**Annex 2.**

**2017 UNDP BOARD RECOMMENDATIONS AND PRIOR YEAR RECOMMENDATIONS THAT ARE UNDER IMPLEMENATION**

* 1. UNDP Recommendations contained in the report of the Board of Auditors for 2017.

1. **In paragraph 23, UNDP agreed with the Board’s recommendations that the Resident Coordinator’s Office in UNDP Paraguay liaise with the UNCT and the implementing partners to (a) develop the monitoring and evaluation plan of UNDAF which will cover the remaining period of programme cycle of 2015 to 2019, (b) ensure UNDAF monitoring and evaluation activities are done on time for the remaining period of UNDAF, and (c) ensure the completeness and updating of all the information in UNDAF and CPD i.e. matrix of results and resources framework (2015 – 2019).**

The United Nations Country Team, with the support from the Resident Coordinator’s Office, will work with the Technical Planning Secretariat (Ministry of Planning) in order to (a) develop a joint M&E Plan for the 2018/2019 period and carry out the M&E activities included in it, and (b) updating and keeping up-to-date the UNDAF’s Results Matrix.

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| *Department responsible:* | Regional Bureau for Latin America and the Caribbean |
| *Status:* | In progress |
| *Priority:* | High |
| *Target date:* | First quarter of 2019 |

1. **In paragraph 24, UNDP agreed with the Board’s recommendation that UNDP South Africa and Egypt Country Offices (a) continue to liaise with the key counterparts consisting of implementing partners and UNCT so that the counterparts are fully engaged in UNDAF process to smoothen the UNDAF implementation by conducting annual reviews and responding on time to recommendations of evaluations, (b) formulate strategies to ensure that results of the current UNDAF evaluations and reviews are used to design the next UNDAF, and (c) ensure the conclusions and recommendations from annual and midterm reviews of country programme enable timely update, and revision of the country programme documents.**

Regarding part a) the Country Offices Egypt and South Africa will continue to liaise with counterparts for UNDAF/ SCF Roadmap participation.

Regarding part b) the Country Offices Egypt and South Africa will ensure that results of the current UNDAF/SCF Roadmap evaluations and reviews are used to design the next UNDAF/SCF Roadmap.

Regarding part c) the Country Offices Egypt and South Africa will ensure that the conclusions and recommendations from annual and midterm reviews of country programmes are used in revision of the country programme documents.

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| *Department responsible:* | Regional Bureau for Africa and Regional Bureau for  Arab States |
| *Status:* | In progress |
| *Priority:* | High |
| *Target date:* | First quarter of 2019 |

1. **In paragraph 30, UNDP agreed with the Board’s recommendation that in future (a) UNDP Turkey, Egypt and Turkmenistan update information in the Evaluation Resources Centre (ERC) in a timely manner; and (b) UNDP Headquarters establish controls to ensure all Country Offices update information in the ERC including setting timeframes for completion of updates after evaluation has been completed.**

Regarding part a) the Country Offices Turkey and Turkmenistan will update the ERC in a timely matter. Management of the Country Office Egypt has already implemented the recommendation.

Regarding part b) UNDP will liaise with the Independent Evaluation Office at Headquarter level to establish a follow-up process.

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| *Department responsible:* | Regional Bureau for Europe and the Commonwealth of Independent States and Bureau for Policy and Programme Support |
| *Status:* | In progress |
| *Priority:* | Medium |
| *Target date:* | Second quarter of 2019 |

1. **In paragraph 35, UNDP agreed with the Board recommendations that Country Offices (a) continue consultation with implementing partners such that Combined Delivery Reports (CDRs) are signed on time by UNDP and implementing partners in compliance with the Programme and Operations Policies and Procedures; (b) ensure the follow-up requests to the implementing partners are conducted on time and evidence of the follow up are uploaded to the CDR library in the Corporate Planning System; and (c) certify the CDR on time when implementing partners are not responding after a reasonably extended period.**

Regarding part a) UNDP will continue consultation with implementing partners to improve CDR timeliness.

Regarding part b) UNDP will enhance efforts that follow-ups are sent on time and evidence is uploaded to the CDR library on time.

Regarding part c) UNDP has issued a policy for CDR closure in case of non-responding implementing partners in 2017 and will monitor compliance.

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| *Department responsible:* | Regional Bureaux |
| *Status:* | In progress |
| *Priority:* | High |
| *Target date:* | First quarter of 2019 |

1. **In paragraph 41, UNDP agreed with the Board recommendation to ensure that Country Offices review and update projects’ risks, issues and monitoring logs and document information in Atlas on time as the primary source of project information.**

UNDP will continue to monitor compliance with these requirements through its annual project quality analysis process.

