



General Assembly

Distr.
GENERAL

A/AC.96/1010/Add.1
18 August 2005

Original: ENGLISH

EXECUTIVE COMMITTEE OF THE
HIGH COMMISSIONER'S PROGRAMME

Fifty-sixth session
3-7 October 2005

REPORT OF THE BOARD OF AUDITORS
TO THE GENERAL ASSEMBLY ON THE ACCOUNTS OF THE VOLUNTARY
FUNDS ADMINISTERED BY THE UNITED NATIONS HIGH COMMISSIONER FOR
REFUGEES FOR THE PERIOD ENDED 31 DECEMBER 2004

Addendum 1 - Measures taken or proposed in response
to the recommendations in the Report
of the Board of Auditors to the General Assembly
on the Accounts of the Voluntary Funds administered
by the United Nations High Commissioner for Refugees
for the year ended 31 December 2004

I. INTRODUCTION

1. In accordance with paragraph 10 of General Assembly resolution 47/211 of 23 December 1992, the following is a report on measures taken or to be taken by UNHCR in response to the main recommendations of the Board of Auditors, as set out in paragraph 12 of their Report (A/AC.96/1010), as well as other recommendations as detailed in paragraphs 14 to 276. Unless otherwise indicated, all references appearing below relate to the aforementioned Report.

Main Recommendations

Financial Issues

II. RECOMMENDATION 12 (a)

2. Fund end-of-service and post-retirement benefit liabilities (para. 53);

Measures Taken by the Administration

3. UNHCR agreed with the recommendation and has recently initiated a step for the funding of the liabilities. As of 2006, half a million US dollars will be provided yearly for this purpose.

III. RECOMMENDATION 12 (b)

4. Adopt written guidelines for posting expenditures funded under the contribution from the United Nations regular budget (para. 58);

Measures Taken by the Administration

5. UNHCR is currently establishing written guidelines for posting expenditures funded under the contribution from the United Nations regular budget.

IV. RECOMMENDATION 12 (c)

6. Update its memorandum of understanding with United Nations Development Programme (UNDP) in order to manage the procedure for the payment of advances (para. 69);

Measures Taken by the Administration

7. UNHCR will take all the necessary steps to update the memorandum of understanding with UNDP before the end of 2005 in order to manage the procedure for the payment of advances.

V. RECOMMENDATION 12 (d)

8. Review the accounting for advances to UNDP (para. 71);

Measures Taken by the Administration

9. UNHCR is of the opinion that inter-agency services provided by UNDP - or by UNHCR to other sister agencies - are not of the same nature as those obtained under implementing partner agreements. UNHCR therefore considers that the advances to UNDP could not be recorded in 2004 in the same way as advances to implementing partners because the services delivered by implementing partners are under the umbrella of specific projects at the country and programme level. UNHCR will update the memorandum of understanding with UNDP, as mentioned in paragraph 7 above, clarifying the nature of the advances.

VI. RECOMMENDATION 12 (e)

10. Segregate funds received from the Iraq Trust Fund, and maintain as soon as possible a separate ledger (para. 87);

Measures Taken by the Administration

11. UNHCR will produce a special ledger when rolling out the Management Systems Renewal Project (MSRP) to the concerned UNHCR offices. Pending the roll-out of MSRP to these UNHCR offices, UNHCR decided to create a separate FMIS project covering exclusively the funds of UNDG ITF operation.

VII. RECOMMENDATION 12 (f)

12. Implement a full segregation of duties on investment and cash-management decisions (para. 89);

Measures Taken by the Administration

13. The recommendation has been fully implemented. Full segregation on a) cash management analysis and b) subsequent investment decision-making process has been implemented through providing detailed written substantiation on cash flow positions available, including projections and determining funds available for investment. The investment process is supervised and approved by the Treasurer. The decision process and its execution are duly authorized on the deal transaction sheet by the Treasurer and the senior officer in charge for each individual currency and deposit transaction.

VIII. RECOMMENDATION 12 (g)

14. Continue to improve its assets management and annual inventory checks (para. 102);

Measures Taken by the Administration

15. UNHCR, as mentioned by the auditors, has improved its assets management and annual inventory checks despite very limited staff resources available for this task. Efforts will continue to improve the asset management system of UNHCR. Regular updates will be provided to the auditors in this regard.

