

Year of issuance	Report title	Recommendation reference	Recommendation	Priority	Directorate	Deliverables and implementation details	Comment from the auditor during last follow-up	Deadline
2020	Audit of 2019 financial statements	4/20338	<p>Recommendation 4</p> <p>The SFAO recommends inventorizing the UPU stamp collection. In addition, to improve the physical protection of the collection, plans should be made to relocate collection B.</p>	Not specified	DL	<p>Implementation of a 3-phase plan :</p> <ul style="list-style-type: none"> - 1st phase: physical reorganisation of the UPU stamp collection and separation of collections A and B (2019-2021) - 2nd phase: electronic archiving and digitisation (2021-2024) - 3rd phase: inventory and valorisation of the universal stamp collection (2024-2027) <p>For the physical conservation of Collection B, the International Bureau has contacted companies and institutions specializing in archiving to determine the cost of storing this collection (space, procedure and period). An analysis will then be conducted which would cover access control, storage infrastructure and natural risks in order to guarantee the security and durability of the physical collection.</p> <p>Proposed action plan [follow-up of August 2022]: Separation of collection A and B is actually still in progress. The target is to fully archive collection B by June 2023. Reason of the delay: Philately programme is facing an under-staff situation. However, the hiring of temporary 40% staff dedicated to the Collection follow-up will help to resume the work and complete phase 1.</p> <p>Still no financial means in the medium term to implement phase 2 and 3.</p>	<p>Status according to the follow-up conducted in May 2022: For implementation of the recommendation, three phases are planned:</p> <ul style="list-style-type: none"> - Phase 1: physical reorganization of the UPU stamp collection and separation of collections A and B (2019–2021). This phase was completed in the first quarter of 2022 by moving collection B into a separate room in the building. - Phase 2: electronic archiving and digitalization (2021–2024). - Phase 3: inventory and valuation of the universal stamp collection (2024–2027). 	12/31/2027
2020	UPU IT Governance	2/20091	<p>Recommendation 2</p> <p>The SFAO recommends that the UPU launch a project to organize and coordinate the management and finalization of outstanding issues relating to the integration of the PIM into the DCTP. As part of this, the UPU should ensure that the issues regarding the organizational chart (i.e. multiple roles fulfilled by the Director of the DCTP, the position of the officer responsible for the information security management system) are resolved. The UPU should finalize the harmonization and redesign of processes, and update the documentation (in particular with regard to the strategy, providers and suppliers, IT services and budgetary management vectors), and take stock of the lessons learned from this integration process.</p>	Not specified	DCTP	<p>[Process Manager - 08.22] The process will be managed in the already existing DCTP Document Management System (DMS). Process Management policy has been approved by DCTP Management on 17/08. All processes related documentation will be stored in the DMS and managed according to this policy.</p> <p>Proposed action plan: [Process Manager - 08.22] The centralization of all processes will be completed end of september as planned. The full review of all processes will not be completed before end of 2023.</p> <p>[DCTP Director - 2023-02] Process related document consolidated in the DMS</p>	<p>Status according to the follow-up conducted in May 2022: Implementation is under way and is scheduled for completion in late September 2022.</p>	End of september 2022 (ok for the centralization of process documentation)
2020	UPU IT Governance	3/20091	<p>Recommendation 3</p> <p>The SFAO recommends that the UPU take stock of risk management practices, define work priorities, and launch a project dedicated to improvement. This project should aim to achieve a unified approach to risk management, as well as shared processes and tools, and a common understanding of risk management issues.</p>	Not specified	DCTP	<p>[Sept. 21] On track. The first ITAC meeting will establish the responsibilities.</p> <p>Proposed action plan: [DCTP Director - 05.22] Management tool available (improve.upu.int) and already used by DCTP for ISMS risk management (DACAB decision to proceed)</p> <p>[DCTP Director - 08.22] Same status.</p> <p>[DCTP Director - 2023-02] Same status.</p>	<p>Status according to the follow-up conducted in May 2022: The UPU has begun implementing this recommendation.</p>	End of 2022

