

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><b>Follow-up of January 2023</b></p> <p>Implementation of a 3-phase plan :</p> <ul style="list-style-type: none"> <li>- 1st phase: physical reorganisation of the UPU stamp collection and separation of collections A and B (2019-2021)</li> <li>- 2nd phase: electronic archiving and digitisation (2021-2024)</li> <li>- 3rd phase: inventory and valorisation of the universal stamp collection (2024-2027)</li> </ul> <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).</p> <p>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><b>Follow-up July 2023</b></p> <p>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></p> <p>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></p> <p>Digitization and promotion of the philatelic collection. Solution shared with the WNS 2.0 project.</p> <p>Work began in April 2024 as follows:</p> <ul style="list-style-type: none"> <li>Stage 1: Database Creation + Initial Identification Dev. - Completed</li> <li>Stage 2: Full Identification Development + preparation Web App - Ongoing</li> <li>Stage 3: Advanced Identification Dev. + Mobile App (Indication only) - Scheduled</li> </ul>	<p><b>Etat de situation selon suivi effectué en mai 2024 :</b></p> <p>L'implémentation de la recommandation était prévue en 3 phases :</p> <ul style="list-style-type: none"> <li>1ère phase : réorganisation physique de la collection de timbres de l'UPU et séparation des collections A et B (2019-2021).</li> <li>2e phase : archivage électronique et numérisation (2021-2024).</li> <li>3e phase : inventaire et valorisation de la collection universelle de timbres (2024- 2027).</li> </ul> <p>Les phases 2 et 3 sont encore en cours en raison de limites de ressources.</p>	31-Dec-2027
2022	Audit of 2021 financial statements	2/21481	<p>Recommendation 2</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></p> <p>Through a serious 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></p> <p>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></p> <p>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></p> <p>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.</p> <p>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>Etat de situation selon suivi effectué en mai 2024 :</b></p> <p>Le bureau international a effectué une revue des processus et matrices de risques et contrôles. L'UPU a notamment mis à jour les descriptions de contrôle, les preuves de contrôle et leur fréquence. L'établissement de ces matrices ne repose pas sur des processus transversaux, mais sur les responsabilités de chaque direction pour plusieurs processus financiers (en silo). Le Bureau international a démarré début 2024 une analyse transversale de certains processus afin d'établir des diagrammes de flux et d'ajuster les matrices de risques et contrôle.</p> <p>Les matrices de risques et contrôles telles qu'établies à mi-décembre 2022 ne remplissent pas encore les objectifs d'un SCI efficace et efficient. La documentation du contrôle interne par direction rend difficile la vue d'ensemble d'un processus opérationnel financier transversal. Même si le Bureau international a initié une analyse de processus, le CDF estime que cette analyse reste désagrégée par direction, ne couvre pas des processus transversaux et ne s'est pas non plus concentrée sur des processus à incidence financière.</p>	30-Nov-2022

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2022	Audit of 2021 financial statements	3/21481	<p>Recommendation 3</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>Director General's comments</b></p> <p>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)</p> <p><b>Follow-up of January 2023</b> [DPTC Director - 2023-02] - Technical review of the Navision system - December 2022 - DPTC recommendations on the transfer of technical governance to ITSC - January 2023</p> <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 DF1/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>- <b>Plan</b></p> <p>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>- <b>Detail</b></p> <p>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>- <b>List of changes to the plan</b> [March 2024] Project completion will be estimated after the selection of the provider (planned for September 2024)</p>		<p><b>Etat de situation selon suivi effectué en novembre 2023:</b> En raison du changement des équipes informatiques au sein du Bureau international et de l'absence de procédures, le Bureau international n'a pas été en mesure de délivrer des évidences sur la gestion des changements (preuves de demandes, tests, approbations). Sans documentation, l'efficacité de la gestion des changements n'est pas assurée et ne peut pas être validée.</p>	31-Dec-2022
