Status of Audit Recommendations

As at 28-09-2016

a) Status of External Audit Recommendations Issued by the BOA on its 2015 Financial Audit Report

<table>
<thead>
<tr>
<th></th>
<th>Previous years recommendations in BOA 2015 Audit Report</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total number of audit recommendations</td>
<td>20</td>
<td>100%</td>
</tr>
<tr>
<td>Number of recommendations due for implementations by 2015</td>
<td>20</td>
<td>100%</td>
</tr>
<tr>
<td>Number of recommendations implemented</td>
<td>16</td>
<td>80%</td>
</tr>
<tr>
<td>Implementation in progress</td>
<td>3</td>
<td>15%</td>
</tr>
<tr>
<td>Not implemented</td>
<td>1</td>
<td>5%</td>
</tr>
</tbody>
</table>

i. Of the 20 recommendations outstanding as of 31 December 2014, the Board noted that 16 recommendations (80 per cent) were fully implemented, while three recommendations (15 per cent) were under implementation and one recommendation (five per cent) was not implemented and has therefore been reiterated. The Board considers that there is a positive improvement in implementation of the Board’s recommendations.

ii. The recommendations that were under implementation required the decision to set up specific arrangement for (a) funding UN-Habitat’s liabilities for end-of-service and post-retirement benefits, (b) identifying a suitable partner to run the Experimental Reimbursable Seeding Operations Trust Fund and (c) speeding up the process of fixing electronic barcodes on all assets under its control.

iii. The recommendation considered not implemented requires UN-Habitat to review the cost and benefits of introducing procedures to mitigate exchange rate risks and losses. UN-Habitat explained that implementation of the recommendation rests with UNON and UN Headquarters. The Board considers that UN-Habitat management has a duty to protect the entity from major financial losses arising from exchange rate risks.

b) Status of Internal Audit Recommendations Issued by OIOS

<table>
<thead>
<tr>
<th></th>
<th>OIOS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total number of audit recommendations</td>
<td>30</td>
</tr>
<tr>
<td>Number of recommendations due for implementations in 2015</td>
<td>22</td>
</tr>
<tr>
<td>Number of recommendations implemented</td>
<td>7</td>
</tr>
<tr>
<td>Implementation rate (%)</td>
<td>32%</td>
</tr>
</tbody>
</table>

i. Implementation of OIOS recommendations was slow because some of the recommendations could not be implemented until new policies aligned to UMOJA issued by UN Headquarters were put in place. Progress is being made on pending recommendations.

Status of combined OIOS and BOA audit recommendations

<table>
<thead>
<tr>
<th></th>
<th>BOA+OIOS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total number of audit recommendations</td>
<td>50</td>
</tr>
<tr>
<td>Number of recommendations due for implementations by 2015</td>
<td>42</td>
</tr>
<tr>
<td>Number of recommendations implemented</td>
<td>21</td>
</tr>
<tr>
<td>Implementation rate (%)</td>
<td>50%</td>
</tr>
</tbody>
</table>