

Year of issuance	Report title	Recommendation reference	Recommendation	Priority	Directorate	Deliverables and implementation details	Deadline
2020	Audit of 2019 financial statements	4/20338	<p><b>Recommendation 4</b></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><b>Follow-up July 2023</b> Specific budget has been requested for 2024 to initiate some tasks of phase 2 and 3 as the 2023 situation of staff and budget do not allow to allocate any resources (internal or external) to it.</p> <p><b>Follow-up February 2024</b> The inventory, digitization and promotion of the UPU's philatelic collection will be shared with the WNS development project. This will generate significant economies of scale for the Union.</p> <p><b>Follow-up July 2024</b> Digitization and promotion of the philatelic collection. Solution shared with the WNS 2.0 project.</p> <p>Work began in April 2024 as follows: Stage 1: Database Creation + Initial Identification Dev. - Completed Stage 2: Full Identification Development + preparation Web App - Ongoing Stage 3: Advanced Identification Dev. + Mobile App (Indication only) - Scheduled</p> <p><b>Follow-up of May 2025</b> The digitization operations are underway. They were able to begin thanks to the technical solutions implemented, namely a pooling of resources with the new developments of WNS 2.0 (in agreement with the Directorate General).</p> <p><b>Follow-up of October 2025</b> The digitization of the collection is currently underway and remains a work in progress. It is being carried out through synergies with the UPU Archives Service and the WNS 2.0 resources. The ongoing postal collaboration between the UPU and designated operators continues to enhance the efficiency and scope of these digitization efforts.</p>	31-Dec-2027
2022	Audit of 2021 financial statements	2/21481	<p><b>Recommendation 2</b></p> <p>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.</p>	High	DACAB	<p><b>Follow-up of January 2023</b> Through a series of meetings, processes and responsibilities have been reviewed and risk and control matrices were updated accordingly.</p> <p><b>Follow-up of July 2023</b> In addition to the actions undertaken in 2022 to implement the recommendation, we are going to continue working on ways to refine the risk and control matrices. Actions are being taken to review and update the description and documentation of the International Bureau key processes. This will help update the risks associated to key processes as well as appropriate control measures and ensure that risk and control matrices reflect operational processes and are focused on those key risks and control measures.</p> <p><b>Follow-up of February 2024</b> An intern has been appointed to assist directorates in reviewing and updating key processes description/documentation. The risk and control matrices will be updated accordingly.</p> <p><b>Follow-up of July 2024</b> The template of risk matrices in use is the same as developed since the introduction of the ICS within the UPU, although they have been regularly improved with the implementation of auditors recommendations and suggestions throughout the years. We understand that the matrices being directorate-focused do not allow a better visibility of cross-cutting processes. Although a complete redesign of matrices may require some time, we are going to develop new risk matrices so as to have one matrix per cross-cutting process instead of having one matrix per directorate, and thus offering a clear overview of cross cutting processes, the risks associated thereto and controls measures being implemented.</p> <p><b>Follow-up of May 2025</b> We are working on updating the risk and control matrices to focus on key processes and risks. A matrix will be drawn up per key process identified. 10 key processes relating to financial reporting have been identified. The revamping of the risk matrices will be completed together with the establishment of relating documentation (i.e., key process description, control measures documentation, etc.).</p> <p><b>Follow-up of October 2025</b> The work is still in progress</p>	31-Dec-2023
