

**BOARD OF AUDITORS**

Phone: (212) 963-5623

**Opening Statement to the Fifth Committee on the Board of Auditors’  
Seventh Annual Progress Report on the implementation of United Nations  
Enterprise Resource Planning System (UMOJA) A/73/169**

Madam Chairperson,

Distinguished Delegates,

On behalf of the Chairman, Mr. Rajiv Mehrishi, Comptroller and Auditor General of India and the other Board Members Mr. Kay Scheller, President of the German Federal Court of Auditors, Mr. Mussa Juma Assad, United Republic of Tanzania, I, Nawal Vemulakonda, have the honour to introduce the main findings from the Board of Auditors report on the implementation of the United Nations ERP system (UMOJA).

**Background**

Umoja aims 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 seventh annual progress report of the Board.

**Key findings**

The Board notes that an end-to-end process management is a significant change triggered by Umoja. With impending stabilization of UE1 and deployment of UE2, there are likely to be greater opportunities for realizing qualitative benefits in future.

***Managing benefits realisation***

The Board appreciates the efforts made by process owners for identifying the business processes and building up a basis for the quantum of benefits realized from year to year. Board found that the estimates regarding quantum of benefits realized on account of post reduction were in order. In case of non-post reductions relating to Supply Chain and the benefits resulting from IT streams, Board was not in a position to validate the

estimated quantitative figure in the absence of a documented basis for them. The Board observed that there was scope for improvement in maintaining documentation and preserving institutional memory for the overall process of benefits realization. Further, the Board observed that there was no documented benefits realization plan in place which would aid the Secretariat in establishing a clear and transparent record of the realization of the qualitative and quantitative Umoja benefits.

### ***Total cost of ownership***

The Board reviewed the indirect cost calculations and was of the view that the indirect cost figure till 2017 mentioned in ninth Secretary General's report generally corresponded with the cost estimates of the resources used in deployment. Costs of continuous improvements, post 2019, have not been included in the lifecycle cost estimates of Umoja.

The Board noted that the training cost has been estimated in the absence of reliable training data for prior periods. Further, the figure of maintenance costs from 2020 onwards was based on the annual maintenance as projected in the report of the Secretary General on the status of implementation of the information and communications technology strategy for the United Nations. This estimate is likely to change because of the need to acquire new software licenses in view of increasing usage going forward.

### ***User access provisioning***

There were 290 separated employees who were having active Umoja user ids with 1,344 different roles assigned to them. Out of these, 139 actually accessed Umoja after their effective separation dates. There were no defined centralized procedures to deactivate Umoja access.

### ***Segregation of duties***

The Umoja office, in consultation with the process owners, developed a detailed Enterprise Role Guide, which provides the combinations of the roles that if assigned to the same user, result in Segregation of Duties (SoD) conflicts. The Board analyzed the enterprise role assignments for any possible SoD conflicts as per the Enterprise Role Guide and found that there were 1,146 users having 3,948 conflicting roles.

### ***Umoja deployment***

The Board noted that the dates of implementation of few modules of UE2 might extend into 2019, which the Administration informed was due to the necessity to mitigate the associated risks.

### ***Change management***

The Board is of the view that it would be important to consider various factors such as ongoing reforms agenda, timelines of UE2 deployments, and large scope for continuous

improvements in Umoja functionalities in the mainstreaming plan. Umoja stabilization may require some time after full functionality deployments. Moreover, the scope for improvements in functionality through Continuous Improvement Program is likely to extend beyond the mandated project period.

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

Thank you.



**Parama Sen**

**Director of External Audit, India  
Chairperson, Audit Operations Committee**