Management issues

IX. RECOMMENDATION 12 (h)

16. Terminate the recruitment of short-term staff through implementing partners, in order to comply with its instructions on staff employment (para. 129);

Measures Taken by the Administration

17. This recommendation is related to the recommendation of paragraph 195 of the 2004 External Audit Report. IOM/81/2001-FOM/79/2001 does not specifically cover emergency deployment schemes ("Surge" and "Resettlement"). UNHCR will review the management of project personnel and instructions on direct staff employment. Action on the review of the instructions is in process in connection with the definition and nature of the deployment schemes and an addendum to the internal instructions will be issued before the end of 2005.

X. RECOMMENDATION 12 (i)

18. Contact other United Nations publication services, to benchmark against their experience and solutions in the marketing and distribution of publications (para. 170);

Measures Taken by the Administration

19. Communications with the United Nations Marketing and Sales section are ongoing and UNHCR is awaiting feedback.

XI. RECOMMENDATION 12 (j)

20. Streamline the relations between Headquarters and protection field operations (para. 178);

Measures Taken by the Administration

21. A review of the relations between the Department of International Protection (DIP) and Bureaux and other Headquarters units is ongoing and should be finalized by year end.

XII. RECOMMENDATION 12 (k)

22. Review its succession planning for highly specialized legal positions (para. 180);

Measures Taken by the Administration

23. The Department of International protection reviewed its succession planning for highly specialized legal positions and recommendations have been made to convert two of the posts in the Department into expert posts.

XIII. RECOMMENDATION 12 (l)

24. Establish a roster of potential legal and protection policy consultants (para. 182);

Measures Taken by the Administration

25. A roster of potential consultants has been established and is regularly updated.

XIV. RECOMMENDATION 12 (m)

26. Consider the publication of a consolidated report on protection (para. 188);

Measures Taken by the Administration

27. The revision of the format of the Annual Protection Report (APR), with the objectives of simplifying reporting requirements and to increase its utility, is currently under way. It is recognized that in its current format the APR is a very time-consuming exercise for the Field and, given its narrative character, it is difficult to retrieve and analyse information from it. In addition to ensuring consistency with current efforts towards the introduction of results-based management (RBM), the APR will be restructured to allow closer links with the Country Operation Plan (COP), thus encouraging a team approach in the Field and effective prioritizing and use of resources. Currently, the Bureaux and the Department of International Protection share the responsibility of analysing and providing comment to the Field on APRs.

XV. RECOMMENDATION 12 (n)

28. Review resettlement resources or objectives, with a view to align available means and operational needs (para. 191);

Measures Taken by the Administration

29. UNHCR has already taken several steps in this direction by (i) reviewing resource allocation and mainstreaming posts, (ii) appealing for earmarked funding (as of July 2005, some USD 5,910,900 are earmarked to enhance resettlement activities in 2005), and by (iii) developing a Resettlement Service concept: the draft Terms of Reference for the Resettlement Service and a paper on the Resettlement Service have already been prepared. The Resettlement

Service proposal is currently being considered as part of the Department of International Protection and Headquarters structure review, which should be finalized before the end of 2005.

XVI. RECOMMENDATION 12 (o)

30. Implement the June 2004 resettlement anti-fraud plan of action (para. 197);

Measures Taken by the Administration

31. Three countries have committed funds in 2005 for the implementation of the Anti-Fraud Plan of Action. A qualified internal UNHCR staff member has been identified to fully implement the Plan of Action as of August 2005. All efforts will be made to fully implement the Plan of Action.

