

United Nations Nations Unies

BOARD OF AUDITORS

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Opening statement to the Fifth Committee on the Ninth Annual Progress report of the United Nations Board of Auditors on the implementation of United Nations Enterprise Resource Planning system (Umoja)

Mr. Chairman, distinguished delegates,

On behalf of the Board of Auditors I have the honor to introduce the main findings from the Board of Auditors' ninth annual progress report on the implementation of the United Nations ERP system, Umoja.

Background

Umoja is global project to modernize a wide range of business processes and systems that are essential to the efficient and effective functioning of the Organization. The solution will span most of the Organization's administrative and support functions, including finance and budget, supply chain and procurement, human resources, central support services, and programme and project management. This is the ninth annual progress report produced by the Board.

Key findings

The Board noted that Umoja remains a key enabler for modernization and reforms in the administration of the United Nations. The implementation of the Umoja Foundation and UE1 phases has seen significant benefits, and the complete deployment of all UE2 functionality has the potential to contribute further quantitative and qualitative benefits to the Organization. The Board appreciates the efforts of the Administration towards multiple deployments in a challenging technical landscape along with competing demands on resources. The Board also noted that the project was working within the approved budget during the year 2019.

The Administration needs to take further steps to mitigate the risks to complete implementation of the project, in accordance with the approved timeline, and also towards achieving the intended outcomes from the project. The Administration also needs to continue its efforts to strengthen the skilled resource base to meet the project deliverables and provide the level of production support required for the stabilization of UE2 and continuous improvements. There is also a need to address the issues flagged in the functioning of deployed solutions and implementation of DoA in Umoja user access provisioning.

Project Governance, planning and monitoring

The Board noted that, in 2019, the Management Committee had been provided an update on Umoja on three occasions and that the Steering Committee met only on two occasions. Shortcomings continued to be noticed in the utilization of the project management tool. The Board noted that it was difficult to identify the specific constraints and causes of problems in individual projects owing to a lack of clear documentation of baseline scheduled dates, the identification of critical paths of tasks and comparison with the actual dates of completion of tasks.

Status of UE2

The functionalities under UE2, which had been scheduled for deployment during 2019, consisted of six projects. The process-wise, functionality-wise and entity-wise coverage of scope achieved as part of the deployment under UE2 during 2019 indicated that there is a material risk that the full implementation of UE2 will not be achieved by the end of 2020.

Risk Management

The Board highlighted some potential risk factors affecting the implementation of Umoja in addition to the risks identified by the Administration in Secretary General's eleventh progress report on the enterprise resource planning project (A/74/478). The Administration maintained a Risk Register and the Board noted there were additional open risks at the end of 31 December 2019.

Application controls

The Board noticed gaps in application controls over data entry and modification for employee master data fields such as names, date of birth, date of joining the organization, date of separation from the organization and for recording details of beneficiaries nominated by employees.

New Delegation of Authority (DoA) architecture was implemented from 01 January 2019 as part of implementation of management reforms. The formal delegations were to be recorded through DoA portal. The Security Liaison Officers (SLOs) were to grant Umoja user roles through the User Access Portal (UAP) in line with the delegated authorities.

There was no common interface/link between online Delegation of Authority Portal and Umoja UAP and there was no standard mapping of the levels and types of delegated authorities with particular type/combination of Umoja user roles. In the absence of standard mapping of delegated authorities with the Umoja user roles, effective monitoring would be difficult across levels.

There were cases where the monetary limit, validity period and sub-delegation options exercised by the delegator were not appropriately captured in Umoja. Further, the Board also noticed cases where de-provisioning of roles in Umoja was not carried out for cases where the delegated authority was rescinded and in cases of separations.

Status of Support Functionalities for Umoja

The Secretary General's eleventh progress report stated that an updated governance model has been created to gather requirements and build, validate and certify reusable data models and these certified reusable data models will be available for use throughout the Organization under the umbrella name "UNBI Certified Layer." The Board noted that 21 requests for Business Intelligence (BI) reports and data models from different departments were received during 2019, 5 of which were completed, 4 were yet to be taken up, 1 has been kept on hold and remaining 11 were in progress.

The Board noted that the first call resolution rate for incidents improved to 58 per cent in 2019 as compared to 56 per cent for 2018. However, the data regarding resolution of incidents and service requests for Tier 2 and 3 could not be easily tracked in the system due to group classification issues.

There was no comprehensive training plan for total number of training courses for UE2 functionalities and schedule of how many of those courses are to be hosted on iLearn Umoja in 2020. Further, there was no qualitative or quantitative indicator for assessing the effectiveness of the training imparted.

Umoja Business Case

The Benefits Realization Plan was yet to be presented to the Umoja Steering Committee and the Benefits Working Group was yet to be formed. Therefore, it was difficult to achieve the timelines for measurement of benefits realization set in the draft benefit realization plan.

The Secretary-General's eleventh progress report estimated Total Cost of Ownership of Umoja as \$ 1.429 billion. The Board noticed various errors in calculations and estimates in

the components of direct and indirect costs including training and maintenance costs of the Total Cost of Ownership calculations.

Mainstreaming Plan

The Board noted that the current scheduled date for the implementation of all UE2 projects is 31 December 2020 and is of the view that it is important for the mainstreaming plan to be finalized and presented along with the next progress report of the Secretary General. The Board continues to be of the view that the plan should incorporate provisions to cater to important requirements of continuous production support, continuous improvements in the enterprise resource planning solution, developing requisite capacity and skills to carry out these activities in the post-mainstreaming organizational units and support for Umoja stabilization for UE2 solutions. The mainstreaming planning process should also incorporate the aspect of bringing synergies with the already mainstreamed functions to implement a robust, nimble and effective post-mainstreamed Umoja support structure.

This concludes my introductory statement. I would be happy to provide any clarifications or additional information that the Committee may require.

Thank you.



Peter Korn

**Director of External Audit, Germany
Chairman, Audit Operations Committee**