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| *Department responsible:* | Regional Bureaux |
| *Status:* | In progress |
| *Priority:* | High |
| *Target date:* | First quarter of 2019 |

1. **In paragraph 47, the Board recommended that the UNDP country offices in consultation with the implementing partner (a) analyze the projects documents on their relevance and timing, and consider for revision due to lapse of time, and (b) consider setting the timeframe for implementing partners to approve the projects’ documents.**

Regarding part a) UNDP agrees on the need to closely manage pipeline and to develop project documents within a stipulated timeframe agreeable to donors and implementing partners. UNDP will consider additional efforts to improve pipeline management, including review of specification of pipeline maturity periods and recording of agreeable timeframes for the signature of project documents

Regarding part b) UNDP will analyze the potential effects of setting a timeframe for implementing partners.

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| *Department responsible:* | Regional Bureaux |
| *Status:* | In progress |
| *Priority:* | Medium |
| *Target date:* | Second quarter of 2019 |

1. **In paragraph 52, UNDP agreed with the Board’s recommendation (a) to provide further guidance to the Country Office concerning implementation of the Harmonized Approach to Cash Tansfer (HACT) framework; and (b) continue to advocate to the Government and development partners on the importance of implementing HACT framework in the Country Office.**

UNDP will provide further guidance on HACT to the Country Office Turkmenistan and continue to advocate with the Government and development partners as suggested.

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| *Department responsible:* | Regional Bureau for Europe and the Commonwealth of Independent States |
| *Status:* | In progress |
| *Priority:* | Medium |
| *Target date:* | Second quarter of 2019 |

1. **In paragraph 57, UNDP agreed with the Board's recommendation that, Turkmenistan, South Africa, Turkey and Paraguay Country Offices encourage that HACT Working Groups are active and perform their duties to facilitate planning and implementation of HACT framework in the respective countries through regular meetings and activities which should be documented.**

The Country Offices have already reactivated their HACT Working Groups.

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| *Department responsible:* | Regional Bureau for Africa, Regional Bureau for Europe and the Commonwealth of Independent States and Regional Bureau for Latin America and the Caribbean |
| *Status:* | In progress |
| *Priority:* | High |
| *Target date:* | First quarter of 2019 |

1. **In paragraph 61, UNDP agreed with the Board recommendation that South Africa Country Office use Public Expenditure and Financial Accountability reports as a source of information and liaise with other United Nation Agencies to conduct HACT macro assessments to align with their Country Office programme cycles as required by Programme and Operations Policies and Procedures on HACT and United Nations Development Group HACT framework.**

Implementation of the HACT framework in the Country Office is being revived. It is encouraging that the UN system in South Africa is geared towards implementing the Delivering as One approach and that HACT will be strengthened by UN reform, which requires the UN agencies to increase cooperation.

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| *Department responsible:* | Regional Bureau for Africa |
| *Status:* | In progress |
| *Priority:* | High |
| *Target date:* | First quarter of 2019 |

1. **In paragraph 66, the Board recommended that, in future, UNDP Paraguay and Egypt Country Offices conduct micro-assessments of implementing partners and determine the appropriate cash transfer modality before engaging them to perform programme activities in line with HACT POPP.**

The Country Offices will conduct micro-assessments or establish compensating controls.

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| *Department responsible:* | Regional Bureau for Arab States and Regional Bureau for Latin America and the Caribbean |
| *Status:* | In progress |
| *Priority:* | High |
| *Target date:* | First quarter of 2019 |

1. **In paragraph 73, the Board recommended that in future UNDP update in a timely manner, the contents of the HACT POPP, related guidance notes and methodology (checklist) to accommodate and harmonize changes pursuant to UNDP requirements before Country Offices start implementation of those changes.**

Going forward, UNDP will update HACT POPP content on time.

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| *Department responsible:* | BMS/ Office of Financial Resources Management |
| *Status:* | Implemented |
| *Priority:* | Medium |
| *Target date:* | Second quarter of 2019 |

1. **In paragraph 79, the Board recommended that UNDP document their process of annual review performed to evidence the review of useful lives of assets; and specify in the policy guidelines the manner in which the review of useful life of assets will be performed and documented.**

UNDP will document the process of annual useful life review and address policy guidelines, as specified.

