



## **INTERNAL AUDIT DIVISION**

# **AUDIT REPORT**

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### **Information and Communication Technology strategic systems planning and governance structures at the United Nations Secretariat**

**The current governance structure over ICT  
operations is not adequate to ensure that  
strategic systems planning is carried out  
effectively and efficiently**

**24 December 2008  
Assignment No. AH2006/513/07**

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United Nations  Nations Unies

INTEROFFICE MEMORANDUM

MEMORANDUM INTERIEUR

OFFICE OF INTERNAL OVERSIGHT SERVICES - BUREAU DES SERVICES DE CONTRÔLE INTERNE  
INTERNAL AUDIT DIVISION - DIVISION DE L'AUDIT INTERNE

TO Ms. Angela Kane, Under-Secretary-General  
A Department of Management

DATE 24 December 2008

REFERENCE IAD: 08- 02069

FROM Dagfinn Knutsen, Director  
DE Internal Audit Division, OIOS



SUBJECT **Assignment No. AH2006/513/07 - Audit of the ICT strategic systems planning and governance**  
OBJET **structures at the United Nations Secretariat**

1. I am pleased to present the report on the above-mentioned audit.
2. Based on your comments, we are pleased to inform you that we will close recommendation 5 in the OIOS recommendations database as indicated in Annex 1. In order for us to close the remaining recommendations, we request that you provide us with the additional information as discussed in the text of the report and also summarized in Annex 1.
3. Please note that OIOS will report on the progress made to implement its recommendations, particularly those designated as high risk (i.e., recommendations 4, 7, 12, and 13), in its annual report to the General Assembly and semi-annual report to the Secretary-General.

cc: Mr. Soon-hong Choi, Assistant Secretary-General, Chief Information Technology Officer  
Mr. Swatantra Goolsarran, Executive Secretary, UN Board of Auditors  
Ms. Maria Gomez Troncoso, Officer-in-Charge, Joint Inspection Unit Secretariat  
Ms. Christina Post, Chief, Oversight Support Unit, Department of Management  
Mr. Byung-Kun Min, Programme Officer, OIOS  
Mr. William Petersen, Chief, New York Audit Service, OIOS

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## INTERNAL AUDIT DIVISION

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### FUNCTION

*“The Office shall, in accordance with the relevant provisions of the Financial Regulations and Rules of the United Nations examine, review and appraise the use of financial resources of the United Nations in order to guarantee the implementation of programmes and legislative mandates, ascertain compliance of programme managers with the financial and administrative regulations and rules, as well as with the approved recommendations of external oversight bodies, undertake management audits, reviews and surveys to improve the structure of the Organization and its responsiveness to the requirements of programmes and legislative mandates, and monitor the effectiveness of the systems of internal control of the Organization” (General Assembly Resolution 48/218 B).*

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### CONTACT INFORMATION

**DIRECTOR:**

Dagfinn Knutsen, Tel: +1.212.963.5650, Fax: +1.212.963.2185,  
e-mail: [knutsen2@un.org](mailto:knutsen2@un.org)

**DEPUTY DIRECTOR:**

Fatoumata Ndiaye: Tel: +1.212.963.5648, Fax: +1.212.963.3388,  
e-mail: [ndiaye@un.org](mailto:ndiaye@un.org)

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## **EXECUTIVE SUMMARY**

### **Audit of the ICT strategic systems planning and governance structures at the United Nations Secretariat**

OIOS conducted an audit of Information and Communications Technology (ICT) strategic systems planning and governance structures at the UN Secretariat from May to October, 2006, with an additional review of relevant reports issued by the Secretary General and by the Advisory Committee on Administrative and Budgetary Questions (ACABQ) in 2007 and 2008. The overall objective of the audit was to assess the appropriateness and effectiveness of the Secretariat's ICT governance structure over the selection, development and implementation of application systems in general, and to identify those aspects in the current structure that will need to be modified to ensure the successful implementation of a global Enterprise Resource Planning (ERP) system. The audit was conducted in accordance with the International Standards for the Professional Practice of Internal Auditing.

OIOS is of the opinion that the current governance structure over ICT operations is not adequate to ensure that the project to replace the Integrated Management Information System (IMIS) and other legacy systems with a global ERP system is carried out effectively and efficiently. Aggravating this concern is the fact that the Secretary-General's plans for a new global ERP system (starting with his report A/60/692, Proposal 10, and through subsequent reports on ICT governance and on the ERP development project that were issued through the end of 2007) did not sufficiently clarify how and to what extent the Secretariat will strengthen the existing governance structure in order for it to adequately support the transition from the legacy ICT system to the new ERP system. As a result, the new ERP system may not be based on a comprehensive analysis and re-design of the Secretariat's business processes to ensure that the system of internal control as a whole adequately addresses risks to achieving business objectives.

The Secretary-General in his report A/62/793 of 9 April 2008 outlined a new ICT strategy for the Secretariat, including a new governance structure. The Secretary-General's report was reviewed by the Advisory Committee on Administrative and Budgetary Questions (ACABQ), but not yet by the Fifth Committee. The ACABQ opined that any proposed governance mechanism should be continuously reviewed over time (see A/63/487 of 16 October 2008).

OIOS has reviewed the Secretary-General's reports, related deliberations of the ACABQ and General Assembly Resolutions, and is making the following specific comments in order to improve the management of the global ERP system project.

#### Central governance

The setting up at Headquarters of an Office of ICT, responsible for developing and implementing ICT plans for the United Nations Secretariat should also form an opportunity to improve the ICT budget formulation process and the justification for ICT resources.

The Secretariat's plans to implement an ERP system will benefit from developing an Information Management (IM) strategy. An IM strategy should therefore be formulated, taking into account the on-going reform process. The global ICT strategy should support the IM strategy and the ICT development project currently underway.

#### Decentralization of ICT governance

The ICT governance structure at Headquarters needs to be reconstituted in line with the Secretary-General's proposals in his report A/62/502: "Investing in information and telecommunications technology: status report", and with the ACABQ's comments in its report A/62/7/Add.31. Past experience has shown that sufficient authority must be delegated to the Chief Information Technology Officer (CITO) for this purpose.

The CITO should specifically be empowered to monitor that every office or department has an active ICT committee and an ICT strategy that is aligned with the global one, and that these committees follow the methodologies, standards and procedures set out by the central ICT governing bodies. Every office/department should also be requested to nominate a suitably-qualified senior official in the role of Chief Information Officer with responsibility for the ICT planning, coordination and policy implementation within that office or department. Reporting lines between the CITO and offices away from Headquarters need to be defined and procedures established to ensure compliance with the Secretariat's global ICT strategy and policies.

#### Monitoring ICT projects conformity with performance standards and costs

The Project Review Committee (PRC) was established in November 2003 to review the high-level business case for ICT initiatives estimated to cost more than \$200,000 and see that the investment is justified and consistent with the global ICT standards. OIOS noted in several past audits weaknesses in the operation of this Committee. These included the absence of controls to ensure that all ICT initiatives that meet the set investment level are submitted to PRC review and the lack of follow-up on the actual results after approval of the high-level business case. These weaknesses should be properly addressed by the Project Management Office envisioned in the new ICT strategy (Secretary General's report A/62/793), the functional successor to the PRC.