XVII. RECOMMENDATION 12 (p)

32. Harmonize definitions and terms used for results-based management within its organization, in line with United Nations system practices (para. 214);

Measures Taken by the Administration

33. UNHCR has already taken several measures which will help the Organization institutionalize results-based management (RBM) and ensure the implementation of the External Auditors' recommendations related to RBM (paragraphs 208, 211, 214, 216, 224, 235, 238, 243). The following actions provide concrete examples of the ways UNHCR is addressing the issue:

(i) A Results-Based Management Board has been established to provide overall leadership for UNHCR in its efforts to institutionalize results-based management. The Board comprises the Deputy High Commissioner, the Assistant High Commissioner, the Controller, and the following Directors: Director of the Department of International Protection, Director of the Division of Human Resources Management, Director of the Division of Operational Support, Director of the Division of Information Systems and Telecommunications, and Director of the Division of External Relations. Furthermore, one Bureau Director (currently Director of the Bureau for Asia and the Pacific) will participate in the Board on a rotating basis.

(ii) The Executive Office has decided to vest in the Organizational Development and Management Section responsibility to lead the practical efforts to implement results-based management in UNHCR and to act as the focal point for all RBM-related issues (including such issues as harmonizing definitions and terms used for results-based management). The Section also acts as the Secretariat to the Results-Based Management Board. Furthermore, a decision has been taken to increase the capacity of the Section to carry out these responsibilities in 2006 through the creation of four additional posts (3 at P-level and 1 at G-level) and the Chief of ODMS will be upgraded to D1 and the name of the Section changed to Service to reflect the increased responsibilities and emphasis placed on results-based management.

(iii) An Operations Management Support Software (OMSS) project has been launched. Its aim is to develop a software application that will support the planning of and reporting upon UNHCR operations within the context of regional and corporate strategic plans. A prototype of the

software application is currently being developed. The aim of the project is to have the new application available in the course of 2006. Once available, it will greatly enhance UNHCR's capacity to report on annual objectives and measured achievements.

(iv) Other initiatives currently under way in the Organization, such as a plan to move towards a biennial budget cycle and the roll-out of the MSRP to the Field, will, once implemented, further support the implementation of results-based management in UNHCR.

XVIII. RECOMMENDATION 12 (q)

34. Include in its work plans specific, measurable, achievable, relevant and time-bound objectives and indicators (para. 235);

Measures Taken by the Administration

35. As explained in the reply to recommendation 12 (p) above, UNHCR has already taken several steps which will help the Organization institutionalize results-based management (RBM). Coordination and discussions on objectives and indicators for the activities the Department of International Protection is responsible for are ongoing between sections/departments and should be finalized by year end.

XIX. RECOMMENDATION 12 (r)

36. Improve staff awareness regarding information and communication technology anti-fraud policies (para. 247);

Measures Taken by the Administration

37. UNHCR is preparing a comprehensive anti-fraud policy that includes information and communication technology concerns relevant to UNHCR. Staff awareness will be pursued in the context of an overall accountability awareness initiative being developed by the Inspector General's Office, the Division of Human Resources Management, and the Controller's Office.

XX. RECOMMENDATION 12 (s)

38. Review the compliance of field office management with instructions (paragraphs 253, 255, 257, 259, 261 and 265);

Measures Taken by the Administration

39. Paragraph 253: UNHCR agreed with the Board's recommendation to systematically control the giving and updating of proper delegations of financial authority.

40. UNHCR will have, by the end of 2005, revised its policy regarding the delegations of financial authority in conjunction with the introduction of MSRP in the field.