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| *Department responsible:* | BMS/ Office of Sourcing and Operations |
| *Status:* | In progress |
| *Priority:* | Medium |
| *Target date:* | Second quarter of 2019 |

1. **In paragraph 83, the Board recommended UNDP establish a mechanism such as timesheets to capture time spent by UNDP staff in in order to improve determination of staff costs for internally developed software.**

UNDP will develop timesheets for internally developed software.

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| *Department responsible:* | BMS/ Office of Information Management and Technology |
| *Status:* | Implemented |
| *Priority:* | Medium |
| *Target date:* | Second quarter of 2019 |

1. **In paragraph 88, UNDP agreed with the Board’s recommendation that Malawi, Paraguay and South Africa Country Offices ensure that in future, evaluations of service contracts are completed on time, ideally one month prior to expiration of contracts as per policy, to give reasonable time for the office to make relevant and timely decisions regarding service contracts.**

The Country Offices have stepped up their efforts to ensure that service contract evaluations are done on time. This includes reminders sent to project and programme managers.

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| *Department responsible:* | Regional Bureau for Africa and Regional Bureau for Latin America and the Caribbean |
| *Status:* | In progress |
| *Priority:* | High |
| *Target date:* | First quarter of 2019 |

1. **In paragraph 92, UNDP agreed with the Board’s recommendation that Turkmenistan Country Office (a) align the job descriptions for the hired service contract individuals with the Service Contract User Guide, and (b) ensure the service contract holders do not perform internal control functions to compensate for absence of staff.**

The Country Office Turkmenistan will review its usage of service contract with due consideration to the alignment of job descriptions.

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| *Department responsible:* | Regional Bureau for Europe and the Commonwealth of Independent States |
| *Status:* | In progress |
| *Priority:* | Medium |
| *Target date:* | Second quarter of 2019 |

1. **In paragraph 97, The Board re-iterated its previous recommendations that UNDP ensure all staff members complete mandatory training courses on time.**

UNDP management will review compliance with the completion of mandatory trainings on an annual basis and will send reminders to offices with low completion rates.

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| *Department responsible:* | UNDP All; tracked by BMS/ Office of Human Resources |
| *Status:* | In progress |
| *Priority:* | Medium |
| *Target date:* | Second quarter of 2019 |

1. **In paragraph 102, UNDP agreed with the Board’s recommendations that Country Offices (a) encourage staff to exercise their leave within the period in which leave is earned, and (b) ensure the implementation of leave plan so that the office operates efficiently at all times and ultimately reduce cases of forfeited untaken leave days.**

UNDP will continue to remind staff to take leave.

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| *Department responsible:* | Regional Bureaux |
| *Status:* | In progress |
| *Priority:* | High |
| *Target date:* | First quarter of 2019 |

1. **In paragraph 108, the Board recommended UNDP (a) conduct the Asset and Liability Management (ALM) study to review the appropriateness of the funding plan and other valuation assumptions, (b) update its policy (for funding of end of services liabilities) to specify the frequency of ALM studies as the current policy is silent in this area.**

UNDP will conduct the ALM study in 2018 and update its policy accordingly.

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| *Department responsible:* | BMS/ Office of Financial Resources Management |
| *Status:* | In progress |
| *Priority:* | High |
| *Target date:* | First quarter of 2019 |

1. **In paragraph 113, the Board recommended that UNDP (a) specify in the investment guideline the manner in which its review will be performed and documented, (b) in future, to perform annual reviews of the investment guideline and keep documentations of the reviews conducted.**

UNDP will update the investment guideline accordingly and conduct annual reviews going forward.

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| *Department responsible:* | BMS/ Office of Financial Resources Management |
| *Status:* | Implemented |
| *Priority:* | Medium |
| *Target date:* | Second quarter of 2019 |

1. **In paragraph 117, UNDP agreed with the Board’s recommendation that the Country Office liaise with the Government, Regional Bureau and UNDP Headquarters regarding the fate of aged outstanding GLOC in order to report GLOC balances which are current and collectible.**

The Country Office Paraguay will continue to follow up with the Minister of Foreign Affairs until GLOC has been paid.

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| *Department responsible:* | Regional Bureau for Latin America and the Caribbean |
| *Status:* | In progress |
| *Priority:* | Medium |
| *Target date:* | Second quarter of 2019 |

1. **In paragraph 123, UNDP agreed with the Board’s recommendation that Country Offices ensure (a) UN Agencies sign the Memorandum of Understanding (MoU) for the occupancy and use of UN common premises, and (b) all amount due for payments or refunds between Agencies are settled on time in accordance with the Memorandum of Understanding.**

UNDP will negotiate with the agencies to sign MoUs on time. UNDP will also follow-up on payments and refunds.