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2020	UPU IT Governance	4/20091	Recommendation 4 The SFAO recommends that the UPU prioritize the definition and initiation of activities to optimize and extend the information security management system across the organization.	Not specified	DCTP	[ISMS Manager - 03.22] Followed by DCTP Director under ITAC. A presentation about Cybersecurity risks will be presented to ITAC in March. Proposed action plan: [DCTP Director - 05.22] Request for additional resources submitted to DG (05/20/22) [DCTP.Director - 08.22] Waiting on decision submitted to DG. [DCTP.Director - 2023-02] From 1 Oct 2022 DCTP reorganization establishes IB InfoSec pole and some resources are allocated in 2023 IB IT budget.	Status according to the follow-up conducted in May 2022: The UPU plans to present to the IT Advisory Committee on the theme of cybersecurity. The UPU also needs to discuss the allocation of internal resources.	End of 2022
2020	UPU IT Governance	5/20091	Recommendation 5 The SFAO recommends that the UPU define and implement architectural governance, adopting an approach and principles that are in line with IT activities for the International Bureau and the Telematics Cooperative. The UPU should ensure that it defines in advance the level of maturity envisaged for this initiative.	Not specified	DCTP	[Sept. 21] On track. ITAC will establish the responsibilities. Proposed action plan: [DCTP Director - 05.22] IB IT Strategy 2022-2025 document approved by DG (02/05/2022) [DCTP Director - 08.22] Action considered complete. No further action is planned [DCTP Director - 2023-02] Monthly ITSC meetings in place to track the implementation of the IB-IT Strategy and related projects.	Status according to the follow-up conducted in May 2022: The IT Advisory Committee has begun implementing the recommendation.	End of 2022
2021	Audit of 2020 financial statements	1/20339	Recommendation 1 The SFAO recommends that the UPU put into place an annual risk assessment at the organization level.	medium	DACAB / DPRM	In December 2021, the UPU IB carried out a revision of the report of the strategic risk assessment which was conducted in June 2021. All UPU IB directors took part in this exercise. In 2022, following an internal discussion, it is suggested that the strategic risk assessment/review be carried out every two years (and not on a yearly basis) in order to be in line with the strategy cycle (Congress cycle and mid-term review of the strategy implementation). The next assessment will be conducted in June 2023 prior to the UPU Strategy Conference to be held during the Extraordinary Congress. The DG's comments to SFAO's recommendation is revised accordingly. This recommendation was re-assigned to DPRM Follow-up of January 2023 DPRM's comment: Starting February 2023, the KCTT.IS team will conduct a series of internal consultation and focus group discussions with IB staff, including line Directors, to set the direction of travel for the Dubai Strategy. Part of this process will be dedicated to a refresh of the organization risk assessment.	Status according to the follow-up conducted in May 2022: UPU Management met in December 2021 to re-evaluate the risks. The minutes from this meeting do not include a conclusion on the current risk assessment. The process must be further improved and pursued by the new Management.	end of 2022
2021	Audit of 2020 financial statements	2/20339	Recommendation 2 The SFAO recommends that the UPU organize annual ICS monitoring, taking into account risks and resources so as to remain efficient.	medium	DACAB	Since 2019, the International Bureau has been organizing annual ICS monitoring by assessing a particular risk category each year: assessment of the risks associated with processes with a financial impact in 2019, and assessment of risks related to non-specific processes (described in the ICS manual) in 2020. The UPU will adapt its annual ICS monitoring in an efficient manner according to the Auditor's expectations and the stages agreed.	Status according to the follow-up conducted in May 2022: The UPU has introduced a self-assessment questionnaire on the ICS for each directorate. The SFAO believes that the areas identified for improvement can still be taken into consideration in implementing the recommendations of the audit.	End of 2022