41. Paragraph 255: UNHCR agreed with the Board's recommendation to ensure that petty cash management rules are adhered to by field offices.
42. UNHCR is currently taking the necessary steps to remind the Field on the adherence of petty cash management rules.
43. Paragraph 257: UNHCR agreed with the Board's recommendation to ensure that financial duties are understood and properly segregated in field offices.
44. UNHCR is currently taking the appropriate measures to implement this recommendation.
45. Paragraph 259: UNHCR agreed with the Board's recommendation to ensure that its field offices conduct procurement activities in line with best practices set out in its Manual.
46. UNHCR will remind the field in this respect. In addition, UNHCR organizes on a regular basis workshops in the field on the topic "supply chain learning programme" with the main objective to improve the knowledge on correct procurement activities.
47. Paragraph 261: The Board recommends that UNHCR ensure that field offices adopt a training plan and report on its implementation.
48. A circular will be sent to all offices reminding all staff of learning opportunities and reporting requirements.
49. Paragraph 265: The Board recommends that UNHCR ensure that its field offices fully comply with the provisions of chapter 4 of its Manual on programme implementation.
50. UNHCR will take the following steps to ensure greater compliance with the UNHCR Manual (Chapter 4). Future sessions of the Programme Management Training (conducted seven times per year and focusing on programme staff) will give renewed attention to the establishment of objectives and indicators which meet the SMART criteria. Consistent with UNHCR's Global Strategic Objective (N° 8) to "Enhance the quality, effectiveness and efficiency of UNHCR's operations", UNHCR will, in the course of 2006-2007, take initiatives to support Bureaux and Country Offices in improving the quality of the management of their operations through more effective application of the principles of results-based management, using a tool currently being developed (RBM Implementation Scorecard).
51. As for the need to track UNHCR funds, while it is important that implementing partners maintain a separate account for UNHCR funds in accordance with the Standard Sub-Project agreement Format (ref. Chapter 4, Appendix 8, Art 6.02), UNHCR also allows its partners to deposit funds into a general or pool account in the case where tracing of UNHCR fund is possible (ref. Chapter 4, Appendix 8, Art. 2.13.1~2). This is to facilitate consolidated accounting by partners that have their own reliable systems.

XXI. RECOMMENDATION 12 (t)

52. Review annually the New York Office's activities, outputs and plans (para. 273).

Measures Taken by the Administration

53. With regard to the size of the UNHCR office in New York, a recent analysis carried out by UNHCR Headquarters on World Food Programme (WFP), the World Health Organization (WHO) and the Office of the High Commissioner for Human Rights (OHCHR) in New York shows that the staffing structure of UNHCR's New York Office is fully comparable to the above-mentioned organizations. All of these offices are headed by a D-2 and supported by 5-7 other professionals as well as 4-5 GL staff. However, when comparing the UNHCR office structure to other organizations present in New York, it has to be noted that the UNHCR office has a broader range of areas to cover (such as peace and security) than some other United Nations organizations.

Other Recommendations

XXII. RECOMMENDATION Para. 20

54. The Board reiterates its recommendation that UNHCR consider disclosing more items in its financial report in respect of good governance principles applied to oversight, performance reporting, social accounting issues, risk management, continuity and internal control issues.

Measures Taken by the Administration

55. UNHCR would consider including in the financial statements those items that the United Nations community would deem relevant. UNHCR has already, as noted by the auditors, disclosed some items recommended by the auditors in its financial reporting. UNHCR intends to include more items in respect of good governance principles applied to oversight, performance reporting, risk management and internal control issues in an expanded introduction to the accounts previously referred as the Financial Highlights.

XXIII. RECOMMENDATION Para. 31

56. UNHCR planned to review at the end of 2005 the activities of the Oversight Committee to keep them in line with audit oversight arrangements at the United Nations Secretariat.

Measures Taken by the Administration

57. UNHCR will review the Terms of References of the Oversight Committee at the end of 2005 to keep them in line with audit arrangements at the United Nations Secretariat.

XXIV. RECOMMENDATION Para. 35

58. UNHCR agreed with the Board's recommendation to follow up on audit reports with below-average ratings.

Measures Taken by the Administration

59. Since May 2005, UNHCR's Oversight Committee systematically reviews all internal audit reports with below average rating.

XXV. RECOMMENDATION Para. 38

60. UNHCR agreed with the Board's recommendation to invite the Office of Internal Oversight Services to liaise with other United Nations audit services so as to harmonize internal audit ratings, in order to allow comparability among organizations.

Measures Taken by the Administration

61. On UNHCR's request, the Office of Internal Oversight Services has already initiated appropriate steps to implement this recommendation in consultation with internal audit services of other agencies.

XXVI. RECOMMENDATION Para 74

62. UNHCR agreed with the Board's recommendation to eliminate inconsistencies in the recording of contributions.

Measures Taken by the Administration

63. The specific incident referred in the recommendation has been addressed.

XXVII. RECOMMENDATION Para. 77

64. The Board recommends that UNHCR support in-kind contributions and their valuation by adequate documents.

Measures Taken by the Administration

65. UNHCR will developed appropriate guidelines by the end of 2005.

XXVIII. RECOMMENDATION Para. 79

66. UNHCR agreed with the Board's recommendation to unify the documentation for tracking outstanding contribution pledges.