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| *Department responsible:* | Regional Bureaux |
| *Status:* | In progress |
| *Priority:* | Medium |
| *Target date:* | Second quarter of 2019 |

1. **In paragraph 128, the Board recommended UNDP (a) use the industry best practices (Prince2, Agile, ROI) in preparing annual evaluation of ICT roadmaps to ensure that projects’ deliverables are measurable and linked to organization’s strategic outputs/priorities, and (b) update the ICT project management guideline such that it stipulate the need for assessing projects to ensure projects achieve strategic outputs based on defined metrics as per PRINCE2 benefit review plan and quality criteria.**

In the future, UNDP will use industry best practices in its annual evaluation of ICT roadmaps and will update the ICT project management guideline, as advised.

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| *Department responsible:* | BMS/ Office of Information Management and Technology |
| *Status:* | Implemented |
| *Priority:* | Medium |
| *Target date:* | Second quarter of 2019 |

1. **In paragraph 132, the Board recommended UNDP (a) specify materiality criteria and threshold for developed applications which require formal source code review, and (b) conduct applicable source code reviews and establish a mechanism to track comments from the review to ensure developers correct all noted issues.**

UNDP will specify materiality criteria and conduct source code reviews as necessary.

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| *Department responsible:* | BMS/ Office of Information Management and Technology |
| *Status:* | Implemented |
| *Priority:* | Medium |
| *Target date:* | Second quarter of 2019 |

1. **In paragraph 136, UNDP agreed with the Board's recommendation that (a) Country Offices implement design of EFT interface as per Atlas banking system guidelines to eliminate manual intervention and prevent unauthorized access to EFT files residing in the network by encryption, and (b) establish a mechanism of keeping backup of EFT files for reconciliation of records.**

UNDP Headquarters is developing a project for corporate solution to address the data security issues.

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| *Department responsible:* | Regional Bureau for Africa and BMS/ Office of Financial Resources Management |
| *Status:* | In progress |
| *Priority:* | Medium |
| *Target date:* | Second quarter of 2019 |

1. **In paragraph 142, UNDP agreed with the Board’s recommendation that South Africa and Egypt Country Offices (a) strengthen controls over information security** **to ensure that the Disaster Recovery Plans (DRPs) and Business Continuity Plans (BCPs) are tested on time and test results are documented, and (b) review and update the BCP on time.**

The Country Offices will update and test their DRPs and BCPs.

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| *Department responsible:* | Regional Bureau for Africa and Regional Bureau for Arab States |
| *Status:* | In progress |
| *Priority:* | High |
| *Target date:* | First quarter of 2019 |

1. **In paragraph 143, the Board recommended that Malawi Country Office prepare and use the approved version of Business Continuity Plan and Disaster Recovery Plan.**

The Country Office has already implemented this recommendation.

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| *Department responsible:* | Regional Bureau for Africa |
| *Status:* | In progress |
| *Priority:* | High |
| *Target date:* | First quarter of 2019 |

1. **In paragraph 147, UNDP agreed with the Board’s recommendation to ensure that South Africa Country Office (a) speed up the process of establishing a recovery site, and (b) renew MoU with company which is providing off-site storage facility.**

The Country Office has already established a recovery site and developed an MoU, which will be signed in 2018.

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| *Department responsible:* | Regional Bureau for Africa |
| *Status:* | In progress |
| *Priority:* | High |
| *Target date:* | First quarter of 2019 |

1. **In paragraph 148, UNDP also agreed with the Board’s recommendation to ensure that Malawi Country Office (a) establish a documented agreement with the other UN Agency for the provision of the off-site facility, and (b) store off-site the infrastructural documentation, administrative credentials for all critical ICT systems and software required for recovery procedures with its license keys.**

The Country Office has already implemented this recommendation and will update the recommendations database accordingly.

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| *Department responsible:* | Regional Bureau for Africa |
| *Status:* | In progress |
| *Priority:* | High |
| *Target date:* | First quarter of 2019 |

1. **In paragraph 151, UNDP agreed with the Board’s recommendation that South Africa Country Office (a) update the ICT work plan to include important key items like timelines and assigned activities to staff; and (b) perform periodical reviews and monitoring on the implementation of the ICT work plans.**

The Country Office has already updated the ICT work plan and will conduct periodic reviews.

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| *Department responsible:* | Regional Bureau for Africa |
| *Status:* | In progress |
| *Priority:* | Medium |
| *Target date:* | Second quarter of 2019 |

1. **In paragraph 156, the Board recommended UNDP Country Offices in Turkey, Turkmenistan and South Africa consider introducing a mechanism to receive and record ICT support request as per requirements of ITIL.**

While UNDP often follows industry standards, such as ITIL, it is not bound to them. Nevertheless, UNDP will consider this recommendation.

