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INTEROFFICE MEMORANDUM

MEMORANDUM INTERIEUR

OFFICE OF INTERNAL OVERSIGHT SERVICES · BUREAU DES SERVICES DE CONTRÔLE INTERNE
INTERNAL AUDIT DIVISION · DIVISION DE L'AUDIT INTERNE

TO: Mr. Vladimir Gratchev, Director
A: Division of Conference Management
United Nations Office at Geneva (UNOG)

DATE: 13 December 2011

REFERENCE: IAD: 11- 00743

FROM: Fatoumata Ndiaye, Director
DE: Internal Audit Division, OIOS



SUBJECT: **Assignment No. AE2010/312/01 – Audit of conference services funding and costing arrangements at UNOG**

Overall results relating to funding and costing arrangements of conference services at UNOG were unsatisfactory

1. Attached please find the final report on the above-mentioned audit.
2. Annex I shows the status of recommendations.
3. The audit also identified a number of opportunities for improvement (see Annex II). While OIOS will not report on the implementation of these opportunities, we encourage you to implement them to improve the efficiency and effectiveness of your operations. OIOS will review their implementation as part of future audits.
4. Please note that OIOS will report on the progress made to implement its recommendations in its annual report to the General Assembly. OIOS will also report to the Secretary-General quarterly for critical recommendations (nos. 1 and 2).

cc: Mr. Shaaban M. Shaaban, Under-Secretary-General, Department for General Assembly and Conference Management (DGACM)
Mr. Kassym-Jomart Tokayev, Director-General, UNOG
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Mr. Swatantra Goolsarran, Executive Secretary, UN Board of Auditors
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AUDIT REPORT

Audit of Conference Services Funding and Costing Arrangements at UNOG

BACKGROUND

The Division of Conference Management (DCM) of the United Nations Office at Geneva (UNOG) reports substantively to the Under-Secretary-General for General Assembly and Conference Management in New York and administratively to the Director-General of UNOG. It operates under the Compendium of Administrative Policies, Practices and Procedures of Conference Services developed by the Department for General Assembly and Conference Management (DGACM) in the context of integrated global management of conference services. The core functions of DCM are:

- a) coordinating and managing the provision of conference services for meetings held at UNOG and other locations under the responsibility of UNOG;
- b) carrying out consultations with major users of conference resources at Geneva and other duty stations as to the most effective utilization thereof;
- c) advising and assisting the authorities of host countries in preparation of conferences and meetings services by the Division; and,
- d) ensuring that the maximum potential of information technology is realized in the Division.

In recent years, new bodies and various meeting groups to be serviced by DCM have been established increasing the demand for documentation processing and interpretation. In particular, DCM is facing expanding demands from the Human Rights Council (HRC), established in March 2006, and its machinery. This includes the Universal Periodic Review (UPR), a process, which involves a review of the human rights records of all United Nations Member States once every four years. According to DCM, the human rights related meetings (with interpretation) in 2010 accounted for 44.1 per cent of all meetings serviced by DCM.

This audit was included in the IAD risk-based work plan at the request of DCM, as a follow-up to the General Assembly mandated report A/64/511 on the Audit of conference services put at the disposal of Human Rights Council in 2009. The overall conclusion of the report was that insufficient resources had been put at the disposal of DCM to provide conference services to HRC while maintaining the same level of service to the Division's other Geneva-based clients. The General Assembly had approved only \$874,000 for the full servicing of UPR in 2008-2009, which was less than 9 per cent of the real resource requirements. The problem of not being able to match resources with the ever-growing workload was linked with the need to review whether the permanent capacity was appropriate for handling conference service requests on an "as required" basis. OIOS recommended that DCM, in consultation with DGACM, develop a strategy that would include the optimal permanent staffing levels required to cope with this requirement. Apart from DCM providing information on its staffing needs to DGACM, no further work has been undertaken on the strategy.

In 2008-2009, staff costs accounted for 95.1 per cent of the DCM expenditure. During the biennia 2008-2009 and 2010-2011, respectively, DCM proposed 36 and 31 new professional level (P) posts for documentation processing, including revisers, editors and translators, to increase its permanent capacity for servicing of HRC. The General Assembly approved only five P-5 senior revisers for 2008-2009 and six P-3 and six P-2 translator posts for 2010-2011. The P-2 posts DCM received for 2010-11 were not requested. The breakdown of the requested and allocated posts by grade was as shown in Table 1 below.