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2021	Electronic advance data project performance audit Universal Postal Union (UPU) and Quality of Service Fund (QSF)	1/21202	Recommendation 1 For all future projects financed under the QSF Common Fund, the SFAO recom-mends that the UPU strengthen the challenge identification phase by analyzing the specific needs of DOs. An impact model required by the QSF Board prior to the vali-dation of all project requests would facilitate this initial phase.	Not specified	DOP	<p>Modifications to the rules and procedures of the QSF are in progress and the same will be presented to the S2 session of the POC/ CA for approval.</p> <p>Follow-up of January 2023 The QSF Rules and Procedures have been approved by the 2022.2 CA & POC (CA C 4 2022.2–Doc 6 & POC 2022.2–Doc 8, POC2022.1-Doc 8d). The revised Rules of Procedure (RoP) and the Project Management Manual (PMM) are attached. The following articles deal with the recommendation:-</p> <p>RoP: Article 17.12 PMM: Articles 18.3, 18.3.1, 20.1.1 & 20.1.2</p>	Status according to the follow-up conducted in May 2022: The amendments to the QSF rules and procedures are in progress.	end of 2022
2021	Electronic advance data project performance audit Universal Postal Union (UPU) and Quality of Service Fund (QSF)	2/21202	Recommendation 2 To ensure the project's progress at the domestic level, the SFAO recommends that the UPU support each country in line with its specific needs through to conclusion of the project.	Not specified	DOP	<p>The survey has been approved by the S1 seesion of the POC and the same was launched in June. UPU members have until 1st September 2022 to provide a response. The feed-back and results of this survey will be presented to the S2 session of the POC and used as a basis for improving the project implementation plan for phase 2 and subsequent phases in order to ensure more efficient and effective support for all participating countries.</p> <p>Follow-up of January 2023 1) The questionnaire was sent to 192 DOs with 156 replies or 81% response rate. Out of this, 110 responses were from the participating DOs of this Common Fund EAD project.</p> <p>The findings of the survey revealed the following:</p> <ul style="list-style-type: none"> • 40 DOs declared that EAD is compulsory in their country for security reasons • 37 DOs declared delays in the processing of inbound items without EAD • 21 DOs declared additional costs for the processing of inbound items without EAD • 38 DOs were sending EAD to their national authorities (Customs, border agencies, etc) • 22 DOs declared that they use the joint WCO-UPU messaging standard CUSITM–CURSP. <p>The responses received have enabled the UPU to determine the realities on the ground. In all main areas, namely the capture, exchange and use of data, PLACI and GPM matters, the DOs are making tangible efforts to advance the work on EAD. However, the results of this survey point to an urgent need to further accelerate this work.</p> <p>The results also show that 44 countries were preparing to implement PLACI in the context of aviation security. The UPU is encouraging DOs to implement the eight data flows of the Global Postal Model as soon as possible.</p> <p>The project team has started reaching out to the 110 project participants to seek clarification and details regarding the responses provided, with the aim of obtaining clear and accurate information which will enable the project team to identify the issues faced on the ground more effectively.</p> <p>2) The relevant document is attached.</p> <p>3) The questionnaire results have been used as part of the individual follow-ups with the DOs. For example, in Q4 2022, the PMO is talking directly to 30 DOs that are the least performers in terms of ITMATT % transmissions or not transmitting CARDIT messages until now. The purpose is to determine the reasons for the low performance scores or no transmission and potential solutions.</p> <p>To ensure the sustainability of the results of the EAD project, an updated survey/questionnaire specific to the project, will be sent to the 145 DOs participating in the CF QSF EAD at the end of December 2022. The responses will be evaluated in January/February 2023, and taken into consideration in preparing the final EAD project transition plan as recommended by the SFAO – recommendation (5) – Transfer Plan, and its associated preplanning activities.</p>	Status according to the follow-up conducted in May 2022: The QSF has prepared a survey to send out to the 192 member countries.	Q2 2022