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| *Department responsible:* | Regional Bureau for Africa and Regional Bureau for Europe and the Commonwealth of Independent States |
| *Status:* | In progress |
| *Priority:* | Medium |
| *Target date:* | Second quarter of 2019 |

1. **In paragraph 160, UNDP agreed with the Board’s recommendation to ensure that** **South Africa Country Office establish a backup internet link and increase internet bandwidth.**

The Country Office is in the process of establishing a backup link and increase bandwidth.

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| *Department responsible:* | Regional Bureau for Africa |
| *Status:* | In progress |
| *Priority:* | Medium |
| *Target date:* | Second quarter of 2019 |

* + 1. UNDP Recommendations contained in the report of the Board of Auditors for prior financial periods that are under implementation

**Report of the Board for the financial period ended 31 December 2016**

* + - 1. **In paragraph 29, the Board recommended that at UNDP, in consultation with the actuary, (a) determine the threshold for significant change in population of ASHI enrolment records which would require performance of full census of staff for valuation of ASHI liability at the year-end; and (b) include in the actuarial report the estimated change in population as part of key information.**

Part a) has been assessed as implemented by the Board. With regards to part b), a full estimation of the change in population is a non-standard requirement, which can only be applied in roll-forward years. 2018 is such a year, which is why the information will be available in the next actuarial report to be issued in February 2019.

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| *Departments responsible:* | BMS/ Office of Financial Resources Management |
| *Status:* | In progress |
| *Priority:* | High |
| *Target date:* | First quarter of 2019 |

* + - 1. **In paragraph 39, the Board recommended  that UNDP ensure Honduras and Bangladesh Country Offices (a) continue to liaise with the implementing partners counterparts so that they fully own the UNDAF process in order to facilitate timely UNDAF implementation, annual reviews and progress reviews, and (b) consider having strategies such that the annual reviews and progress reports of UNDAF in the next programme cycle are done on time.**

While the Board noted the progress made in the Country Offices Honduras and Bangladesh, it identified similar issues in different Country Offices (Egypt, Paraguay and South Africa) in its Report for the year ended 31 December 2017 (as above). As such, the Board kept this recommendation as in progress. Considering the 2017 recommendation (refer to paragraph 24 of the 2017 Report), UNDP is requesting the recommendation from 2016 for Honduras and Bangladesh to be set as reiterated.

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| *Departments responsible:* | Regional Bureau for Asia and the Pacific and Regional Bureau for Latin America and the Caribbean |
| *Status:* | In progress/ reiterated |
| *Priority:* | High |
| *Target date:* | - |

* + - 1. **In paragraph 44, the Board recommended that UNDP (a) introduce a clause in the co-operation agreements for communication obligations of all parties involved in program implementation including measures to motivate implementation of those obligations, and (b) increase follow-ups with counterparts to ensure appropriate measures are taken to address the recurring deficiency of delayed certification of Combined Delivery Reports (CDRs) by both UNDP and implementing partners.**

While the Board counted part a) as implemented and noted the progress on part b), it identified similar issues in different Country Offices (e.g. Paraguay and Turkmenistan) in its Report for the year ended 31 December 2017 (as above). As such, the Board kept this recommendation as in progress. Considering the 2017 recommendation (refer to paragraph 35 of the 2017 Report), UNDP is requesting the recommendation from 2016 to be set as reiterated.

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| *Departments responsible:* | BMS/ Office of Financial Resources Management and Regional Bureaux |
| *Status:* | In progress/ reiterated |
| *Priority:* | High |
| *Target date:* | - |

* + - 1. **In paragraph 51, the Board recommended that UNDP ensure (a) timely review and updating of the projects risks, issues and monitoring logs and document the same in Atlas as the primary source of projects information, and (b) project boards conduct regular meetings to continuously monitor projects implementation.**

The Board recognized the efforts made by UNDP, particularly the corporate quality standards for programming and the corporate quality assurance tools. Though as the Board noticed similar issues in its Report for the year ended 31 December 2017 (see above), it kept this recommendation as in progress. Considering the 2017 recommendation (refer to paragraph 41 of the 2017 Report), UNDP is requesting the recommendation from 2016 to be set as reiterated.