2022	Audit of 2021 financial statements	4/21481	<p>Recommendation 4</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>Director General's comments</b></p> <p>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)</p> <p><b>Follow-up of January 2023</b> [DPTC Director - 2023-02] Following the External Auditor technical audit (Nov 2022) - access is restricted to Windows (Active Director) users which are line with the IB IT policy</p> <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 mangement 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> See previous comment.</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>Etat de situation selon suivi effectué en novembre 2023 :</b> La réinitialisation des mots de passe après 90 jours n'est pas appliquée mais une justification a été apportée. Il ressort cependant du rapport de EY - IT General Controls Report que l'authentification multifactorielle n'est pas configurée comme paramétrage recommandé.</p>	31-Dec-2022

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2023	Audit of 2022 financial statements	3/22365	<p>Recommendation No 3</p> <p>The SFAO recommends that the UPU redefine user access rights so as to reduce the number of super-users and reduce rights to sensitive data, and to monitor and oversee all these users' activities. External staff and any other person making changes to the program should either not have super-user rights, or should be independently monitored and overseen by the UPU.</p>	High	DCTP	<p><b>Director General's comments</b></p> <p>The UPU IB agrees with this recommendation. Limited IB staff are granted access and external users are periodically granted access for maintenance procedures. This recommendation has been implemented.</p> <p><b>Follow-up of February 2024</b></p> <p>See Director General's comments</p> <p><b>Follow-up of July 2024</b></p> <p>[OPS.SYS comments] The DPTC director and the DFI director did a review of the accounts during 2023 audit. (Evidence has been uploaded into the audit tracking system)</p>	<p><b>Etat de situation selon suivi effectué en novembre 2023 :</b> Il existe six utilisateurs du service financier disposant d'une autorisation leur permettant de modifier toutes les données et sept autres utilisateurs disposant d'une autorisation leur permettant de modifier toutes les données et tous les objets de l'application.</p>	
2023	Audit of 2022 financial statements	4/22365	<p>Recommendation No 4</p> <p>The SFAO recommends that the UPU reduce the risks of non-personal users with system administrator rights in the live Navision database. The following users' access rights should be evaluated: sa; UPU\Svc_NAV2016_Finance; UPU\system_application; UPU\company_pragmatic. In addition, the Navision database owner, who is a user from the finance section, should be deactivated or deleted. Lastly, the SFAO recommends reviewing the number of Windows users on the database server, and reducing this if possible.</p>	High	DCTP	<p><b>Director General's comments</b></p> <p>The UPU IB agrees with this recommendation. All noted accounts are downgraded public (UPU\Svc_NAV2016_Finance, UPU\company_pragmatic), disabled (sa), or are necessary for backups (UPU\system_application). A total of 44 users have been removed from the operating system; only administrator and service accounts remain. This recommendation has been implemented.</p> <p><b>Follow-up of February 2024</b></p> <p>The UPU IB agrees with this recommendation. All noted accounts have been downgraded to public accounts (UPU\Svc_NAV2016_Finance, UPU\company_pragmatic), disabled (sa), or are necessary for backups (UPU\system_application). A total of 44 users have been removed from the operating system; only administrator and service accounts remain. This recommendation has been implemented</p> <p><b>Follow-up of July 2024</b></p> <p>[OPS.SYS comments] Only 1 change has been made since 2023 audit: Attribute some rights to MERGUIN Michel: Idil request S240124_000004.</p>	<p><b>Etat de situation selon suivi effectué en novembre 2023 :</b> Les droits d'administrateurs du système des comptes sa, UPU\Svc_NAV2016_Finance et UPU\company_pragmatic ont été désactivés. Les droits d'administrateur système du compte UPU\system_application restent activés mais une justification a été fournie.</p> <p>L'utilisateur du domaine finance, propriétaire de la base de données de Navision n'a pas été désactivé ou supprimé, mais une justification a été fournie.</p> <p>Finalement, le nombre d'utilisateurs Windows sur le serveur de la base de données a été réduit de 24.</p> <p>Cependant, il a été noté qu'une revue périodique des utilisateurs n'est pas effectuée.</p>	