The functional requirements of all potential users should be analyzed within the scope of the entire projects. This would require coordination between users who perform similar functions (for example: the Field Personnel Division (formerly the Personnel Management and Support Service - PMSS) of the Department of Field Support (DFS) and the Operational Services Division, Office of Human Resources Management with regard to personnel data).

#### Cost estimates of the new ERP system

The criteria for which modules of the new ERP system should be purchased and customized and which ones should be developed still need to be

defined. Several ICT initiatives are nevertheless ongoing. These include an Enterprise Content Management system, a Customer Relationship Management system, a web-based Talent Management System, and a budget formulation system, the latter alone at a cost of \$2.5 million. These initiatives should be coordinated with: (i) the ERP project criteria for the acquisition or development of new systems, and (ii) the continued funding of on-going systems development work and the maintenance of existing systems during the ERP implementation period.

The resources required to operate and maintain the system after it is implemented should be included within the project plans as also requested by the ACABQ.

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## I. INTRODUCTION

1. The Office of Internal Oversight Services (OIOS) conducted an audit of Information and Communications Technology (ICT) strategic systems planning and governance structures at the United Nations Secretariat from May to October, 2006. This report was issued in draft in January 2007. At the time the United Nations ICT governance instruments were undergoing transition, and OIOS agreed to extend its review to encompass the resulting changes. Accordingly, an updated draft of this report was issued in February 2008. Additional changes which have taken place since are also reflected in this report. The audit was conducted in accordance with the International Standards for the Professional Practice of Internal Auditing.

2. In his report "Investing in the United Nations: for a stronger Organization worldwide"<sup>1</sup> the Secretary-General proposed "...to replace the Integrated Management Information System (IMIS), Galaxy and other stand-alone ICT management support systems with a fully integrated global system". The General Assembly approved the replacement of IMIS with a new system<sup>2</sup>.

3. In a subsequent detailed report<sup>3</sup> the Secretary-General outlined a new ICT governance structure to support ICT operations. This structure will include a Chief Information Technology Officer (CITO) who would be at the Assistant Secretary-General level, and who will be entrusted with the responsibility for developing the overall ICT strategy for the United Nations and leading its implementation. The General Assembly also approved the establishment of the post of the CITO at the level of Assistant Secretary-General in the Executive Office of the Secretary-General<sup>4</sup>.

4. The Secretary-General then proposed in a subsequent report<sup>5</sup> to locate the Office of the CITO in the Department of Management, while the CITO will become a permanent member of the Management Committee. The Advisory Committee on Administrative and Budgetary Questions (ACABQ) did not find in this report of the Secretary-General sufficient justification to reverse the decision<sup>6</sup> of the General Assembly on the organizational placement of the Office of the CITO. The ACABQ also deferred its consideration of the proposed governance framework, pending (at the time) the appointment of the CITO, in order to provide him or her with an opportunity to have input into the governance structure<sup>7</sup>.

5. Following the appointment of the CITO, and in response to General Assembly Resolution 60/283, the Secretary-General provided: (i) a status report on principles of ICT governance and ongoing efforts to address

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<sup>1</sup> A/60/692, proposal 10

<sup>2</sup> General Assembly Resolution 60/283 of 7 July 2006, Section II

<sup>3</sup> A/60/846/Add.1 dated 12 May 2006, paragraphs 8-13

<sup>4</sup> General Assembly Resolution 60/283 of 7 July 2006, Section II

<sup>5</sup> A/61/765 dated 27 February 2007

<sup>6</sup> General Assembly Resolution 60/283 of 7 July 2006, Section II

<sup>7</sup> A/61/804 dated 16 March 2007

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outstanding ICT issues<sup>8</sup>, and (ii) a report which proposed an approach for implementing enterprise systems, and presented budgetary requirements for the biennium 2008-2009 and other measures for approval by the General Assembly<sup>9</sup>.

6. The ACABQ considered the above two reports of the Secretary-General (together with another report on disaster recovery and business continuity – A/62/477), and provided its comments and recommendations on them<sup>10</sup>. Regarding the Enterprise Resource Planning (ERP) project the ACABQ: (i) emphasized the need for effective coordination and cooperation among all stakeholders and the importance of the commitment of the Secretary-General to this complex project; (ii) did not support a multi-year project account; and (iii) recommended that resources be provided to create a project start-up core team pending submission and consideration of detailed proposals.

7. Before the Fifth Committee consideration of the above ACABQ recommendations, the Secretary-General provided an updated, more detailed plan to implement the new ERP system in a report that also proposed a Customer Relationship Management (CRM) system and an Enterprise Content Management (ECM) system<sup>11</sup>. The cost of implementing the ERP system was estimated at \$286 million through the end of 2012 (the CRM and ECM systems were estimated at \$8.2 million and \$15 million, respectively, through the same period). The Secretary-General also provided an updated ICT strategy for the Secretariat<sup>12</sup>, and additional information<sup>13</sup> on the proposed ICT organizational structure and reallocation of (existing) resources to establish the Office of Information and Communications Technology (OICT).

8. The ACABQ considered the above three reports of the Secretary-General (together with another report on disaster recovery and business continuity – A/62/477, of which consideration of its ICT-related part was previously deferred<sup>14</sup>) and provided its comments and recommendations<sup>15</sup>. In summary, the ACABQ:

(a) Broadly agreed with the Secretary-General's proposed approach to centralize only Organization-wide, strategic functions;

(b) Recommended that the Secretary-General be instructed to define specific objectives regarding efficiency gains from implementing the proposed ICT strategy and clarify the methodology and benchmarks used to identify and

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<sup>8</sup> A/62/502 dated 23 October 2007

<sup>9</sup> A/62/510 dated 29 October 2007

<sup>10</sup> A/62/7/Add.31 dated 21 December 2007

<sup>11</sup> A/62/510/Rev.1 dated 10 April 2008

<sup>12</sup> A/62/793 dated 9 April 2008 and Corr.1 dated 7 May 2008

<sup>13</sup> A/62/793/Add.1 dated 2 September 2008

<sup>14</sup> A/62/7/Add.31 dated 21 December 2007, Section III, paragraph 33

<sup>15</sup> A/63/487 dated 16 October 2008 and Corr.1 dated 24 October 2008

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measure these benefits in reporting them in the context of the proposed programme budget for 2010-2011;

(c) Recommended that the General Assembly endorse the overall approach relating to the comprehensive ICT strategy for the Secretariat as contained in document A/62/793, subject to the Committee's comments on the proposals;

(d) Recommended that: (i) the General Assembly take note of the Secretary-General's intention to proceed with structural reviews and rationalization and harmonization of all ICT units; and that (ii) the Secretary-General be requested to report to the General Assembly on the results of such reviews in the context of the proposed programme budget for 2010-2011;

(e) Recommended that the Secretary-General be requested to identify specific objectives and define measuring methods of efficiency and productivity gains from implementing the ERP;

(f) Recommended approval of resources in the amount of \$37,258,700 for the 2009-2010 biennium, sufficient to staff the core project team and proceed with tasks and project activities of the detailed design phase and other tasks that are needed to avoid further delays in the project. The amount approved did not include a proposed contingency provision of \$5.59 million, though;

(g) Recommended that the Secretary-General be requested to submit a revised ERP project implementation plan and updated budget in the context of the proposed programme budget for 2010-2011;

(h) Confirmed, in light of explanations provided, to establish a multi-year special account to record project income and expenditure through the end of 2013.