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| *Departments responsible:* | Bureau for Policy and Programme Support and Regional Bureaux |
| *Status:* | In progress/ reiterated |
| *Priority:* | High |
| *Target date:* | - |

* + - 1. **In paragraph 69, UNDP agreed with the Board’s recommendation to (a) take proactive measures to ensure that all operationally closed projects are financially closed within 12 months in accordance with POPP by obtaining in a timely manner the donors’ approvals on refunds or reprogramming of unspent amounts; thoroughly review and effect all transactions related to projects before they are financially closed; and (b) ensure that all asset balances are cleared before projects are financially closed.**

While UNDP has invested significant resources and has made progress in e.g. reducing the number of expired projects in 2017, timely project closure is not always in UNDP’s control. Nevertheless, the organization hopes that continued efforts and further investments into systems and tools will have continued, positive impact in the future.

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| *Departments responsible:* | Regional Bureaux |
| *Status:* | In progress |
| *Priority:* | High |
| *Target date:* | Second quarter of 2019 |

1. **In paragraph 77, UNDP agreed with the Board’s recommendation to, (a) review the basis/criteria and guidelines used for determining the percent of administrative agent fees apportioned to central services; and (b) review the MPTFO policy (on administrative agent fee income) and justification and basis/criteria for apportioning the administrative agent fees between MPTFO and UNDP Country Offices that have received delegation of authority from the MPTFO Executive Coordinator.**

With regards to a), UNDP has developed a Full Cost Methodology applicable for services provided to the MPTFO, which will be implemented in December 2018. With regards to b), in November 2017 the MPTF Office communicated its decision to recentralize all administrative agent functions and informed all concerned UNDP Country Offices that, as of 31 December 2017, the existing delegation of authority would be revoked. Because of this policy decision, as of 1 January 2018, there is no justification for any further apportionment of administrative agent fees to UNDP Country Offices; and the earlier practice has ceased to exist. As such, part b) is considered as overtaken by events.

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| *Departments responsible:* | Executive Office |
| *Status:* | In progress |
| *Priority:* | Medium |
| *Target date:* | Fourth quarter of 2018 |

1. **In paragraph 101, the Board recommended UNDP to strengthen reviews and monitoring of the POs and APs to ensure that, (a) expenses recorded in the general ledger, commitment control and projects are accurate, complete and recorded in the correct accounting period; and (b) pending transactions (i.e. POs, Vouchers and GLJEs with an accounting date on or before the last day of the month being closed) are cleared in accordance with year-end closure instructions.**

While substantial progress on this recommendation has been achieved and acknowledged by the Board, sustained efforts and more time are needed to fully implement this recommendation. UNDP hopes that the efforts undertaken will lead to further improvements.

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| *Departments responsible:* | BMS/ Procurement Services Unit and Regional Bureaux |
| *Status:* | In progress |
| *Priority:* | Medium |
| *Target date:* | First quarter of 2019 |

1. **In paragraph 107, the Board recommended that UNDP ensure that future service contract evaluations are completed on time, ideally one month prior to contracts’ expiration as per policy, so as to give reasonable time for the office to make timely decisions.**

UNDP has made progress in implementing this recommendation. The BMS/ Office of Human Resources has sent a reminder to HR practitioners regarding the requirement to complete service contract evaluations on time with a "Frequently Asked Questions" note attached. In its Report for the year ended 31 December 2017 (as above), the Board noticed similar issues in other Country Offices (Malawi, Paraguay and South Africa). As such, the Board kept this recommendation as in progress. Considering the 2017 recommendation (refer to paragraph 88 of the 2017 Report), UNDP is requesting the recommendation from 2016 to be set as reiterated.

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| *Departments responsible:* | BMS/ Office of Human Resources, Central Bureaux and Regional Bureaux |
| *Status:* | In progress/ reiterated |
| *Priority:* | Medium |
| *Target date:* | - |

1. **In paragraph 111, the Board recommended that UNDP consider updating and enforcing the Human Resource policy to restrict the number of years which a person can serve under service contracts, after which a function should be established and filled by a person on fixed term appointment.**

The BMS/ Office of Human Resources is conducting a review of the contractual framework and modalities for local service contracts. A draft report is currently under review.

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| *Departments responsible:* | BMS/ Office of Human Resources |
| *Status:* | In progress |
| *Priority:* | High |
| *Target date:* | Fourth quarter of 2018 |

1. **In paragraph 116, the Board recommended that UNDP ensure that all staff members complete mandatory training courses on time.**

While the Board acknowledged efforts made by the BMS/ Office of Human Resources in ensuring that the courses are available to staff on demand, in tracking completion rates and trouble-shooting problems staff may have in completing the course, the Board found similar issues in other Country Offices in its Report for the year ended 31 December 2017 (as above). As such, the Board kept this recommendation as in progress. Considering the 2017 recommendation (refer to paragraph 97 of the 2017 Report), UNDP is requesting the recommendation from 2016 to be set as reiterated.