2023	Audit of 2022 financial statements	5/22365	<p>Recommendation No 5</p> <p>The SFAO recommends that the UPU establish and formalize unambiguous rules for approval of expenses.</p>	medium	DFI	<p><b>Director General's comments</b></p> <p>The UPU IB agrees with this recommendation. A review of the applicable internal rules will be conducted to address this issue. (Scheduled date for implementation: May 2024, DFI)</p> <p><b>Follow-up of February 2024</b></p> <p>DFI comment: In progress. DFI has asked for this recommendation to be included in the Procurement Working Group.</p> <p><b>Follow-up of July 2024</b></p> <p>In progress</p>	<p><b>Etat de situation selon suivi effectué en mai 2024 :</b> La recommandation n'a pour le moment pas été traitée par le groupe de travail mais cela devrait se faire lors d'une prochaine réunion du Groupe de travail.</p>	31-May-2024

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2023	Audit of 2022 financial statements	8/22365	<p>Recommendation No 8</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>Director General's comments</b> Efforts will be made to simplify the process. Automation of travel management will be implemented, if budget permits. (Scheduled date for implementation: December 2024, DRH)</p> <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>Etat de situation selon suivi effectué en mai 2024</b> : Au cours de l'année 2023 et jusqu'en avril 2024, la DRH a procédé à la révision et simplification du processus d'autorisation des voyages et de remboursement des frais et a fait des démarches afin de pouvoir automatiser ce processus en commençant par des analyses et études des pratiques de l'UPU. Une révision de l'instruction administrative IA no 10/rev 9 et de ses annexes a été faite et se trouve maintenant en cours d'approbation, elle remplacera l'IA no 10/rev 8 sur les voyages officiels et l'IA no 19/rev 2 sur le système forfaitaire au titre des congés dans les foyers et voyages officiels. Un nouveau guide pratique des missions et voyages officiels a été élaboré « Travel Practical Guidelines Missions and Statutory Travels travel 2024 » ainsi que les diagrammes (flowcharts) sur les voyages et le système forfaitaire. Le développement d'un logiciel pour la gestion des voyages est actuellement étudié en interne dans un premier temps afin de simplifier le processus d'autorisation des voyages et de remboursement des frais, et de l'automatiser en tenant compte de la relation coûts-risques.</p>	31-Dec-2024
2023	Audit of procurement processes	1/23372	<p>Recommendation No 1</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>Director General's comments</b> The UPU IB agrees with this recommendation and supports the implementation of a centralized contract management system (and associated database), particularly as a means to consolidate, record and monitor the outcome of procurement processes, their associated contractual instruments, and any potential follow-up actions.</p> <p>In that regard, the Director General may further confirm that the development of such a system is virtually complete; a number of related training activities are still being prepared prior to its launch and use by the relevant International Bureau focal points.</p> <p>(Scheduled date for implementation: May 2024, DAJ)</p> <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>Etat de situation selon suivi effectué en mai 2024</b> : Mise en œuvre d'un outil de gestion centralisée des contrats : Un outil (système en ligne) a été mis en œuvre au 1er janvier 2024. Le système est implémenté et fonctionne. Les objectifs du système d'archivage sont remplis. Formation auprès du personnel : Une liste des points focaux chargés de la gestion des contrats pour chaque direction a été fournie par les directeurs concernés. En outre, trois sessions de formation ont été organisées conjointement par le DPTC et la DAJ, dans le but d'instruire ces points focaux sur la méthodologie de travail de la plateforme avant son lancement officiel le 1er janvier 2024. Depuis la mise en œuvre de la plateforme, des représentants de la DAJ et du DPTC se tiennent à la disposition des utilisateurs pour répondre à des questions supplémentaires et organiser des sessions individuelles en face à face afin de former les utilisateurs à l'utilisation de la plateforme. Etablissement d'un recensement fiable et centralisé des contrats en vigueur afin de constituer son socle initial de données : Depuis les premières sessions de formation menées avec les points focaux désignés par chaque direction, il a été établi que le système devra inclure à la fois les nouveaux contrats et aussi les contrats préexistants afin de permettre à l'organisation d'avoir une vue d'ensemble complète de son cadre contractuel. L'intégralité des contrats n'est pas encore dans le système, le travail à effectuer est chronophage et le délai est estimé à fin 2024.</p>	31-May-2024