9. Comments made by the Chief Information Technology Officer are shown in *italics*.

## **II. AUDIT OBJECTIVES**

10. The main objectives of the audit were to:

(a) Assess the appropriateness and effectiveness of the Secretariat's ICT governance structure over the selection, development and implementation of application systems in general; and

(b) Identify those aspects in the current structure that will need to be modified to ensure the successful implementation of a global ERP system.

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### **III. AUDIT SCOPE AND METHODOLOGY**

11. The audit covered IMIS, other major ICT management support systems, and key semi-automated and manual procedures within the Secretariat.

12. OIOS reviewed the studies conducted to assess the appropriateness of IMIS to meet the future requirements of the Secretariat. It sought to obtain the views of IMIS users and of those who are currently using alternative systems. Interviews were also held with the IT directors at United Nations entities where ERP systems have been implemented, namely the United Nations Development Programme (UNDP), the United Nations Children's Fund (UNICEF) and the United Nations High Commissioner for Refugees (UNHCR). OIOS examined ICT Board and Project Review Committee meeting minutes and related documentation. Interviews were held with members of these two bodies. OIOS also took into consideration the findings from a number of its IT management audits performed at various United Nations entities.

### **IV. AUDIT FINDINGS AND RECOMMENDATIONS**

#### **A. Budgeting and funding of ICT resources**

ICT investments should be based on clear criteria and amounts of contributions by offices and departments

13. Since 2001 the Department of Management (DM) sought to strengthen the governance function over ICT at a Secretariat-wide level, through the creation of the ICT Board and the setting up of ICT committees at the office/departmental level<sup>16</sup>. In parallel with this, an ICT strategy was developed for the Secretariat worldwide<sup>17</sup>. Offices and departments were requested to develop their own ICT strategies aligned with the global strategy<sup>18</sup> and a Project Review Committee was introduced to assess and coordinate major investments in ICT<sup>19</sup>.

14. The two largest ICT service providers in terms of resources are DM's Information and Technology Services Division (ITSD) and DFS's Communications and Information Technology Service (CITS, renamed Information and Communications Technology Division – ICTD). IMIS was developed by ITSD without detailed functionalities that would have served the needs of peacekeeping operations in the field. While DFS (at the time: DPKO – the Department of Peacekeeping Operations) was represented in the IMIS Steering Committee, and notwithstanding the declared and mandated intention to have IMIS fully deployed in field missions, the system functionalities were designed to support only Headquarters-oriented operations (these include, for

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<sup>16</sup> ST/SGB/2001/5 superseded by ST/SGB/2003/17

<sup>17</sup> A/57/620 dated 20 November 2002

<sup>18</sup> ST/SGB/2003/17, paragraph 4.4

<sup>19</sup> ST/SGB/2003/17 Section 5

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example, processing of payroll for internationally-recruited staff who were deployed in field missions, but not functionalities that are mostly local such as payroll of staff who were recruited locally at the mission area, or accounting functions that are done in the mission). It was only after the system had been implemented that an attempt was made to come up with a version that could be used in peacekeeping missions, but this would have entailed a fundamental change in the system design that was not cost-effective. IMIS therefore only covered a limited number of field-based functionalities.

15. On the other hand, Galaxy originated in DFS with no input from ITSD (although its functional requirements were defined in cooperation with the Office of Human Resources Management, DM) and is still supported by DFS/ICTD.

16. The existence of separate budgets for regular operations and for peacekeeping operations allowed the development of two separate ICT service providers who were not always compelled to cooperate, and whose clients' functional requirements are significantly inconsistent at times. This situation affected the Organization's ability to integrate the functions and the scope of work of its two major ICT service providers.

17. There are also other ICT units in offices and departments based in New York and others still that are away from Headquarters. Their regular budget allocations are not as significant as those of ITSD but they also undertake considerable ICT initiatives, funded through technical cooperation budgets and similar arrangements. Therefore, the likelihood that opportunities for efficiency gains are not identified is high and these initiatives also need to be coordinated.

All ICT services should be identified and consolidated into a comprehensive catalogue

18. OIOS sees the setting up of the OICT as an opportunity to rationalize the budgeting and funding of ICT services. This should be directly based on the global ICT strategy for the Secretariat and a service agreement-based approach. This approach has been introduced in certain areas of the Secretariat, with some offices and departments contributing to the budget of ITSD or the entity's IT unit on the basis of the number of workstations. The current catalogue, however, only covers Headquarters and some other duty stations, and there is no uniform service delivery plan. There is still no global policy in this regard. In OIOS' view, the OICT should drive the establishment of such a policy once the Management Committee approves it. As a basis for the policy, a study should be carried out to determine the basis and amount of contribution by offices and departments. The implementation of these measures should help to clarify the roles and responsibilities of both the providers and users of ICT services.

**Recommendation 1**

**(1) The Chief Information Technology Officer should carry out a study to determine the basis and amount of contribution by offices and departments for information and communications technology services. The services it is**

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mandated to provide to offices and departments and the respective responsibilities should be defined in a service catalogue, a copy of which should be made available on the United Nations intranet. Any additional services to those in the service catalogue should be negotiated with the office or department concerned and specified in a Bilateral Service Agreement.

19. *The Chief Information Technology Officer accepted recommendation 1 and stated that the updated ICT strategy<sup>20</sup> specifically addressed the issues of a global ICT budgeting framework (including contributions of departments and OAHs) and the establishment of a service management framework including a standard ICT Service Catalogue and standard SLAs (i.e., Service Level Agreements). OIOS also noted that in his updated report on enterprise systems<sup>21</sup> the Secretary-General suggested a cost-sharing formula for the ERP development costs. The ACABQ endorsed the Secretary-General's proposal in this regard<sup>22</sup>, but requested clarifications<sup>23</sup> on the role of the OICT and the CITO in procurement matters as described in the updated ICT strategy<sup>24</sup>. Recommendation 1 remains open pending finalization of the basis for contributions by departments and offices towards ICT services, issuance of a catalogue of mandated services, and formulation of standard Service Level Agreements.*

## **B. Strengthening the ICT governance structure**

Mechanisms should be defined to ensure adequate representation of offices and departments away from Headquarters in the decision-making process

20. Governance over ICT within the Secretariat is regulated by the Secretary-General's bulletin "Information and Communications Technology Board"<sup>25</sup>. The ICT Board mandate is "to ensure a coherent and coordinated global usage of information and communications technology across departments and duty stations, in line with the objectives of the Secretariat and the central policy direction provided by the Steering Committee on Reform and Management"<sup>26</sup>. The Board is thus responsible for maximized standardization of systems, avoiding duplication of efforts and ensuring that departmental ICT projects and initiatives are aligned with the overall goals and priorities of the Secretariat.