2022	Audit of 2021 financial statements	3/21481	<p><b>Recommendation 3</b></p> <p>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.</p>	high	DCTP	<p><b>Follow-up of July 2023</b> [DPTC Director- 2023-07] Evaluating plan to upgrade to the Business Central. Subject to resource and budget availability</p> <p><b>Follow-up of February 2024</b> Project Charter for the upgrade of Navision (to Business Central) under preparation by DFI/DPTC to be submitted to ITSC for approval</p> <p><b>Follow-up of July 2024</b> [ITSC meeting minutes - 04/07/2024] Status of the project: ERP upgrade:</p> <p>- Plan 1) List of requirements End of August 2024 2) Selection of technology provider End of Sept. 2024 3) Upgrade of Navision (Finance functions) TBD with the provider 4) Implementation of HR priority functions TBD with the provider</p> <p>- Detail The work on the collection of the requirements has started. The plan to select the technology provider by the end of September is on-track</p> <p>- List of changes to the plan [March 2024] Project completion will be estimated after the selection of the provider (planned for September 2024)</p> <p><b>Follow-up of May 2025</b> [PMO - 02/05/2025]: Selection of the technology provider step: the TPC submitted its recommendation to the DG, who is asked to approve it. The implementation of the upgrade is estimated between 6 and 12 months and is expected to start in June 2025.</p> <p><b>Follow-up of October 2025</b> [PMO - 08/10/2025] The DG approved the decision of the TPC. DG approved the recommendation of the TPC. Contract with Swisscom has been prepared, validated by the DAJ and signed by Swisscom. Now the contract is on the DG desk awaiting for his signature. The implementation project will start once the contract is signed. The implementation planning will be reviewed with the supplier once the contract has been signed.</p>	31-Dec-2024

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2022	Audit of 2021 financial statements	4/21481	<p><b>Recommendation 4</b></p> <p>The SFAO recommends that the UPU increase password security by limiting the period of validity of passwords for the Active Directory to 90 days.</p>	medium	DCTP	<p><b>Follow-up of July 2023</b>                      [DPTC Director - 2023-10] As already explained, the UPU will not implement this practice.                      The AI 23 depicted the rules for management of their secret authentications that all staff shall follow.                      The following document are provided as evidences:                      - IA 23 (available on the intranet: <a href="http://www.upu.ch/instructions_administratives/index.shtml#zone_reserve">http://www.upu.ch/instructions_administratives/index.shtml#zone_reserve</a>)</p> <p><b>Follow-up of February 2024</b>                      DACAB comment: DCTP has provided no comment. Based on their previous comment, DCTP is suggesting to close this recommendation as they have changed the status in smartcockpit to "Implementation to close"</p> <p><b>Follow-up of July 2024</b>                      Explanation why this recommendation has not been implemented:                      The NIST Special Publication 800-63B (Digital Identity Guidelines: Authentication and Lifecycle Management) from June 2017, updated in 2020, Section 5.1.1.2 clarifies that periodic password changes are no longer a recommended requirement unless there is evidence of compromise, aligning password security practices with current best practices for more effective and secure authentication management.                      UN recommendations follow the NIST recommendations. The ICT Security Policy, Chapter 4.1 (Password Management) stipulates: "Passwords should not be required to be changed arbitrarily on a regular basis (e.g., every 60 or 90 days). Password changes should be mandated only when there is evidence or reasonable suspicion of compromise or unauthorized access."                      Also, Microsoft follows the same recommendations and promote password-less authentication and MFA.                      Generally speaking, the accent is now given on the robustness of the passwords (size, complexity) and MFA. If a recommendation should be, it should go towards this direction and not request us to regularly change our passwords.</p> <p><b>Follow-up of May 2025</b>                      [06/05/2025] The password policy for internal users has been strengthened with an increase in the minimum password length from 8 to 14 characters.                      Multi-factor authentication will be phased in based on a risk analysis, starting with the highest risk accounts.</p> <p><b>Follow-up of October 2025</b>                      No new comment as DCTP considers this recommendation as already implemented on the basis of their previous comment (i.e., comment provided at the follow-up of May 2025)</p>	31-Dec-2024
