be included in the final progress report on the implementation of GFSS.

Departments responsible:	Department of Peacekeeping Operations and Department of Field Support
Status:	In progress
Priority:	Medium
Target date:	Second quarter of 2015

175. **In paragraph 176 of its report A/68/5 (Vol. II), the Board recommended that the Administration conduct a wider review and present a business case on whether the Regional Service Centre is the optimal location to take over civilian pre-deployment training, and develop a comprehensive implementation plan for the transfer if considered viable.**

176. A comprehensive review of pre-deployment training for civilian staff is underway to look into the learning activities to be undertaken for staff deploying to missions including the modality of delivery and how best to adapt its content to

various audiences. The review is also considering the viability of delivering the face-to-face component of the global training programme at some locations based on criteria such as cost, expertise and infrastructure on site.

Departments responsible:	Department of Peacekeeping Operations and Department of Field Support
Status:	In progress
Priority:	Medium
Target date:	Second quarter of 2015

177. **In paragraph 195 of its report A/68/5 (Vol. II), the Board recommended that the Administration expedite the development of the remaining seven modules and the associated procurement strategy for enabling capacity within the one and a half years left for the global field support strategy to be implemented, so that capability for rapid mission deployment is fully achieved as soon as possible.**

178. The Administration has completed the design of three of the five service packages (50, 200 and 1000 person camps) and is finalizing the design of the remaining two service packages (log base and airbase). The Administration issued an "Expression of Interest" associated with the enabling capacity for a 200 person camp.

Departments responsible:	Department of Peacekeeping Operations and Department of Field Support
Status:	In progress

Priority: High
Target date: Second quarter of 2015

179. **In paragraph 204 of its report A/68/5 (Vol. II), the Board recommended that the Administration, drawing on lessons from the project management of the global field support strategy, address deficiencies in the management of the supply chain reform. In particular, the Administration should establish effective project governance and a dedicated team and formalize the concept document so that each party can clearly understand the vision, project timeline, roles and responsibilities, and can accept its accountability for delivery.**

180. A cross-functional team chaired by the Director, Logistics Support Division has been formed with representatives from various functional areas including the Logistics Support Division, the Global Service Centre, Field Personnel Division, Field Budget and Finance Division, Information and Communication Technology Division, the Global Field Support Strategy Implementation Coordination Team, the Umoja Team and the Procurement Division. The Team is responsible for finalizing and formalizing the concept document to give clear ideas about vision, strategy and roadmap for implementation of the supply chain management. The Transportation and Movement Integrated Control Centre at the Regional Service Centre-Entebbe and

the Integrated Operational Team have been identified as client representatives for this initiative.

Departments responsible:	Department of Peacekeeping Operations and Department of Field Support
Status:	In progress
Priority:	Medium
Target date:	Third quarter of 2015

181. **In paragraph 209 of its report A/68/5 (Vol. II), the Board recommended that the Administration address the identified deficiencies in acquisition planning and global asset management.**

182. The Global Service Centre is responsible for the "clearing house" functions of the global asset management in peacekeeping operations. A revision of the asset management policy is underway to establish a new threshold for acquisition of assets, taking into consideration the lessons learned. The Global Service Centre is working closely with the Field Procurement Liaison Team of the Department of Field Support to mainstream acquisition planning process into global asset management.

Departments responsible:	Department of Peacekeeping Operations and Department of Field Support
Status:	In progress
Priority:	High
Target date:	Second quarter of 2015