21. Through a more recent report of the Secretary-General the governance instruments that were hitherto in place became substantively defunct<sup>27</sup> (although the related administrative instruments – such as ST/SGB/2003/17 – have not yet

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<sup>20</sup> A/62/793 dated 9 April 2008, paragraphs 16 and 19

<sup>21</sup> A/62/510/Rev.1 dated 10 April 2008

<sup>22</sup> A/63/487 dated 16 October 2008, paragraphs 74 and 75

<sup>23</sup> Ibid, paragraph 21

<sup>24</sup> A/62/793 dated 9 April 2008, paragraph 35(o)

<sup>25</sup> ST/SGB/2003/17

<sup>26</sup> ST/SGB/2003/17, paragraph 1.1

<sup>27</sup> A/62/502 dated 31 October 2007, paragraph 18(d)

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been withdrawn, updated or superseded). There are, however, valuable lessons to be learned from the experience gained while these governance instruments existed. Some shortcomings of the governance process were already noted by the then chairman of the ICT Board, as described in his “Revitalization Memorandum” issued to the Board members in April 2005. These included the lack of discussion of strategic matters and a lack of decision-making, as well as absence of feedback from departmental ICT Committees. In some instances it appeared that some ICT Board members were unaware of activities and initiatives that affected their own departments. The memorandum reiterated the need for personal commitment on the part of Board members and made suggestions on the way meetings were held to improve matters.

22. Discussions with Board members during the audit confirmed that these issues have not been sufficiently addressed. Some members felt that the real purpose of the Board was unclear. The unevenness of participants’ substantive knowledge impacted on the Board discussions. The fact that senior managers would send their representatives to Board meetings (rather than attend in person) led to discussions of a technical rather than governance matters and the lack of decision-making remained. ITSD personnel were considered to be over-represented in the Board’s sub-committees and some members felt they were being asked to endorse what had already been decided by ITSD beforehand. Members mentioned the ECM and the CRM applications as examples where discussion at Board level was lacking. There was a feeling of polarization between DM’s ITSD and DFS’s CITS. One member commented on the late announcement of meetings and of meeting materials being at times provided late or incomplete. The minutes of the latest meeting<sup>28</sup> confirmed that the Board took decisions on technical issues but not on strategic matters.

23. In his report A/60/846/Add.1, the Secretary-General proposed a new governance structure with two distinct oversight focus areas: a Management Committee that will look at the investment aspect of ICT and a Technology Steering Committee<sup>29</sup> that will make the major decisions on technology direction. The ACABQ did not comment on the proposed governance structure, but recommended that the CITO “...would head an office which would integrate DM’s ITSD and DPKO’s (now DFS’) CITS and provide Secretariat-wide leadership, including for the IT function of offices away from Headquarters”<sup>30</sup>.

24. The ACABQ later again deferred its consideration of ICT governance issues<sup>31</sup> and criticized as a “serious gap” the “...absence of a clear statement of the responsibility and authority of the Chief Information Technology Officer in the United Nations Secretariat, as well as the measures to put them into effect.” The ACABQ recalled and reaffirmed its previous recommendation that the CITO “...should have clear authority over the resources of ITSD and CITS”.

25. OIOS emphasized in the past that towards establishing a new ICT governance framework the experience of the ICT Board should be considered.

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<sup>28</sup> ICTB/2006/3.m, 13 July 2006

<sup>29</sup> A/60/846/Add.1 dated 12 May 2006, paragraph 10

<sup>30</sup> A/60/870 paragraph 14

<sup>31</sup> A/62/7/Add.31 dated 21 December 2007

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Decision-making bodies and advisory groups should include adequate representation from offices and departments away from Headquarters. These bodies also need to be provided with sufficient authority to ensure that all offices and departments comply with relevant instructions. OIOS made the following recommendations:

### **Recommendations 2 and 3**

**(2) In respect of the Secretary-General's report A/62/502 "Investing in information and communications technology: status report: the Chief Information Technology Officer should ensure that decision-making bodies and advisory groups include adequate representation from offices and departments away from Headquarters, and that these bodies have sufficient authority to enforce compliance with policies and instructions; and**

**(3) In respect of the Secretary-General's report A/62/502 "Investing in information and communications technology: status report: representatives of offices and departments on decision-making bodies and advisory groups should be nominated by their respective head of department/office but their nominations need to be endorsed by the Chief Information Technology Officer.**

26. *The CITO accepted recommendation 2 and advised that the updated ICT strategy for the United Nations Secretariat<sup>32</sup> explicitly provides that decision making bodies (Programme Steering Committees and Executive Committee on ICT) as well as the advisory groups represent all relevant departments and OAHs. The CITO's further stated that these decision making bodies will be provided with sufficient authority to enforce compliance. OIOS noted that the CITO would indeed be provided with "...sufficient central authority and resources to oversee ICT activities in the United Nations secretariat throughout the world<sup>33</sup>". The ACABQ advised that notwithstanding its broad agreement with the Secretary-General's proposed approach to managing ICT activities<sup>34</sup>, it remained concerned about the adequacy of the proposed governance structure to achieve decision-making capability and maintain accountability<sup>35</sup>. The ACABQ stressed in this regard that the Secretary-General should keep the ICT governance structure under review, and propose any necessary adjustments thereto. Recommendation 2 remains open pending formulation of the new governance structure, and a cursory review of the authority delegated to it.*

27. *The CITO accepted recommendation 3 and advised that the policies and procedures to be promulgated, which will establish the decision-making and advisory bodies will consider the principles recommended by OIOS. Recommendation 3 remains open pending the promulgation of the said policies*

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<sup>32</sup> A/62/793 dated 9 April 2008, paragraphs 27(a) and (b)

<sup>33</sup> Ibid, paragraphs 29

<sup>34</sup> A/63/487 dated 16 October 2008, paragraph 16

<sup>35</sup> Ibid, paragraph 18

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and procedures, and a cursory review to confirm implementation of the recommendation.

### **C. Formulating an Information Management strategy**

An information management strategy should be developed by the OICT and endorsed by the Management Committee

28. An information management strategy focuses on identifying mission-critical information as well as system(s) required for effective information management. The Secretariat has yet to formulate an Information Management (IM) strategy that would drive the initiative to replace IMIS and other legacy systems. Already in 1998 the Independent Experts reviewing the IMIS project noted that there is “no corporate and comprehensive information management plan for the UN” and that “leadership in IM/IT [Information Technology] management is diffused throughout the organization with no focal point.”<sup>36</sup> Also, some interviewees commented on the need to formulate an IM strategy before starting the change process related to the ERP implementation and on the missing linkage between an ICT strategy and the business strategy.

29. There are no plans that assign the role/responsibility of leading the Secretariat’s information management plan and identify and prioritize the Secretariat’s information management needs. OIOS is of the view that the CITO in consultation with the management committee should lead the development of an Organization-wide IM strategy. A detailed work plan with timelines, benchmarks and resources for developing and implementing this strategy should be prepared expeditiously. The management committee should also ensure that the global ICT strategy derives from the IM strategy and therefore fully supports the Secretariat’s IM needs.