2023	Audit of 2022 financial statements	5/22365	<p><b>Recommendation No 5</b></p> <p>The SFAO recommends that the UPU establish and formalize unambiguous rules for approval of expenses.</p>	medium	DFI/DACAB	<p><b>Follow-up of October 2025</b></p> <p><u>DACAB comment:</u>                      Progress Update 15.10.2025: Procurement Working Group (PWG)</p> <p>Recommendation: Establish and Formalize Clear Rules for the Approval of Expenses</p> <p>Implementation of the Recommendation</p> <p>During its meeting on 8 October 2025, the Procurement Working Group (PWG) reviewed progress on the recommendation to establish and formalize clear rules for the approval of expenses.</p> <p>The list of authorized signatories for expense approvals has now been finalized and is limited to two signatories per directorate.</p> <p>With the Navision contract recently signed, the organization is now in a position to explore the implementation of electronic signatures to further streamline and formalize the approval process.</p> <p>Action Points and Follow-Up:</p> <p>Action: Request directorates to update the list of authorized signatories for payment of expenses                      Owner: PWG Secretariat                      Updates October 2025: DFI to share the finalized list with Mrs. Fu for confirmation of compliance with auditors' requirements.</p> <p>Action: Explore the use of electronic signatures (in relation with Navision) or defined email protocols to formalize digital approvals                      Owner: DFI and DPTC                      Updates October 2025: Navision contract signed. The requirement will now be formalized, and PTC will work on identifying the most suitable solution.</p> <p><u>DFI comment:</u>                      A list has been drawn and is with the Procurement Working group, not yet formalized by the Executive Management</p>	May, 2024
2023	Audit of 2022 financial statements	8/22365	<p><b>Recommendation No 8</b></p> <p>The SFAO recommends that the UPU review and simplify the process for authorizing travel and reimbursement of expenses, and automate it, taking into account the cost-risk ratio.</p>	medium	DRH	<p><b>Follow-up of February 2024</b>                      DRH have simplified the process. Formal approval is underway.                      The recommendation status will be completed, upon receipt the Director General's approval.</p> <p><b>Follow-up of July 2024</b>                      The simplification of the travel process is ongoing, pending approval.</p> <p><b>Follow-up of May 2025</b>                      Streamlining of the travel process was done resulting in decentralization (from DRH to Directorates) of some roles. Presentation of the updated process was given to Directorates.</p> <p>Automated travel management system will be implemented in connection with obtention of ERP/HRMS for DRH in 2026.</p> <p><b>Follow-up of October 2025</b>                      Work in Progress.</p>	December, 2024

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2023	Audit of procurement processes	1/23372	<p><b>Recommendation No 1</b></p> <p>The SFAO recommends that the UPU implement the planned centralized contract management tool and draw up a reliable and centralized inventory of contracts in force so as to establish its initial database.</p>	High	DAJ	<p><b>Follow-up of February 2024</b> Centralized contract management system (officially entitled "Contract Life Cycle Management System") launched on 1 January 2024 - recommendation duly implemented (further communication actions ongoing).</p> <p><b>Follow-up of July 2024</b> The associated communication actions have been duly implemented during the first semester of 2024. The system remains online and operational. (Evidence uploaded to the audit tracking system)</p> <p><b>Follow-up of May 2025</b> In the recent Procurement Working Group meeting, it was decided that the following actions are going to be implemented:  <ul style="list-style-type: none"> <li>• PWG Secretariat: Send a reminder to Directorates in order to ensure the registration of all contracts (except for human-resources related contracts such as internship, secondment and staff-related contracts) in the CLM System.</li> <li>• PWG Secretariat: Arrange a dedicated meeting between DAJ and PTC to resolve technical issues with the CLM system. PWG members may attend optionally.</li> <li>• DPTC: Provide access and necessary training to Mr. El Bsat (and potentially Mr. Tekin) to use the CLM system effectively.</li> <li>• Ms. El Bsat: Start monitoring the registration of contracts by Directorates.</li> </ul> </p> <p><b>Follow-up of October 2025</b> Actions noted in the preceding comment already implemented as follows:  <ul style="list-style-type: none"> <li>- Reminder sent;</li> <li>- Technical issues resolved (without prejudice to future potential improvements to the CLM);</li> <li>- Training sessions provided to the relevant staff;</li> <li>- Monitoring of contract registrations already in place.</li> </ul> </p>	31-May-2024