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| *Departments responsible:* | UNDP All; tracked by BMS/ Office of Human Resources |
| *Status:* | In progress/ reiterated |
| *Priority:* | Medium |
| *Target date:* | - |

1. **In paragraph 120, UNDP agreed with the Board’s recommendation to introduce a schedule that will ensure easy reconciliation of individual asset additions between the financial statements note for property plant and equipment and the In-Service Report (ISR).**

Following the Board’s recommendation to introduce a schedule to reconcile the ISR to the Property, Plant & Equipment (PP&E) Note, General Operations prepared a Business Requirement Document and initiated the project with OIMT colleagues. However, as the extremely large volume of PP&E General Ledger data that is generated in a fiscal year cannot be processed by Atlas, UNDP continues to explore an appropriate digital solution.

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| *Departments responsible:* | BMS/ Office of Sourcing and Operations |
| *Status:* | In progress |
| *Priority:* | High |
| *Target date:* | Second quarter of 2019 |

**Report of the Board for the year ended 31 December 2015**

1. **In paragraph 41, UNDP agreed with the Board’s recommendation that: (a) in future, UNDP plan ahead on the changes needed in project settings such as the rates of General Management Support fee to minimize delays in signing quarterly CDRs; (b) it submit the combined delivery reports in a timely manner, duly signed by UNDP and implementing partners in compliance with the Programme and Operations Policies and Procedures, and (c) it liaise with implementing partners on their accountability regarding timely signing of CDRs when delays are encountered.**

This recommendation has been reiterated in the Report for the year ended 31 December 2016 and the Report for the year ended 31 December 2017 (refer to paragraphs 44 of the 2016 Report and 35 of the 2017 Report, respectively).

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| *Departments responsible:* | BMS/ Office of Financial Resources Management and Regional Bureaux |
| *Status:* | In progress/ reiterated |
| *Priority:* | High |
| *Target date:* | - |

1. **In paragraph 72, UNDP agreed with the Board’s recommendations (a) to enhance and document the follow-up mechanisms including feedback from all delayed participating organizations for future improvements, (b) to introduce measures to accelerate operational and financial closure of all overdue projects, and (c) as the largest UN fund administration service provider, to propose the idea of common policies and procedures around inter-agency pooled funding mechanisms to harmonize practices so as to enhance accuracy in reporting and timing of issuing reports.**

Parts a) and b) have been assessed as in progress by the Board, which acknowledged the follow-up efforts made by UNDP to accelerate project closure. Out of $32.752 million pending final refunds and /or final expenses reports from Participating United Nations Organizations (PUNOs), a total of $19.693 million (60%) had been resolved as of 7 May 2018, leaving an unresolved balance of $13.058 million (40%). The Board suggested to consider this recommendation as implemented when the outstanding balance of pending refunds will be reduced up to 10% or less than 10% of $32.752 million. Part c) has been assessed as overtaken by events by the Board.

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| *Departments responsible:* | BMS/ Multi-Partner Trust Fund Office |
| *Status:* | In progress |
| *Priority:* | High |
| *Target date:* | Fourth quarter of 2018 |

1. **In paragraph 91, UNDP agreed with the Board recommendation to (a) strengthen controls in reviewing the HACT micro assessment plan for completeness and accuracy; (b) prioritize the micro assessment activities to Implementing Partners based on assessment plan; and (c) monitor implementation and conduct annual update of the assessment plan.**

This recommendation has been reiterated in the Report for the year ended 31 December 2016 (refer to paragraph 82 of the 2016 Report).

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| *Departments responsible:* | Regional Bureaux |
| *Status:* | In progress/ reiterated |
| *Priority:* | High |
| *Target date:* | - |

1. **In paragraph 98, UNDP agreed with the Board recommendation to ensure Country Offices (a) prepare the complete set of HACT assurance activities plan in line with the HACT template and include all the required information; (b) conduct all assurance activities as planned; and (c) monitor and improve annual assurance plans from the lessons learned from HACT transitional assurance activity plans of 30 April 2015.**

This recommendation has been reiterated in the Report for the year ended 31 December 2016 (refer to paragraph 82 of the 2016 Report).