Measures Taken by the Administration

67. UNHCR has already taken corrective actions in this regard.

XXIX. RECOMMENDATION Para. 81

68. UNHCR agreed with the Board's recommendation to establish clear authorizations to perform systems maintenance operations, and in a single unit.

Measures Taken by the Administration

69. The recommendation has been implemented. UNHCR has established clear authorizations to perform systems maintenance operations, and in a single unit.

XXX. RECOMMENDATION Para. 83

70. UNHCR agreed with the Board's recommendation to write off outstanding contributions in compliance with its financial rules and to make appropriate provisions to that effect, and was to do so in 2005.

Measures Taken by the Administration

71. In 2005, UNHCR will write off outstanding contributions in compliance with its financial rules.

XXXI. RECOMMENDATION Para. 91

72. UNHCR agreed with the Board's recommendation to implement a proper segregation of bank account-related duties between the Finance and Treasury Sections.

Measures Taken by the Administration

73. UNHCR is currently taking the necessary steps to implement the recommendation.

XXXII. RECOMMENDATION Para .93

74. UNHCR agreed with the Board's reiterated recommendation that it monitor more accurately the commitments against future financial periods.

Measures Taken by the Administration

75. UNHCR has initiated additional steps (i.e. monitoring of multi-year contracts) to ensure a more accurate monitoring of the commitments against future financial periods.

XXXIII. RECOMMENDATION Para. 97

76. UNHCR agreed with the Board's recommendation to introduce remedies for the risk of posting incorrect exchange rates.

Measures Taken by the Administration

77. The new system (PeopleSoft) to be extended to all field offices will include exchange rate verification. In the meantime, manual control will be exercised for high-risk cases.

XXXIV. RECOMMENDATION Para. 109

78. The Board notes with concern that the number of subprojects and the amounts covered by audit certificates decreased from 77 per cent for 2002 to 50 per cent for 2003 as at 30 April 2005.

Measures Taken by the Administration

79. Following previous external audit recommendations on this matter, UNHCR has introduced a new policy on audit certification for implementing partners which will affect projects as of 1 January 2004. It is expected that the audit certificates will cover a larger number of sub-projects than before. This explains the temporary drop in percentage. The figure of 50 per cent as of 30 April 2005 for 2003 sub-projects has increased to 71.3 per cent as of 10 July 2005.

XXXV. RECOMMENDATION Para. 122

80. UNHCR agreed with the Board's recommendation to deduct an administrative fee from future UNCC payments to beneficiaries.

Measures Taken by the Administration

81. UNHCR is taking measures to finalize the implementation of this recommendation.

XXXVI. RECOMMENDATION Para. 139

82. UNHCR agreed with the Board's recommendation to further delineate responsibilities at headquarters concerning protection promotion and advocacy and to improve coordination and monitoring.

Measures Taken by the Administration

83. The results of the Department of International Protection retreat of 30 May 2005 and the Headquarters structure are currently under review by Senior Management. This review would address the above recommendation.

XXXVII. RECOMMENDATION Para. 143

84. UNHCR agreed with the Board's recommendation to update and document its priorities for the promotion of accession to the 1951 Convention and the 1967 Protocol.

Measures Taken by the Administration

85. Discussions are ongoing between the Department of International Protection (DIP) and the Bureaux on this issue to address the recommendation.

XXXVIII. RECOMMENDATION Para. 147

86. UNHCR agreed with the Board's recommendation to review the staffing needs of the Protection Information Section and to comply with the rules on recruitment and employment of consultants.

Measures Taken by the Administration

87. The Department of International Protection reviewed the staffing needs of the Protection Information Section and submissions for 2006 were made at the same level as 2004 and 2005 in compliance with Headquarters zero growth policy. Newly issued policy and guidelines on consultancy dated 1 April 2005 are now being implemented.