#### **Recommendation 4**

**(4) The Chief Information Technology Officer should promulgate an Information Management strategy, including a definition of mission-critical information. The Information Management strategy should then be endorsed by the Management Committee and provide the rationale for introducing the proposed Enterprise Resource Planning, Enterprise Content Management and Customer Relationship Management systems.**

30. *The CITO accepted recommendation 4 in principle but pointed out that given the maturity level of this issue, developing a Secretariat-wide IM strategy will take some time. The CITO suggested that instead, the [new] ICT strategy be leveraged to address IM issues for the foreseeable future. Information management formed an integral part of knowledge management which was one of the pillars of the new ICT strategy (Secretary-General’s report A/62/793). Lastly, the CITO noted that in outlining the goal of the knowledge management*

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<sup>36</sup> A/53/662 - IMIS Independent Experts study of 11 November 1998, paragraph 17

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*programme, the new ICT strategy highlighted the role of information management and the plan to develop Secretariat-wide information management policies and standards as part of this new functional programme. The new ICT strategy assigned to the envisioned knowledge management service (within the OICT) the responsibilities to inter alia (a) oversee efforts to capture and share the Secretariat's...knowledge base and (b) improve information management policies, architecture and standards for all information<sup>37</sup>. Recommendation 4 remains open pending the development of a Secretariat-wide information management strategy under the aegis of the knowledge management programme, OICT.*

#### **D. Implementing a global ICT strategy**

##### The current ICT Strategy should be updated

31. In November 2002 the Secretary-General in his report A/57/620 presented an ICT strategy for the Secretariat. This was in response to the requests and observations made by the General Assembly in its resolution 56/239 of 24 December 2001, and was designed to support the programme of reform of the Secretary-General as presented in his report entitled "Strengthening of the United Nations: an agenda for further change"<sup>38</sup>. The proposed ICT strategy was developed over three underlying themes: (a) alignment with programmatic goals; (b) projected return on investment; and (c) governance.

32. The ICT strategy covered the period 2002-2005. The Secretary-General's report A/57/620 states: "Although the strategic direction of ICT may not change significantly beyond 2005, technologies and current projects will. Therefore, a revision of the document may be necessary after 2005." At the present the ICT strategy does not correspond to some significant developments in the ICT field within the Secretariat. For example: in its focus area of "e-governance" the ICT strategy relies heavily on IMIS and Galaxy, both of which have since been found to be lacking as distributed systems, and are now due to be replaced.

33. An updated ICT strategy was expected to be promulgated, as expressed in General Assembly Resolution 61/234 (paragraph 9). By January 2008, however, efforts by the CITO were ongoing to collect and analyze relevant information for developing an ICT strategy, which would include work already done by him on ICT governance.

#### **Recommendation 5**

**(5) The Chief Information Technology Officer should bring up to date the existing information technology strategy for the Secretariat and implement an effective monitoring mechanism to ensure it is complied with.**

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<sup>37</sup> A/62/793 dated 9 April 2008, paragraph 41(a) and A/62/793/Add.1 dated 2 September 2008, paragraph 12(a)

<sup>38</sup> A/57/387 and Corr. 1

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34. *The CITO accepted recommendation 5 and advised that the updated strategy had been released as Secretary General report A/62/793 dated 9 April 2008. Based on the action taken by the CITO, recommendation 5 has been closed.*

All significant ICT initiatives should be subjected to pre and post implementation reviews

35. One critical aspect of ICT governance is the management of ICT initiatives from the outset to ensure consistency. The Project Review Committee (PRC) was established in November 2003 “to apply uniformly the standards decided upon by the Information and Communications Technology Board to information and communications technology initiatives within the Organization and to recommend whether such initiatives should proceed.”<sup>39</sup> The first meeting of the Project Review Committee was held on 6 June 2004.

36. The workings of the PRC and the criteria for project approval were detailed in ST/AI/2005/10 issued in August 2005<sup>40</sup>. These instructions stipulated that an ICT initiative was to be backed by a high-level business case approved by the (local) ICT committee of the department or office concerned. The PRC review process also relies on the inventory system of ICT resources (e-Assets) as a tool for control. The sponsor of an ICT initiative is required to refer to e-Assets and check for duplication when preparing the high-level business case<sup>41</sup>. Local ICT committees are responsible for the prompt updating of e-Assets.

37. Of the 16 cases the PRC had reviewed through June 2006 (each representing an ICT initiative), Headquarters-based departments/offices submitted 12, and the other four were all submitted by one overseas office (ICTY). Discussions with representatives from various offices and departments showed that not all entities were aware that ST/AI/2005/10 applied to all ICT initiatives, irrespective of their source of funding and location. OIOS has noted that at UNODC, for example, a European Commission-funded mandated initiative to provide technical assistance to the Economic and Financial Crimes Commission had an ICT component estimated at \$12 million. This initiative, however, had not been submitted to the PRC.

38. Previous OIOS audits of ICT management noted that a number of ICT committees, for example at the United Nations Office at Geneva (UNOG), the United Nations Office at Nairobi (UNON) and the United Nations Office on Drugs and Crime (UNODC), had not been formed or had stopped meeting. The ICT Committee at the Economic Commission for Latin America and the Caribbean (ECLAC) only held two meetings from its formulation through June 2006. Regarding e-Assets, users told OIOS that they had found the system to be cumbersome and stopped using it. The application does not capture the benefits of a proposed IT project and lacks other features, as noted in a past OIOS audit. Additionally, ITSD was not given authority to enforce compliance with the

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<sup>39</sup> ST/SGB/2003/17 paragraph 5.2

<sup>40</sup> ST/AI/2005/10, paragraph. 4.1(a)

<sup>41</sup> ST/AI/2005/10 paragraph 2.3

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requirement to update e-Assets, and eventually stopped supporting it. OIOS understands that ITSD is looking at a new portfolio management system that will provide more visibility and better reflect the benefits of ICT initiatives. This should be implemented without delay to ensure that all significant ICT initiatives are inventoried.

### **Recommendations 6 to 8**

**(6) The Chief Information Technology Officer should take steps to ensure that all significant ICT initiatives are inventoried as soon as practicable.**

**(7) When establishing the new ICT governance framework, the Chief Information Technology Officer should implement controls to ensure that all significant ICT initiatives are adequately substantiated, reviewed and approved. Such controls may include, for example, conditioning the release of funds and other resources for projects upon their proper review and approval.**

**(8) The Chief Information Technology Officer should extend the role of any new Project Review body to include monitoring of actual results against projected budgets and plans.**

39. *The CITO accepted recommendation 6 and advised that the new ICT strategy<sup>42</sup> provided for the establishment of a Project Management Office (PMO) with the mandate (inter alia) to track all significant ICT initiatives. The CITO added that the effectiveness of the PMO will depend on the Project and Portfolio Management System. OIOS takes note of the implementation action plan in this regard (A/62/793, paragraphs 38 and 49(d)), as well as the comments and suggestions made by the ACABQ in regard to establishing the OICT and defining its roles and functions<sup>43</sup>. Recommendation 6 remains open pending the completion of an updated inventory of all significant ICT initiatives.*

40. *The CITO accepted recommendation 7 and advised that the PMO envisioned in the new ICT strategy<sup>44</sup> will provide business consulting and project management services, including portfolio management, business-case development and project reviews for all major ICT projects. The CITO added caveats to this plan concerning (i) the need for coordination with project business owners and with the Controller's office when warranted, and (ii) the availability of adequate Project and Portfolio Management System(s). OIOS noted that the ACABQ broadly agreed with the Secretary-General's proposed approach to managing ICT activities, and related concerns<sup>45</sup>. Recommendation 7*

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<sup>42</sup> A/62/793 dated 9 April 2008, paragraphs 38 and 49(d)

<sup>43</sup> A/63/487 dated 16 October 2008, paragraphs 18-21, 27, 31 and 39

<sup>44</sup> A/62/793 dated 9 April 2008, paragraphs 38 and 49(c), and A/62/793/Add.1 dated 2 September 2008, paragraph 10(c)

<sup>45</sup> A/63/487 dated 16 October 2008, paragraphs 16 and 18

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remains open pending the establishment of the PMO and assignment of functional responsibilities to it.