2021	Electronic advance data project performance audit Universal Postal Union (UPU) and Quality of Service Fund (QSF)	5/21202	Recommendation 5 The SFAO recommends that the UPU define a transfer plan by the first quarter of 2022.	Not specified	DOP	<p>The implementation of the recommendation is in progress.</p> <p>Follow-up of January 2023 To ensure the sustainability of the results of the EAD project, an updated survey/questionnaire specific to the project, has been sent to the 145 DOs participating in the CF QSF EAD at the end of January 2023 with last date of response as 3 February 2023. The responses will be evaluated in February 2023, and taken into consideration in preparing the final EAD project transition plan as recommended by the SFAO</p>	Status according to the follow-up conducted in May 2022: Implementation of the recommendation is under way.	Q1 2023

External audit - list of pending recommendations as of April 2023

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2022	Audit of 2021 financial statements	2/21481	Recommendation 2 The SFAO recommends that, initially, the UPU review the processes and responsibilities assigned to the directorates. Subsequently, the UPU must update the risk and control matrices so as to focus on the key risks and controls, reflect operational processes, and avoid redundancy.	High	DACAB	Through a series of meetings, processes and responsibilities have been reviewed and risk and control matrices were updated accordingly.		11/30/2022
2022	Audit of 2021 financial statements	3/21481	Recommendation 3 The SFAO recommends that the UPU ensure that each item identifier is sufficiently linked to the new version to allow for good traceability and to further formalize the development, test and implementation stages, as well as the phases to approve changes and the tests.	high	DCTP	Director General's comments The UPU IB agrees with this recommendation. Technical governance will be transferred to the Postal Technology Centre management, which will be in charge of formalizing change management at the ERP level. (Scheduled date for implementation: December 2022, DCTP) [DPTC Director - 2023-02] - Technical review of the Navision system - December 2022 - DPTC recommendations on the transfer of technical governance to ITSC - January 2023		12/31/2022
2022	Audit of 2021 financial statements	4/21481	Recommendation 4 The SFAO recommends that the UPU increase password security by limiting the period of validity of passwords for the Active Directory to 90 days.	medium	DCTP	Director General's comments The UPU IB partially agrees with this recommendation. According to recommendations from the US National Institute of Standards and Technology, and UN security standards, enforcing regular password resets is no longer recommended. We will implement the best practices of password and user access management as applied to the other UPU IB IT systems. (Scheduled date for implementation: December 2022, DCTP) [DPTC Director - 2023-02] Following the External Auditor technical audit (Nov 2022) - access is restricted to Windows (Active Director) users which are in line with the IB IT policy		12/31/2022
2022	Audit of 2021 financial statements	7/21481	Recommendation 7 The SFAO recommends that the UPU implement and clearly document the controls in place for the consolidation of the financial statements, along with their results.	high	DFI	Director General's comments The UPU IB agrees with this recommendation. The UPU IB will document the controls in place in the consolidation process and implement a formal sign-off of components for consolidation by the Chief Accountant and the Director of Finance. (Scheduled date for implementation: closure of accounts 2022 – 1st quarter 2023, DFI)		1st quarter 2023
2022	Audit of 2021 financial statements	8/21481	Recommendation 8 The SFAO recommends that the UPU implement the controls defined in the financial statement preparation procedure: namely, the four-eyes principle for the individual headings in the financial statements, and the reconciliation of actuarial gains and losses in statement III with the actuarial report.	high	DFI	Director General's comments The UPU IB agrees with this recommendation. The UPU IB will document the controls in place in the reconciliation with the actuarial report and the financial statements, and implement a formal sign-off of the reconciliation by the Chief Accountant and the Director of Finance. (Scheduled date for implementation: closure of accounts 2022 – 1st quarter 2023, DFI)		1st quarter 2023