2023	Audit of procurement processes	2/23372	<p><b>Recommendation No. 2</b></p> <p>The SFAO recommends that the UPU establish an overview of its needs to avoid procurement redundancies, and put in place a procurement strategy, plan and priorities so as to achieve its strategic objectives and ensure efficiency.</p>	High	DACAB	<p><b>Follow-up of October 2025</b> Progress Update _ 15.10.2025: Procurement Working Group (PWG). Discussions are ongoing within the PWG on several key areas, including the update of the Procurement Policy, the establishment of a dedicated Procurement Function, and related governance improvements.</p> <p>1. Amendments to the Rules of the Financial Administration (RFA) The revised RFA was approved by the Director General and published in June 2025.</p> <p>2. Procurement Policy Update The DAJ submitted the first draft of the new Procurement Policy following internal consultations. This version aligns with the amended Financial Regulations, the updated Rules of the Financial Administration, and the 2024 UNOPS Procurement Policy.  The draft was shared with the PWG on 16 June 2025, and members provided comments. A second round of extensive discussions took place on 8 October 2025, and the policy will now be circulated to the remaining directorates, incorporating all comments received. A revised version of the policy is expected to be presented by DAJ in early December 2025.</p> <p>3. Establishment of the Procurement Function No final decision has yet been taken regarding the formal creation of a Procurement Function. However, the PWG agreed that this decision should be made in the near future.</p> <p>4. Procurement Plan Inputs for expected purchases in 2026 will be collected by November 2025. Once this data is compiled, the PWG will assess ways to enhance the efficiency and strategic value of the Procurement Plan, including mechanisms to improve visibility and optimize use of procurement information.</p> <p>5. Contract Life Cycle Management (CLM) System To strengthen monitoring of contract registration by directorates within the CLM System, the PWG assigned Ms. El Bsat (DDG's Office) to oversee compliance. Monthly reviews are now being conducted to ensure proper registration of contracts.</p>	31-May-2024
2023	Audit of procurement processes	3/23372	<p><b>Recommendation No. 3</b></p> <p>Based on the fundamentals of procurement processes (recommendations 1 and 2), the SFAO recommends that the UPU review and reformulate its procurement rules, including a policy and procedures that are flexible and robust enough to adapt to market changes and evolving needs.</p>	medium	DAJ	<p><b>Follow-up of July 2024</b> The proposed amendments to the UPU Financial Regulations have been adopted by the Council of Administration at its 2024.1 session. Work is now being conducted in what pertains to the amendments to the Rules on Financial Administration and Procurement Policy, which are subject to adoption by the Director General.</p> <p><b>Follow-up of May 2025</b> In the recent Procurement Working Group meeting, it was decided that the following actions are going to be implemented:  <ul style="list-style-type: none"> <li>• PWG Secretariat: Organize a meeting for DAJ to present the amended RFA to the DG.</li> <li>• DAJ: Obtain written approval from the DG on the amended RFA.</li> <li>• DAJ: Add the approval date to the RFA and circulate to the IB via an internal memorandum.</li> <li>• DAJ: Finalize and update the Procurement Policy by 16 June 2025.</li> <li>• PWG Members: Submit feedback on the updated Procurement Policy by 30 June 2025.</li> </ul> </p> <p><b>Follow-up of October 2025</b> Previously noted actions updated as follows:  <ul style="list-style-type: none"> <li>- RFA already presented and adopted by the DG;</li> <li>- Draft Procurement Policy presented to the PWG on 08.10.2025 where the June 2025 feedback was discussed - updated version shared for final comments and validation.</li> </ul> </p>	31-May-2024