41. *The CITO accepted recommendation 8 and advised that the PMO envisioned in the new ICT strategy<sup>46</sup> will provide project management services, including project reviews. The CITO added that project assessment, including pre and post project benefit analysis and return on investment, will be included in the project management framework. Lastly, the CITO added the same caveats he had added to his response to recommendation 7 above. Recommendation 8 remains open pending the establishment of the PMO and the issuance of the project management framework defining pre-and-post-project benefit analysis.*

## **E. Implementing a fully integrated global ERP system**

Scope and objectives of the automation of manual processes should be defined

42. A combination of constraints was imposed on IMIS at the time it was developed. These included the technology that was available at the time, budget limitations and inadequate planning. As a result, IMIS does not support some significant business functions of a sizeable part of the Organization's operations, including peacekeeping, budgeting and treasury. DFS, which is the largest single user department in the Secretariat, implemented its own accounting and procurement systems.

43. In his report<sup>47</sup> the Secretary-General's described the then ongoing effort to assemble an inventory of current business processes to be later analysed with the aim to streamline manual and redundant processes, and to check it against a list of "desirable" business processes. The ACABQ took note of the Secretary-General's aim to simplify processes<sup>48</sup>. The list of detailed functional requirements for the ERP software was completed in December 2007<sup>49</sup>.

44. OIOS is of the view that the approach described in the above Secretary-General's reports, while viable, should provide a careful and comprehensive documented justification of choices made as to which processes are to be included in or excluded from the scope of the new ERP system.

45. OIOS is also of the view that the planned review of business processes presents an opportunity to also review the current system of internal control and determine its adequacy and effectiveness. At the same time OIOS wishes to reflect the consensus expressed by all key players who were interviewed during this audit<sup>50</sup> that re-engineering the business process and managing changes will be major challenges in implementing the proposed ERP system.

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<sup>46</sup> A/62/793 dated 9 April 2008, paragraphs 38 and 49(c), and A/62/793/Add.1 dated 2 September 2008, paragraph 10(c)

<sup>47</sup> A/62/510 dated 29 October 2007, paragraphs 27 and 28

<sup>48</sup> A/62/7/Add.31 dated 21 December 2007, paragraph 5

<sup>49</sup> A/62/510/Rev.1 dated 10 April 2008, paragraph 33

<sup>50</sup> E.g. DFS/CITS and FBFD (formerly FMSS), OHRM/OSD, Treasury

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46. Users of stand-alone systems that are reportedly performing well, such as Treasury's OPICS, have indicated that they would prefer to retain them and use automated interfaces to the new ERP system. Budgetary constraints and the imposition of a tight time frame for implementation are other risks that may tempt management to retain current systems and manual processes.

47. UNDP and UNICEF officials expressed that they had faced similar situations when implementing their respective ERP systems, but took a strong stand to include as many functionalities as possible in the scope of these systems. In the case of UNICEF, the replacement of the treasury application by functionalities within the ERP system provided improved financial instruments and was said to have repaid the investment within 20 days. The UNICEF experience has thus shown that the increased cost of the investment in terms of license fees, a steeper learning curve by users and additional investment in ICT infrastructure was repaid by the efficiencies achieved through integration.

#### **Recommendations 9 and 10**

**(9) The ERP project team should undertake a detailed analysis of current automated and manual processes and determine the systems and manual processes to be included within the proposed ERP system. Justification of choices made should be documented.**

**(10) The ERP project team should ensure that a review of the current system of internal control with the participation of all relevant parties is undertaken. The review should detail the impact that its conclusions will have on the project resources and timelines.**

48. *The CITO accepted recommendation 9 and advised that as explained in the Secretary-General's report<sup>51</sup> the corresponding team for each of the four functional areas of the ERP (finance, human resources, supply chain, and central support services), will be responsible to perform the analysis of existing and "to-be" processes that will be implemented by the ERP. The CITO added that this process re-engineering effort will start upon the approval of the Secretary-General's report. Recommendation 9 remains open pending the publishing of the results of the process re-engineering effort, including choices made about including processes in the new ERP system and their justification.*

49. *The CITO accepted recommendation 10 and advised that the review of existing internal controls as part of the existing business processes was part of the overall business process analysis and business process redesign phase of the ERP project. Recommendation 10 remains open pending the publishing of the results of the process re-engineering effort, including the review of current internal controls.*

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<sup>51</sup> A/62/510/Rev.1 dated 10 April 2008, paragraphs 31 (figure 1), 58(c) and 64(a)

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Early resolution of cost and financing issues should be completed for all ICT strategic systems

50. The initial indicative estimate of the cost of implementing a new ERP system was between \$150 million and \$250 million<sup>52</sup>. For the 2008-2009 biennium the ACABQ recommended the approval of the temporary posts of a Project Director plus 15 of the 32 other posts that were requested. The ACABQ also recommended approval of the total non-post requirements amounting approximately \$7.03 million for that biennium. The ACABQ requested to be provided with a report that will include, inter-alia "...full information on the resource requirements of the project, including for maintaining the system." as well as other detailed information. Lastly the ACABQ did not support the creation of a project multi-year account<sup>53</sup>. This position of the ACABQ was later reversed, though<sup>54</sup>.

51. The Secretary-General subsequently reported his plan for funding arrangements of the ERP system<sup>55</sup>. The ACABQ noted the Secretary-General's report, and endorsed the cost-sharing formula<sup>56</sup>. OIOS therefore offers no further recommendation on this matter.

New ICT initiatives should be based on a timely definition of appropriate infrastructure

52. The architectural design of the system needs to be determined at the outset, in particular to ensure it will integrate and support field operations. Suitable connectivity is essential and both the technical aspects and cost implications must be factored into the budget. UNDP remarked that connectivity costs were one of the few items that were underestimated in their ERP implementation project.

53. The proposed ERP will be greatly affected by the available capacity of satellite communication systems, widely used in peacekeeping missions. FPD/DFS mentioned existing connectivity problems with missions based in Africa where the demand for bandwidth capacity exceeds availability. One also needs to take into account potential increases in the number of staff working while away from their offices, and who need connectivity (and bandwidth capacity). The Secretary-General's report A/62/510 makes a general reference to this issue in paragraph 41(a).

