

TO: Mr. Gurpur Kumar
A: Deputy Director, Internal Audit Division
Office of Internal Oversight Services

DATE: 27 June 2011

THROUGH: Neeta Tolani *HTolani*
S/C DE: Director
Office of the Under-Secretary-General for Management

[Signature]
FROM: Marijo E. Baez
DE: Chief Policy and Oversight Coordination Service
Office of the Under-Secretary-General for Management

SUBJECT: **Assignment No. AC2010/514/04 – Audit of CMP project budgeting, financial reporting and payments**
OBJET: **payments**

1. With reference to the above subject, please find below the comments to the draft report on the above subject transmitted by your office to the Department of Management (DM) by way of memorandum dated 25 May 2011.
2. Paragraph 18 (c), on page 6, while discussing the security upgrades, states that “the source of funding for this major design change was not confirmed until January 2011 when the US federal authorities agreed to authorize funding up to \$100 million”. OPPBA is not sure that such assertion is an accurate reflection of the Organization’s views of this matter. Bearing in mind this has been a contentious and sensitive issue OPPBA suggests this assertion in the OIOS report be reviewed rigorously to avoid unnecessary complications.
3. Paragraph 22, on page 7, indicates that 2,592 staff are accommodated at Madison, Teachers Building and UNFCU Building. This figure differs from the record that OPPBA has on file. The note from Ms. Kane to the Deputy Secretary-General dated 5 April 2011 indicated that 2,549 staff members are accommodated in those three locations.
4. Attached as Annex 1 are the CMP comment to the draft report. Comments received from other offices within DM will be forwarded to you soon as they are made available.
5. Thank you for the opportunity to provide comments on the draft report.

RESPONSE AND IMPLEMENTATION OF RECOMMENDATIONS
Assignment No. AC2010/514/04 – Audit of CMP project budgeting, financial reporting and payments

Para. no.	Recommendation	Risk category	Risk rating	Accepted (Yes/No)	Implementation date	Client Comments
16	<p>The Under-Secretary-General for Management should ensure that the General Assembly is apprised of:</p> <p>(a) whether it will be possible (or desirable) to fully absorb associated costs within the CMP budget;</p> <p>(b) alternative options of how to proceed, including any impacts on CMP scope, with the identification of a recommended option and how it may be financed.</p>	Financial	Higher	Yes	31/12/2011	The CMP 9th Annual Progress Report will include financing options for the associated costs.
17	<p>The Executive Director of the CMP should ensure that the forthcoming Secretary-General's ninth annual progress report on the implementation of the CMP should include any costs that have been identified for absorption by the CMP budget within a format similar to Table 1 in this report. At the present time, the amounts related to associated costs and the secondary data centre should be included in line with the decision that continued funding for these costs should be absorbed by the approved budget of the CMP.</p>	Financial	Higher	Yes	31/12/2011	The CMP 9th Annual Progress Report will present the data in the format recommended by the OIOS.

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19	The Executive Director of the CMP should formulate proposals for favoured courses of action to be taken with regard to the Dag Hammarskjold Library, the cafeteria and the North Lawn Conference Centre for presentation to the General Assembly.	Operational	Higher	Yes	31/12/2011	Proposals for courses of action to be taken with regard to the Dag Hammarskjold Library, the cafeteria and the North Lawn Conference Centre will be presented to the General Assembly in the CMP 9 th Annual Progress Report.
20	The Executive Director of the CMP should identify major technical risks and uncertainties facing the capital master plan and present their likelihoods and possible cost implications to the attention of the General Assembly.	Financial	Higher	Yes	31/12/2011	Major technical risks and uncertainties facing the capital master plan, their likelihoods and possible cost implications will be presented to the attention of the General Assembly in the CMP 9 th Annual Progress Report.
26	The Under-Secretary-General for Management in consultation with the Office of Legal Affairs, as appropriate, should finalise a costed strategy for the re-accommodation of staff in leased locations as the CMP winds down, and make recommendations regarding the funding of leases to the General Assembly.	Financial	Higher	Yes	31/12/2011	The Office of the Under-Secretary-General in consultation with the Office of Legal Affairs will design a strategy for the re-accommodation of staff in leased locations, as relevant. Subject to outcomes of the costing exercise, the re-accommodation strategy, if it involves further cost implications for the Organization, will be presented to the General Assembly.
47	The Executive Director of the CMP should: a) Ensure that payments are made in a timely manner, so long as this does not compromise the full extent of checks being made to ensure accuracy of invoices. b) Instruct the consultant	Financial	Lower	Yes	Continuously implemented	General comment by the CMP: Table 4 'Disbursements paid for categories of expenditure' can not be reconciled with the 2010 IMIS expenditure report. OIOS quotes disbursements in the amount of \$263.9 million while the IMIS expenditure report for the 2010-2011 biennium (run on 2 June 2011) shows the amount of \$197.0 as disbursed during the 17

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	<p>programme managers that in the event of significant delays in making payments a brief explanation should be entered in NOVA, or relevant emails should be attached.</p> <p>c) Write to vendors who submit late or inaccurate invoices requesting that they improve the timeliness and accuracy of their submissions.</p>					<p>months of the biennium. Please clarify how the amount of \$263.9 million was calculated.</p> <p>NOVA is not an accounting system. It is a tool to accommodate decision processing and efficient work processes in the CMP Office. It tracks delayed payments and contains information about reasons of the delays.</p> <p>CMP communicates any inaccuracies identified during the processing of invoices to vendors and requires their feedback.</p> <p>Late submission of invoices will be addressed on a regular basis.</p>
51	The Office of the Capital Master Plan should ensure that persons checking invoices and making annotations or ticks sign the first page of the invoice as "checked by..."	Financial	Lower	Yes	Continuously implemented	Officers and senior managers involved in the review and approval process are reminded of this requirement.
52	The Office of the Capital Master Plan should monitor trends in the consultant programme manager's average hourly rate and use it as an indicator to ensure that staff turnover and regradings do not result in the deployment of a more expensive level of staff than deemed optimal for the CMP.	Financial	Lower	Yes	Continuously implemented	Staffing requirements, changes in staff configuration and earnings of staff employed by a programme management firm are reviewed and approved by the CMP.