2024	Audit of 2023 financial statements	1/23369	<p><b>Recommendation 1</b></p> <p>The SFAO recommends extracting the entries in the work journal on a monthly basis ("jobs log entries for restore"). If action is needed to resolve an incident, the SFAO recommends formalizing the resolution.</p>	medium	DCTP/DFI	<p><b>Follow-up of May 2025</b></p> <p><u>Comment from DCTP:</u> [PMO - 02/05/2025] The implementation of the upgrade is supposed to start in June 2025 and is estimated to take between 6 and 12 months.</p> <p><u>Comment from DFI:</u> Not yet begun, pending Navision update.</p> <p><b>Follow-up of October 2025</b></p> <p><u>DCTP comment:</u> [PMO - 08/10/2025] The DG approved the decision of the TPC. DG approved the recommendation of the TPC. Contract with Swisscom has been prepared, validated by the DAJ and signed by Swisscom. Now the contract is on the DG desk awaiting for his signature. The implementation project will start once the contract is signed. The implementation planning will be reviewed with the supplier once the contract has been signed.</p> <p><u>DFI comment:</u> Pending upgrade of Navision, no progress to be reported.</p>	30-Jun-2026

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2024	Audit of 2023 financial statements	2/23369	<p>Recommendation 2</p> <p>The SFAO recommends that the UPU automate the consolidation process, including the elimination of inter-segment transactions.</p>	medium	DFI	<p><b>Follow-up of May 2025</b> Not yet started, as mentioned in December 2024.</p> <p><b>Follow-up of October 2025</b> No progress to be reported, pending Navision upgrade.</p>	30-Jun-2026
2024	Audit of 2023 financial statements	3/23369	<p>Recommendation 3</p> <p>The SFAO recommends that the UPU keep individual accounts as presented in the consolidated financial statements. In other words, this means adapting the "mapping" of accounts and headings from the financial statements to completely align the individual balance sheets, the consolidated file and the consolidated financial statements.</p>	medium	DFI	<p><b>Follow-up of May 2025</b> Not yet begun- pending Navision update.</p> <p><b>Follow-up of October 2025</b> Mapping in progress, file to be consulted with DFI.</p>	30-Jun-2026
2024	Audit of 2023 financial statements	5/23369	<p>Recommendation 5</p> <p>The SFAO recommends that the DFI, in conjunction with the other IB directorates, keep complete, permanent records for each third-party fund and tied own fund. These records must include a description of the funds, the economic nature of the transactions, the accounting classification of the fund in line with IPSAS, the project number associated with each fund, and any supporting documentation concerning information and analyses carried out by the International Bureau. In the case of a transfer of funds, the donor's approval must be documented.</p>	High	DFI/DOP/DPRM/DCDEV /DACAB	<p><b>Follow-up of May 2025</b></p> <p><u>DFI comment:</u> in progress - project framework established</p> <p><u>DOP comment:</u> At DOP we have implemented this recommendation for many years already. All extra-budgetary incomes are monitored, we keep a follow-up of all expenditures and a report to the donors is done periodically (at least at the end of each year). The follow-up is also ensured working closely, but not exclusively, with DFI.</p> <p><u>DCDEV comment:</u> DCDEV ensures that all voluntary contributions from member countries are received through official letters. These letters are systematically stored in a designated folder and can be accessed at any time for reference purposes.</p> <p><u>DPRM comment:</u> Revenue / income recording is largely a function of DFI. DPRM duly informs of all partnerships to the DFI and keep an internal record at the team / programme level to keep track of annual expenditures.</p> <p><b>Follow-up of October 2025</b></p> <p><u>DFI comment:</u> Forms available with DFI and used for the creation of new projects. The overall database update will be part of the IPSAS 47 implementation.</p>	31-Dec-2026
2024	Audit of 2023 financial statements	6/23369	<p>Recommendation 6</p> <p>The SFAO recommends that the UPU regularly analyze the actual nature of the reserves for QSF evaluation and make the necessary adjustments.</p>	Medium	DFI/DOP	<p><b>Follow-up of May 2025</b></p> <p><u>DFI comment:</u> in progress - analysis submitted to QSF projects</p> <p><b>Follow-up of October 2025</b></p> <p><u>DOP comment:</u> a.) QSF Secretariat presented the detailed statement of the evaluation reserve earmarked for Common Fund projects at the 2025.2 QSF Board meeting. A total amount of USD 134,060 had been reserved for the evaluation of these projects. After review, the Board decided to reduce the evaluation reserve to USD 10,000, noting that the nature of Common Fund projects allows for efficient remote evaluation. Consequently, USD 124,060 will be released and made available for the implementation of new Common Fund projects. b.) During the 2025.2 QSF Board meeting, the Board was apprised of the result of the exercise undertaken for the settlement of evaluation funds earmarked for the closed and evaluated national projects. The Board took note that a total amount of 275,387.27 USD earmarked under these projects as evaluation reserve has been returned to the respective designated operators. c.) The Board also took note of the evaluation fund earmarked for the multinational projects. The Board decided that the evaluation of the GMS Link projects may be conducted remotely. Accordingly, the funds earmarked for evaluation of GMS Link projects will be ploughed back to the national accounts of the operators.