54. The ACABQ encouraged the Secretary-General to "...foster deeper coordination and collaboration between the United Nations organizations in all matters related to ICT. Particular attention should be paid to maximizing exchanges and synergies among the organizations regarding their ongoing ERP initiatives..."<sup>57</sup>

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<sup>52</sup> A/62/510 dated 29 October 2007, paragraph 48

<sup>53</sup> A/62/7/Add.31 dated 21 December 2007, Section II

<sup>54</sup> A/63/487 dated 16 October 2008, paragraph 73

<sup>55</sup> A/62/510/Rev.1 dated 10 April 2008, paragraphs 79-80

<sup>56</sup> A/63/487 dated 16 October 2008, paragraphs 74-75

<sup>57</sup> A/62/7/Add.31 dated 21 December 2007, Section IV, paragraph 37

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55. In December 2006 the Secretariat held a workshop with United Nations and other international organizations (for example: NATO) who had already implemented ERP systems. Relevant experiences were presented by UNHCR which deployed a system with both a Headquarters and field office modules, and by UNICEF, who employed an internet-based connectivity infrastructure, thus avoiding satellite bandwidth availability issues altogether. In addition, the United Nations International Computing Centre announced a study commissioned by ITSD to determine the capability of the satellite links at the United Nations Logistics Base at Brindisi to support a potential new ERP system.

#### **Recommendation 11**

**(11) The Chief Information Technology Officer should ensure that the ERP project team identify the appropriate infrastructure required to support the new ERP system, with particular attention to all connectivity-related matters. Discussions should take place with other United Nations entities who have implemented ERP systems for their field operations with a view to capitalize on their experience and/or resources. Any ERP system that may be considered should demonstrate its capacity to perform adequately within the Department of Field Support environment.**

56. *The CITO accepted recommendation 11 and advised that the new ERP system will be hosted in the ICT facility... which is currently serving as the communications gateway to most peacekeeping missions. Hosting the system at this location is to ensure that the new system will function adequately from the field. The CITO added that extensive performance tests were currently underway and that once the ERP project is approved, the project team intended to develop the detailed architecture for the system.* Recommendation 11 remains open pending the results of the performance tests being conducted, and the finalization of the detailed architecture.

The new ERP system must be supported by a defined resources allocation and time-frame for implementation

57. The initial timeframe for implementing an International Public Sector Accounting Standards (IPSAS)-compliant ERP system was extremely challenging. While project management knowledge exists in-house, the project of implementing the new ERP system will in all likelihood require external assistance. This was also noted by the ACABQ who requested "...complete information on the status of the project"<sup>58</sup>.

58. The feasibility of achieving implementation of the new ERP system within the initial time frame (by the end of 2009) was further challenged: some interviewees from DFS/CITS have expressed that planning alone could take three years, with six to seven years to achieve full implementation. In a 2003

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58 A/62/7/Add.31 dated 21 December 2007, paragraph 9

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feasibility study, DFS estimated that rolling IMIS out to all peacekeeping missions would require a timeframe of between four and four and a half years (6 months for resourcing, 12 months to implement the first rollout, and 2½ to 3 years to complete the full rollout in all the current missions). The Thirteenth IMIS progress report stated that the 12 months spent by consultants on functional requirements analysis were insufficient to address the scope of the organizational issues involved.

59. OIOS is also of the opinion that despite the advantages of having an IPSAS compliant system, the strict dates set for IPSAS compliance should not cause compromise in the quality of the ERP implementation. Compliance with IPSAS is one important aspect of the planned functionalities. As noted in this report, though, offices and departments also expect the implementation of an ERP system to resolve current operational issues caused by inadequate or missing functionalities in IMIS.

#### **Recommendation 12**

**(12) The ERP project steering committee should ensure that sufficient resources are allocated to the project in order to achieve a successful implementation of a system that meets IPSAS requirements within the established time frame.**

60. *The CITO accepted recommendation 12 and pointed out that the initial schedule for the ERP project had been updated<sup>59</sup> and was considered realistic contingent upon the General Assembly approval of the project and the resources requested in its 62<sup>nd</sup> session. The CITO added that since this approval did not materialize within the requisite time frame, the project schedule had been [further] updated accordingly. Regarding IPSAS compliance, the CITO pointed out that given that this was a key objective of the Secretariat, the ERP project team planned to include all IPSAS-critical modules of the ERP in the "first wave" of implementation. Recommendation 12 remains open pending the issuance of the final implementation plan for all IPSAS-critical modules of the ERP.*

#### **The new ERP system must be supported by a defined transition plan**

61. Transition planning was mentioned briefly in two reports of the Secretary-General's<sup>60</sup>. There is no mention, however, of policies on how system development work currently in hand is to proceed during the period proposed for implementing a new ERP system. It has not yet been determined, for example, whether on-going development work on systems that will eventually be replaced should continue, how to deal with the ongoing maintenance of existing systems and whether there should be a "freeze" on new ICT initiatives.

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<sup>59</sup> A/62/510/Rev.1 dated 10 April 2008, paragraphs 40-45

<sup>60</sup> A/60/846/Add.1 paragraph 77 and A/62/510/Rev.1 dated 10 April 2008, paragraphs 47-49

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62. The following are examples of ICT initiatives that are in progress (or were recently completed) while the scope of the proposed ERP system is yet to be defined:

(a.) A budget formulation system at a cost of approximately \$2.5 million to process the regular as well as the peacekeeping budget formulation monitoring and reporting;

(b.) A “Talent Management” system as an interim, “Stop-gap” recruitment supporting ICT tool to supplant the “Galaxy” system until the new ERP is in place;

(c.) Functionality enhancement in IMIS to process functional requirements presented by the Peacekeeping Finance Division, DM;

(d.) Enhancement of the Nucleus (recruitment tracking) system; and

(e.) Replacement of the IMIS reporting tool (IRFA) with another tool called WIRE (Web Integrated Reporting), a tool which according to ITSD can outlive IMIS.

63. It is likely that within the time frame proposed for implementing an ERP to replace existing systems, some of the new interim systems will be replaced or made redundant before any return has been realized on the investment in them. Subsequent interfacing to the ERP system is not desirable for the reasons already mentioned earlier in this report (paragraphs 45-47, Recommendation 9).

64. A policy supported by criteria needs to be promulgated for funding new, transitory ICT initiatives and for the maintenance of existing systems during the ERP implementation period. Potential criteria could consider the level of investment and the criticality of data and reports of a proposed interim system.

65. The policy on interim systems should consider the risk that changing systems in close succession may result in user fatigue, confusion of procedures and corruption of data, which might exacerbate resistance to meaningful change.

66. On the other hand, users need to have the necessary tools to perform their work. Therefore, during the transition period until a new ERP system is functioning, IMIS and other legacy systems will need to be supported and maintained at a reasonable working level. Continued investment in hardware and training to support current operations also needs to be considered. Finally, the policy should apply to the whole Organization and not to individual offices or departments.

### **Recommendation 13**

**(13) The ERP project steering committee should establish detailed plans for transition arrangements. These should include a Secretariat-wide criteria-supported policy for the acquisition and development of systems, and the continued**

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**funding of on-going systems development work and the maintenance of existing systems during the ERP implementation period. The Secretariat should suspend further investment in new systems until these criteria are endorsed by the Executive Committee on ICT to be established under the new ICT strategy (Secretary-General's report A/62/793).**

67. *The CITO accepted recommendation 13 and advised that the [future] Resource Management Steering Committee described in the Secretary-General's updated ICT strategy<sup>61</sup> will establish the broad criteria for the acquisition, development and maintenance of all resource-management related ICT systems in the UN Secretariat. This includes the new ERP as well as all other systems referred to in paragraph 67. The CITO added that in line with the criteria established as part of this strategic programme, appropriate decisions will be taken, including decisions about continued investment in potentially redundant or obsolete systems. Recommendation 13 remains open pending the establishment of the ICT management oversight committees mentioned in the updated ICT strategy<sup>62</sup> and promulgation of a criteria-based policy on acquisition, development and maintenance of significant ICT systems.*

## **V. ACKNOWLEDGEMENT**

68. We wish to express our appreciation to the Management and staff of OICT, DM and DFS for the assistance and cooperation extended to the auditors during this assignment.