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| *Departments responsible:* | Regional Bureaux |
| *Status:* | In progress/ reiterated |
| *Priority:* | High |
| *Target date:* | - |

**Annex 3.**

**2017 UNCDF BOARD RECOMMENDATIONS AND PRIOR YEAR RECOMMENDATIONS THAT ARE UNDER IMPLEMENATION**

1. **UNCDF Recommendations contained in the report of the Board of Auditors for 2017.**
2. **In paragraph 26, the Board recommended that UNCDF (a) perform mid-term and final evaluations of its programmes in a timely manner as required by the Evaluation Policy, (b) ensure the update and upload of management responses in the Evaluation Resource Centre (ERC) for the part of the evaluation related to UNCDF’s work on time in compliance with Programme and Operations Policies and Procedures (POPP), and (c) ensure changes in the evaluation plans are timely reflected in the Evaluation Resource Centre**

UNCDF agrees with the recommendation.

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| *Department responsible:* | Evaluation Unit |
| *Status:* | In progress |
| *Priority:* | High |
| *Target date:* | First quarter of 2019 |

1. **In paragraph 32, The Board recommends UNCDF liaise with UNDP to ensure that global**

**communication/instructions are sent to UNCDF in a timely manner when there are changes in policies.**

UNCDF and UNDP will liaise and determine a communication protocol.

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| *Department responsible:* | Management Support Unit; in cooperation with UNDP’s Bureau for Management Services |
| *Status:* | Implemented |
| *Priority:* | High |
| *Target date:* | First quarter of 2019 |

1. **In paragraph 33, the Board also recommend that UNCDF specify which POPPs are applicable to them and which ones are not applicable in order to avoid arbitrary decisions on the applicability of POPPs.**

UNCDF agrees with the recommendation.

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| *Department responsible:* | Management Support Unit | |
| *Status:* | In progress | |
| *Priority:* | High | |
| *Target date:* | | First quarter of 2019 | |

1. **In paragraph 40, the Board recommend UNCDF ensure that changes in budget and expenditure are done through annual work plans and approved by the project boards.**

UNCDF agrees with the recommendation. We would like to highlight that where necessary budgets were adjusted through approved annual work plans.

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| *Department responsible:* | Local Development Practice Area (LDPA) and Financial Inclusion Practice Area (FIPA) |
| *Status:* | In progress |
| *Priority:* | Medium |
| *Target date:* | Second quarter of 2019 |

1. **In paragraph 43, the Board recommends that UNCDF establish an efficient mechanism to ensure that all operationally closed projects are financially closed within 12 months and no adjustment are allowed to a financially closed project unless the amount is significant as provided in the POPP**

UNCDF agrees with the recommendation.

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| *Department responsible:* | Local Development Practice Area (LDPA), Financial Inclusion Practice Area (FIPA) and  Programme Management Support Unit (PMSU) |
| *Status:* | In progress |
| *Priority:* | Medium |
| *Target date:* | Second quarter of 2019 |

1. **In paragraph 47, the Board recommends UNCDF ensure that the risk, issues and monitoring logs for all projects in Nepal and Myanmar are activated in Atlas in a timely manner as the primary source of project information.**

UNCDF agrees with the recommendation and will ensure that the risk, issues and monitoring logs for all projects in Nepal and Myanmar are activated in Atlas or a separate dedicated system.

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| *Department responsible:* | Local Development Practice Area (LDPA), Financial Inclusion Practice Area (FIPA) and  Programme Management Support Unit (PMSU) |
| *Status:* | In progress |
| *Priority:* | Medium |
| *Target date:* | Second quarter of 2019 |

1. **In paragraph 52, the Board recommends that UNCDF document its process and specify in its**

**policy guidelines how the annual review of useful lives of assets should be performed.**

UNCDF agrees with the recommendation.

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| *Department responsible:* | Management Support Unit (MSU) |
| *Status:* | In progress |
| *Priority:* | Medium |
| *Target date:* | Second quarter of 2019 |

1. UNCDF Recommendations contained in the report of the Board of Auditors for prior financial periods that are under implementation

**Report of the Board for the financial period ended 31 December 2016**

* + - 1. **In paragraph 33, UNCDF agreed with the Board recommendation to ensure that the risk, issues and monitoring logs for all projects in the Rwanda and Bangladesh Country Offices are activated in Atlas in a timely manner as the primary source of project information.**

UNCDF will ensure compliance in updating the referenced information in Atlas.

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| *Department responsible:* | Local Development Practice Area (LDPA), Financial Inclusion Practice Area (FIPA) and  Programme Management Support Unit (PMSU) |
| *Status:* | In progress |
| *Priority:* | Medium |
| *Target date:* | Second quarter of 2019 |