</p> <p>Next Steps</p> <ul style="list-style-type: none"> <li>- QSF project team continue to liaise with the QSF finance to rationalize the evaluation reserve to ensure the amount reserved for evaluation of QSF national projects is in accordance with QSF Rules of Procedure.</li> <li>- Further, in line with the decision of the Board during its 2025.2 Board meeting, the necessary funds earmarked for evaluation of GMS Link projects and common fund projects will be ploughed back to the national accounts of the operators and to the common fund respectively.</li> </ul> <p><u>DFI comment:</u> Completed, documentation available with QSF project and QSF finance teams.</p>	31-Dec-2025
2024	Audit of 2023 financial statements	8/23369	<p>Recommendation 8</p> <p>The SFAO recommends that the UPU design and formalize controls on the recognition and classification of revenue within the risk and control matrices.</p>	High	DFI	<p><b>Follow-up of May 2025</b> in progress - project framework defined</p> <p><b>Follow-up of October 2025</b> In progress, part of IPSAS 47 implementation.</p>	31-Dec-2026

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2025	Audit of the governance of projects funded by voluntary contributions	1/24805	<p><b>Recommendation 1</b></p> <p>The SFAO recommends that the Executive Management put in place an appropriate organization-wide governance framework to manage programmes and projects funded by voluntary contributions and that it complete and update the existing rules on this matter.</p>	high	DAJ/DACAB/DFI/DOP/DPRM/DCDEV	<p><b>Follow-up of May 2025</b></p> <p><u>DPRM comment:</u> DPRM is working closely with the task force on implementing a common project management standard. As such, two DPRM projects have been identified as pilot projects, and a project management charter has been developed for both. DPRM is working closely with IB teams to ensure success.</p> <p><u>DCDEV comment:</u> DCDEV has a project management manual in place and uses the project management software SIGA to manage its projects in accordance with this manual.</p> <p><b>Follow-up of October 2025</b></p> <p><u>DAJ comment:</u> Further work yet to be done in coordination with the DACAB and the DFI - deadline to be confirmed.</p> <p><u>DPRM comment:</u> This matter has been addressed from a DPRM perspective (see previous comment provided in may).</p> <p><u>DOP comment:</u> Under the implementation plan of the Project Management Framework Pilot, the following two (2) projects have been selected as part of DOP's participation:-                      - IQP UPU Global Monitoring System – QoS project (QSF common fund - 850,000 USD)                      - EMS Transport Leg2 project (Japan Fund - 150,000 CHF)                      The Project Charters outlining key project details for both projects have been submitted. Further, regular project status updates are being provided for monitoring at the level of executive management with the last update submitted on 14 October 2025.</p> <p><u>DFI comment:</u>                      Forms available with DFI and used for the creation of new projects.                      The overall database update will be part of the IPSAS 47 implementation.</p>	31-Dec-2025
2025	Audit of the governance of projects funded by voluntary contributions	2/24805	<p><b>Recommendation 2</b></p> <p>The SFAO recommends that the Executive Management take concrete steps to establish and vali-date a clearly defined and binding working framework with the operational directorates and with voluntary contributors. The aim is to promote effectiveness, efficiency and cost-effectiveness in the management of voluntary contributions and related projects.</p>	high	DCDEV/DACAB/DAJ	<p><b>Follow-up of May 2025</b></p> <p><u>DCDEV comment:</u> DCDEV uses the SIGA software as its project management tool. DCDEV is ready to contribute to the IB-wide standardization process based on its operational experience with SIGA.</p> <p><b>Follow-up of October 2025</b></p> <p><u>DAJ comment:</u> Further work yet to be done in coordination with the DACAB and the DFI - deadline to be confirmed.</p>	31-Dec-2025
<b>Total</b>				17			