XXXIX. RECOMMENDATION Para. 150

88. UNHCR agreed with the Board's recommendation to establish a realistic work plan for protection information, in line with available resources.

Measures Taken by the Administration

89. The work plan of the section has been re-evaluated and reduced, in order to match available resources.

XL. RECOMMENDATION Para. 156

90. UNHCR agreed with the Board's recommendation to implement procedures ensuring the consistency and quality of public protection information.

Measures Taken by the Administration

91. The draft publications policy will be discussed with Bureaux and submitted to the Senior Management Committee.

XLII. RECOMMENDATION Para. 161

92. UNHCR agreed with the Board's recommendation to implement its rules related to protection-publications policy.

Measures Taken by the Administration

93. Please refer to the response to recommendation para. 156 above.

XLIII. RECOMMENDATION Para. 163

94. UNHCR agreed with the Board's recommendation to undertake a cost analysis of its production of documents and CD-ROMS.

Measures Taken by the Administration

95. An independent review of Refworld is under way, and the final report is expected to be available by the end of 2005.

XLIII. RECOMMENDATION Para. 166

96. UNHCR agreed with the Board's recommendation to enhance sales reporting tools with a view to monitoring accurately the revenue generated and ensuring the timely collection of payments due.

Measures Taken by the Administration

97. The Protection Information Section is currently liaising with Financial Resources Service in order to establish a solid Refworld payments system by the end of the year. In addition, the facility of "payment by credit card" is close to being finalized.

XLIV. RECOMMENDATION Para. 168

98. UNHCR agreed with the Board's recommendation to implement an appropriate customer documentation database.

Measures Taken by the Administration

99. In cooperation with UNHCR's Division of Information Systems and Telecommunications (DIST), the Protection Information Section has been working on making several needed changes to the Refworld customer database.

XLV. RECOMMENDATION Para. 172

100. UNHCR agreed with the Board's recommendation to comprehensively review its publication strategy and resources.

Measures Taken by the Administration

101. As part of the independent review of Refworld, the evaluator is also looking at Refworld user needs, enhancement of distribution and the various platforms on which Refworld is published. The results are expected by the end of 2005.

XLVI. RECOMMENDATION Para .175

102. UNHCR agreed with the Board's recommendation to conduct a formal evaluation of its Protection Information Section traineeship programme.

Measures Taken by the Administration

103. The evaluation of the Protection Information Section traineeship programme is part of the ongoing evaluation of publication strategy and resources (see reply to recommendations paras. 163 and 172 above).

XLVII. RECOMMENDATION Para. 184

104. UNHCR agreed with the Board's recommendation to consider raising funds for its research activities.

Measures Taken by the Administration

105. Efforts will be made to raise supplementary funds for research activities.

XLVIII. RECOMMENDATION Para. 186

106. UNHCR agreed with the Board's recommendation to increase the number of assessment missions to review protection issues in the field.

Measures Taken by the Administration

107. Several missions have taken place in various regions (Africa, Asia, Americas, Central Asia, Middle East and Europe) and more are scheduled for the rest of 2005. These missions are in addition to those undertaken under the auspices of the Inspector General's Office (IGO) and

are intended for operations that may require a change in direction as to protection strategy or have been identified as being complex or problematic in terms of protection offered.

IL. RECOMMENDATION Para.195

108. UNHCR agreed with the Board's recommendation to review the management of the resettlement human resources called upon through implementing partners.

Measures Taken by the Administration

109. As mentioned in the response to recommendation para. 12(h), UNHCR will review the management of project personnel and instructions on direct staff employment. A review of the instructions is in process in connection with the definition and nature of the deployment schemes and an addendum to the internal instructions will be issued before the end of 2005.

L. RECOMMENDATION Para. 201

110. UNHCR agreed with the Board's recommendation to further evaluate the results of training programmes, in terms of attendance and impact.