2022	Audit of 2021 financial statements	9/21481	Recommendation 9 The SFAO recommends that the UPU establish and introduce a review of the financial statements by the Chief Accountant and the Director of Finance.	high	DFI	Director General's comments The UPU IB agrees with this recommendation. The procedure of documented sign-off, as already set out in response to recommendations 7 and 8, will also apply to the financial statements in their entirety, signed by the Chief Accountant and Director of Finance. (Scheduled date for implementation: closure of accounts 2022 – 1st quarter 2023, DFI)		1st quarter 2023

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2022	Audit of 2021 financial statements	10/21481	Recommendation 10 The SFAO recommends that the UPU formally document its key controls in procedures related to staff expenses.	medium	DRH	Director General's comments The UPU IB agrees with this recommendation. The Human Resources Directorate will ensure that the flowchart and the matrix of risks and control are aligned with the operational procedures established, and formally document the organization's key controls in procedures related to staff expenses. (Scheduled period for gradual implementation: December 2022 to June 2023, DRH) Follow-up of January 2023 Preparation of matrix: April 2023 EM approval: May 2023 Implementation: June 2023		6/30/2023
2022	Audit of 2021 financial statements	11/21481	Recommendation 11 The SFAO recommends that the UPU analyze cash flow scenarios at least annually at Management level, in order to respond to financial risks identified by the organization.	high	DFI	Director General's comments The UPU IB agrees with this recommendation. Delivery of long-term cash flow planning to the Executive Office during the audit was linked to the problem of liquidity projections, caused by non-delivery of statutory guarantees to the Pension Fund. The 2021 Abidjan Congress resolved the problem (as recognized by the audit), so it was assumed that extended circulation of the long-term cash flow plan during the audit would no longer be required for this purpose. However, the UPU IB will resume the practice of presenting the long-term cash-flows scenarios to the Executive Management at least once a year. (Scheduled date for implementation: closure of accounts 2022 – 1st quarter 2023, DFI)		1st quarter 2023
2022	Audit of 2021 financial statements	12/21481	Recommendation 12 The SFAO recommends that the UPU define and introduce a control requiring the four-eyes principle for data entry for bonds to facilitate their annual review.	high	DFI	Director General's comments The UPU IB agrees with this recommendation. The Finance Directorate will introduce a formal sign-off for newly acquired bonds by the responsible expert and the Chief Accountant. (Scheduled date for implementation 2022, DFI)		12/31/2022
2022	Audit of 2021 financial statements	13/21481	Recommendation 13 The SFAO recommends that the UPU ensure better coordination between services in the follow-up and administration of QSF projects.	medium	DFI & DOP	Director General's comments The UPU IB agrees with this recommendation. A shared folder was put in place and a review of old projects has been launched. (Scheduled date for implementation: 2022, DFI, DOP)		12/31/2022
2022	Audit of 2021 financial statements	14/21481	Recommendation 14 The SFAO recommends that the UPU define and implement a review of account closure entries concerning employee benefits put to account according to IPSAS 39, and reconcile the actuarial report with the individual accounts and financial statements.	high	DFI	Director General's comments The UPU IB agrees with this recommendation. The Finance Directorate will put in place the procedure as already set out for recommendation 7. The UPU will document the controls in place in the reconciliation with the actuarial report and the financial statement and implement a formal sign-off of the reconciliation by the Chief Accountant and the Director of Finance. (Scheduled date for implementation: at closure of accounts 2022, 1st quarter 2023, DFI)		1st quarter 2023
2022	Audit of 2021 financial statements	15/21481	Recommendation 15 The SFAO recommends that the UPU implement an annual review of the tied reserves, in particular those showing a negative balance and/or being inactive. The UPU should then take the necessary corrective measures at annual closure.	medium	DFI	Director General's comments The UPU IB agrees with this recommendation. It should be noted that the analysis is already in place. The UPU IB will further strengthen the internal process for the review and corrective actions. (Scheduled date for implementation: 2022, DFI)		12/31/2022
Total								22