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<sup>61</sup> A/62/793 dated 9 April 2008, paragraphs 20 (figure 2) and 27(b)

<sup>62</sup> A/62/793 dated 9 April 2008, paragraphs 20 (figure 2) and 27(b)

## STATUS OF AUDIT RECOMMENDATIONS

AH2006/513/07 – Audit of the ICT strategic systems planning and governance structures at the United Nations Secretariat

Recom. no.	Recommendation	Risk category	Risk rating	C/O <sup>1</sup>	Actions needed to close recommendation	Implementation date <sup>2</sup>
1	The Chief Information Technology Officer should carry out a study to determine the basis and amount of contribution by offices and departments for information and communications technology services. The services it is mandated to provide to offices and departments and the respective responsibilities should be defined in a service catalogue, a copy of which should be made available on the United Nations intranet. Any additional services to those in the service catalogue should be negotiated with the office or department concerned and specified in a Bilateral Service Agreement.	Governance	Medium	O	Document the criteria for contributions by departments and offices towards ICT services, along with a catalogue of mandated services, and the standard Service Level Agreements.	31-Dec-2009
2	In respect of the Secretary-General's report A/62/502 "Investing in information and communications technology: status report: the Chief Information Technology Officer should ensure that decision-making bodies and advisory groups include adequate representation from offices and departments away from Headquarters, and that these bodies have sufficient authority to enforce compliance with policies and instructions.	Governance	Medium	O	Decision-making bodies and advisory groups on ICT need to be constituted, followed by a cursory review by OIOS of their terms of reference, to ensure they were delegated proper authority.	31-Dec-2008
3	In respect of the Secretary-General's report A/62/502 "Investing in information and communications technology: status report: representatives of offices and departments on decision-making bodies and advisory groups should be nominated	Governance	Medium	O	Decision-making bodies and advisory groups on ICT need to be constituted, followed by a cursory review by OIOS of their terms of reference, to ensure proper nomination and endorsement of members of these bodies.	31-Dec-2009

## STATUS OF AUDIT RECOMMENDATIONS

AH2006/513/07 – Audit of the ICT strategic systems planning and governance structures at the United Nations Secretariat

Recom. no.	Recommendation	Risk category	Risk rating	C/O <sup>1</sup>	Actions needed to close recommendation	Implementation date <sup>2</sup>
4	<p>by their respective head of department/office but their nominations need to be endorsed by the Chief Information Technology Officer.</p> <p>The Chief Information Technology Officer should promulgate an Information Management strategy, including a definition of mission-critical information. The Information Management strategy should then be endorsed by the Management Committee and provide the rationale for introducing the proposed Enterprise Resource Planning, Enterprise Content Management and Customer Relationship Management systems.</p>	Strategy	High	O	Development of a Secretariat-wide information management strategy under the aegis of the knowledge management programme, OICT.	30-Jun-2009
5	<p>The Chief Information Technology Officer should bring up to date the existing information technology strategy for the Secretariat and implement an effective monitoring mechanism to ensure it is complied with.</p>	Strategy	Medium	C	Action completed	Implemented
6	<p>The Chief Information Technology Officer should take steps to ensure that all significant ICT initiatives are inventoried as soon as practicable.</p>	Operational	Medium	O	Completion of an updated inventory of all significant ICT initiatives.	31-Dec-2009
7	<p>When establishing the new ICT governance framework, the Chief Information Technology Officer should implement controls to ensure that all significant ICT initiatives are adequately substantiated, reviewed and approved. Such controls may include, for example, conditioning the release of funds and other resources for projects upon their proper review and approval.</p>	Operational	High	O	Establishment of the Project Management Office and assigning functional responsibilities to it.	31-Dec-2009

**STATUS OF AUDIT RECOMMENDATIONS**  
**AH2006/513/07 – Audit of the ICT strategic systems planning and governance structures at the United Nations Secretariat**

Recom. no.	Recommendation	Risk category	Risk rating	C/O <sup>1</sup>	Actions needed to close recommendation	Implementation date <sup>2</sup>
8	The Chief Information Technology Officer should extend the role of any new Project Review body to include monitoring of actual results against projected budgets and plans.	Operational	Medium	O	Establishing the Project Management Office and issuing the project management framework defining the pre and post project benefit analysis.	31-Dec-2009
9	The ERP project team should undertake a detailed analysis of current automated and manual processes and determine the systems and manual processes to be included within the proposed ERP system. Justification of choices made should be documented.	Governance	Medium	O	Documenting the results of the process re-engineering review, including a definition of the choices made about including processes in the new ERP system and their justification.	2009-2013
10	The ERP project team should ensure that a review of the current system of internal control with the participation of all relevant parties is undertaken. The review should detail the impact that its conclusions will have on the project resources and timelines.	Operational	Medium	O	Documenting the results of the process re-engineering review, including the review of current internal controls.	2009-2013
11	The Chief Information Technology Officer should ensure that the ERP project team identify the appropriate infrastructure required to support the new ERP system, with particular attention to all connectivity-related matters. Discussions should take place with other United Nations entities who have implemented ERP systems for their field operations with a view to capitalize on their experience and/or resources. Any ERP system that may be considered should demonstrate its capacity to perform adequately within the Department of Field Support environment.	Operational	Medium	O	Documenting the performance tests being conducted, and the finalization of the detailed [system] architecture.	30-Sept-2009

## STATUS OF AUDIT RECOMMENDATIONS

AH2006/513/07 – Audit of the ICT strategic systems planning and governance structures at the United Nations Secretariat

Recom. no.	Recommendation	Risk category	Risk rating	C/O <sup>1</sup>	Actions needed to close recommendation	Implementation on date <sup>2</sup>
12	The ERP project steering committee should ensure that sufficient resources are allocated to the project in order to achieve a successful implementation of a system that meets IPSAS requirements within the established time frame.	Operational	High	O	Issuance of the final implementation plan for all IPSAS-critical modules of the ERP.	31-MAR-2011
13	The ERP project steering committee should establish detailed plans for transition arrangements. These should include a Secretariat-wide criteria-supported policy for the acquisition and development of systems, and the continued funding of on-going systems development work and the maintenance of existing systems during the ERP implementation period. The Secretariat should suspend further investment in new systems until these criteria are endorsed by the Executive Committee on ICT to be established under the new ICT strategy (Secretary-General's report A/62/793).	Governance	High	O	Establishing the ICT management oversight committees mentioned in the updated ICT strategy (Secretary-General's report A/62/793), and promulgating the criteria-based policy on acquisition, development and maintenance of significant ICT systems.	31-Dec-2008