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2023	Audit of procurement processes	2/23372	Recommendation No. 2 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.	High	DACAB	<p><b>Follow-up of July 2024</b> On May 8, the Deputy Director General presented the comprehensive report of the Procurement Working Group (PWG) to the Director General. This report detailed the group's outputs, providing essential background information and concluding with observations and strategic recommendations from the PWG chair for the upcoming phase of the initiative. Below is a detailed summary of the next steps, along with an update subsequent to the May report:</p> <p><b>Action:</b> Proposing amendments to the Rules of the Financial Administration and the Procurement Policy for adoption by the DG, that is further to the approval received from the CA on the amendments to the Financial Regulations. <b>Owner:</b> DAJ <b>Updates July 2024:</b> To be implemented in the Next Phase</p> <p><b>Action:</b> Circulating the Contract Life Cycle Management System Memorandum to Directorates <b>Owner:</b> DAJ <b>Updates July 2024:</b> Completed, and System is in use.</p> <p><b>Action:</b> Circulating the Memorandum for Directorates to provide inputs to the Purchasing Plan Template <b>Owner:</b> DFI to collate responses and monitor the plan <b>Updates July 2024:</b> Completed</p> <p><b>Action:</b> Develop the process for the Software Development Procurement Process further to the approved flowchart <b>Owner:</b> PWG in coordination with the Governance and Internal Control Coordinator <b>Updates July 2024:</b> To be implemented in the Next Phase</p> <p><b>Action:</b> Develop an exhaustive procurement process and flowchart <b>Owner:</b> PWG in coordination with the Governance and Internal Control Coordinator <b>Updates July 2024:</b> To be implemented in the Next Phase</p> <p><b>Action:</b> Creation of the Procurement Function <b>Owner:</b> PWG in coordination with DFI and DHR <b>Updates July 2024:</b> To be implemented in the Next Phase</p>	<b>Etat de situation selon suivi effectué en mai 2024 :</b> Le BI a développé un Purchasing Plan Template. Celui-ci a été envoyé à toutes les directions pour être rempli à la fin du mois de mai 2024. Il doit être rempli pour couvrir la seconde partie de l'année 2024 et servira dans le contexte du budget 2025.	31-May-2024
2023	Audit of procurement processes	3/23372	Recommendation No. 3 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.	medium	DAJ	<p><b>Director General's comments</b> The UPU IB agrees with this recommendation and supports the view that UPU needs to regularly review and update its procurement-related rules and regulations with a view of bringing them in close connection with fast-changing economic realities, while at the same time improving the efficiency and integrity of procurement processes.</p> <p>In that context, the Council of Administration and the Director General, in their respective areas of competence, will be invited to re-examine and, as appropriate, redefine/update aspects such as financial thresholds, permissible exemption scenarios, facilitated use of contracts negotiated through centralized UN/UNDP/UNOPS procurement processes, potential use of "umbrella" agreements, and contractual duration limits.</p> <p>The Procurement Internal Working Group led by the Deputy Director General will review and reformulate the procurement rules.</p> <p>(Scheduled date for implementation: May 2024 )</p> <p><b>Follow-up of February 2024</b> As of this date, the proposed amendments to the UPU Financial Regulations, Rules on Financial Administration and Procurement Policy are still on track for presentation to the International Bureau's Procurement Working Group and, subsequently, formal submission and potential adoption by the Council of Administration (for the Financial Regulations) and the Director General (for the Rules on Financial Administration and Procurement Policy).</p> <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>	<b>Etat de situation selon suivi effectué en mai 2024 :</b> Recommandation en cours d'implémentation, les composantes de son implémentation sont encore discutées, et ne sont pas encore finalisées.	31-May-2024
<b>Total</b>				<b>11</b>				