Measures Taken by the Administration

111. UNHCR is revising the core *Protection Learning Programme* (PLP) in light of an independent evaluation of the programme that was conducted in 2004/2005 and published in May 2005. The revision will introduce an '*assessment*' element that would test the knowledge, skills and attitudes that participants would have acquired during the PLP to, inter alia, provide a better picture of the impact of the programme. The outcome of the evaluation is also influencing the methodologies used for other protection learning activities. The independent evaluation also sought to determine why some participants were unable to complete the programme. However, as the analysis was incomplete, the Protection Capacity Section is currently following up with the previous participants to inter alia gain a better understanding in this matter.

LI. RECOMMENDATION Para. 203

112. UNHCR agreed with the Board's recommendation to update self-study modules and to review training materials received from the Field.

Measures Taken by the Administration

113. As of 1 July 2005, the self-study manual, *Introduction to International Protection* (formerly RLD1) was launched in English while the editions in French, Spanish, Arabic and Russian are planned to be released in July/August 2005. The self-study module *Refugee Status Determination* (formerly RLD2) was also revised and will be launched in five languages before the end of 2005. The self-study module *Human Rights and Refugee Protection* (formerly RLD5) is currently being revised. It will be launched in early 2006 in English followed by a launch in other languages. The Department of International Protection (DIP) is seeking advice and

expertise from professional interpreters on how to revise RLD3 (*interpreting in a refugee context*) that will probably be revised in 2006, funds permitting. DIP will also review the training materials received from the Field before the end of the year.

LII. RECOMMENDATION Para. 204

114. As a conclusion, the Board noted that, although the Department of International Protection fulfilled its mandate in an appropriate manner, there was room for improvement in the definition of priorities and in the organization of work in the fields of publication, legal advice and training.

Measures Taken by the Administration

115. Since the audit, the Department of International Protection (DIP) has realigned its protection training/learning strategy to cater to four levels – induction, intermediate, advanced/thematic and management. Learning opportunities are being developed in these four areas that cater to both UNHCR staff and partners involved in protection. This would provide better clarity on the issue of protection training. DIP is also exploring ways to improve and standardize its publishing and publication-distribution method to better serve the needs of the Field. A review of the structure of DIP in relation to other units at Headquarters is also ongoing.

LIII. RECOMMENDATION Para. 208

116. UNHCR agreed with the Board's recommendation to include in its Manual provisions linking the United Nations medium-term plan and strategic framework to its internal planning process.

Measures Taken by the Administration

117. The proposal for UNHCR to move to a biennium budget, starting with the biennium 2008-2009, will mean that UNHCR will need to revise its planning processes; this move will enable UNHCR to modify its Manual to ensure greater consistency between its own internal planning processes in the preparation of its biennium budget and its input to the Section of the UN biennium budget dealing with UNHCR. See also the broader comments on RBM found in the response to the recommendations in para. 12 (p) above.

LIV. RECOMMENDATION Para. 211

118. UNHCR agreed with the Board's recommendation to pursue its efforts to develop multi-year planning, using identical time frames.

Measures Taken by the Administration

119. As mentioned in relation to the recommendation in para. 208, the proposed move to the biennium budget and other developments in relation to RBM (see response to the recommendations to para. 12 (p) above), will give UNHCR further scope to build on existing provisions in its Manual in relation to multi-year planning, and to have a more strategic, longer-term approach to its operations.

LV. RECOMMENDATION Para. 216

120. The Board recommends that UNHCR formalize the participatory planning process for Headquarters units.

Measures Taken by the Administration

121. The more consistent application of RBM principles to all units at Headquarters is part of the institutional efforts to move to introduce RBM in the organization, as described in the response to recommendation para. 2 (p) above. More specifically, in recent years UNHCR has already taken several measures to involve the member States of the Executive Committee in the overall budgetary process through informal consultations at the Headquarters level.

LVI. RECOMMENDATION Para. 224

122. UNHCR agreed with the Board's recommendation to formulate expected accomplishments so as to compare realized accomplishments with objectives and to improve the congruence between the medium-term plan/strategic framework/biennial programme plan and the annual programme budget.

Measures Taken by the Administration

123. Response to this recommendation will be a natural outcome of the steps foreshadowed in relation to the recommendation in para. 208 above and the more general comments on RBM as set out in the response to recommendation para. 12 (p) above.

LVII. RECOMMENDATION Para. 238

124. UNHCR agreed with the Board's recommendation to consider ways to ascertain that indicators selected provide a representative image of actual achievements.

Measures Taken by the Administration

125. This recommendation is being acted upon as UNHCR currently reviews its *Practical Guide to the Systematic Use of Standards and Indicators in UNHCR Operations*. Moreover, the broader comments in relation to RBM set out in the response to recommendation para. 12 (p) above, will also mean that greater attention will be given to the choice of more empirically based indicators.

LVIII. RECOMMENDATION Para. 242

126. UNHCR agreed with the Board's recommendation to continue to improve its evaluation tools, the follow-up to evaluation and the use of self-evaluation.

Measures Taken by the Administration

127. UNHCR agreed with the Board's recommendation to continue to improve its evaluation tools, the follow-up to evaluation and the use of self-evaluation. During the first semester of 2005, UNHCR published the following evaluation tools: (i) How to manage evaluations: Seven steps and (ii) Organizing participatory self-evaluations at UNHCR: Guidelines. Furthermore, UNHCR is currently working on a range of projects related to the audit recommendations and expected to be completed by end 2005 or early 2006. The High Commissioner intends to strengthen UNHCR's evaluation and policy analysis functions.

LIX. RECOMMENDATION Para. 243

128. As a conclusion, the Board, while commending UNHCR for the efforts made in the development of the use of results-based-management, especially in the field, notes that progress is needed at headquarters and in the evaluation function.

Measures Taken by the Administration

129. As mentioned in the response to recommendation para. 12 (p), and para. 216, UNHCR has moved decisively to make progress on RBM. The focus of these efforts will be institution-wide, namely at Headquarters and in the Field.

LX. RECOMMENDATION Para. 245

130. UNHCR agreed with the Board's recommendation to formalize security processes in respect of MSRP access rights and to implement regular integrity controls of user accounts in order to improve the security of the system.

Measures Taken by the Administration

131. In order to improve security of the system, UNHCR is currently undergoing a process to implement controls for access to all of the MSRP applications. The current implementation of controls for the Finance/Supply Chain and EPM/Budget applications is targeted to coincide with the implementation and go-live of the Human Resources and Global Payroll project.

132. Until the new controls are in place, the MSRP Support Security team is performing queries against the security tables and working with Techline, the initiators of the DSS forms, to ensure the correct access of the system is in place.

LXI. RECOMMENDATION Para. 249

133. The Board recommends that UNHCR endeavour to prepare its information and communication technology strategic plan with estimated costs.

Measures Taken by the Administration

134. UNHCR agrees with the recommendation. The IT strategy for period 2006-2008 will include cost information on all initiatives.

LXII. RECOMMENDATION Para. 251

135. The Board reiterates its recommendation that UNHCR identify the expenditures related to its registration activities, with a view to setting related objectives and to monitoring their implementation.

Measures Taken by the Administration

136. UNHCR acknowledges the benefit of having a planning and accounting application that can concurrently display both financial expenditures and the recorded results and impact of specific activities such as registration. In this regard, PGDS and Project Profile have initiated a consultation with MSRP team on a possible modification of the existing budgeting structure and an expenditure tracking mechanism for registration activities. Within the RBM framework, Impact Analysis using established quantifiable indicators, needs to be undertaken regularly. This applies to registration activities as well as to any other set objective at the sectoral level.

137. It should be noted that tracking of expenditures would provide useful information for the rate and success of implementation, but it is not the exclusive factor to determine it. Especially in view of multi-sectoral nature of registration activities, and considering that the three budget categories (operations, administration and staffing) are separately accounted for, reliance on combined expenditures alone to determine the rate and success of registration activities could be misleading. Tracking expenditures related to specific type of activities is one of the functions being developed under the MSRP (PeopleSoft).

LXIII. RECOMMENDATION Para. 268

138. UNHCR agreed with the Board's recommendation to approach the United Nations Treasury with a view to holding joint negotiations on consolidated banking fees.

Measures Taken by the Administration

139. As recommended, UNHCR has approached the UN Treasury and it has been concluded that UNHCR's New York bank account arrangement/bank charges are in line with competitive banking arrangements.