Table 1: Breakdown of posts requested and allocated during the biennia 2008-09 and 2010-11

Biennium	Posts requested	Posts allocated
2008-2009	3 P-5 Senior Revisers 1 P-4 Chief, Contractual Unit 16 P-4 Revisers 5 P-4 Editor 1 P-4 Terminologist 10 P-3 Translators	5 P-5 Senior Revisers
2010-2011	2 P-5 Senior Revisers 17 P-4 Revisers 2 P-4 Editors 9 P-3 Translators 1 P-3 Editors	6 P-3 Translators 6 P-2 Associate Translators

Instead, DCM was given increased resources for contractual translation and temporary assistance for meetings (TAM). It has therefore had to make an effort to recruit an adequate number of qualified freelancers to meet its needs. According to DCM, this has been a challenge in the Geneva labour market, as the supply of freelancers has not matched the competition for them from other organizations, especially those whose needs were more predictable than those of DCM. It therefore found itself in a situation where it lacked permanent capacity to meet client requirements but was unable to bridge the gap by hiring temporary staff and thus was unable to fully utilize all the funds it was given for contractual translation and TAM and hence has to return the unutilized funds. In 2009, the last allotment from the Programme Planning and Budget Division (PPBD) of the Office of Programme Planning, Budget and Accounts (OPPBA) of the Department of Management (DM) was received on 19 December making it impossible to utilize \$5.5 million by the end of the 2008-2009 biennium, i.e. in the 12 days remaining.

Table 2 below provides an overview of the evolution of DCM outputs, revised budget and expenditure from the 2004-2005 biennium to the current 2010-2011 biennium. From 2004-2005, when the HRC did not exist yet, to 2008-2009, the number of meetings remained approximately the same but the expenditure increased by 24 per cent. During the same period, the average number of words translated per meeting increased by 30 per cent. During the 2010-11 biennium thus far, the average number of words translated per meeting has grown even faster in comparison to 2004-2005, and is now 53 per cent higher than three biennia earlier, while the allotments increased only by 31 per cent.

Table 2: Overview of DCM outputs, revised budget and expenditure from the 2004-2005 to the 2010-2011 biennium

Biennium	Number of meetings held	Number of words translated	Av. number of words translated per meeting	Net allotments (in million US\$)	Actual expenditure (in million US\$)	Savings (in million US\$)	Savings as % of net allotments
2004-2005	18,841	103,321,280	5,484	173.8	172.0	1.8	1.04
2006-2007	17,495	103,386,606	5,909	177.4	177.3	0.1	0.06
2008-2009	18,913	134,755,506	7,125	218.9	213.4	5.5	2.51
2010-2011 (projections)	18,393	152,094,384	8,379	226.9	216.9*	N/A	N/A
Increase from 2004-2005 to 2008-2009	72	31,434,226	1,641	45.1	41.4	N/A	N/A
Increase from 2004-2005 to 2008-2009 (in %)	0%	30%	30%	26%	24%	N/A	N/A
Increase/decrease from 2004-2005 to 2010-2011	-448	48,773,104	2,895	51.9	N/A	N/A	N/A
Increase/decrease from 2004-2005 to 2010-2011 (in %)	-2%	47%	53%	31%	N/A	N/A	N/A

(Source: Year-end reports and statistics of DCM)

* As of 30 September 2011

DCM is in a situation where its current structure does not give it the means to control and manage the demand for its services. It is guided by the GA resolution 52/214 of 20 January 1998 on Pattern of Conferences, paragraph 4 of Section B, which states that: "Documents originating in the Secretariat should be no longer than sixteen pages". Member States reports are not subject to word limits. Paragraph 7 of Section B of the same resolution "Invites all intergovernmental bodies to consider, where appropriate, the possibility of reducing the length of their reports from the desired limit of thirty-two pages to twenty pages over a period of time without adversely affecting either the quality of presentation or the content of the reports". However, this provision is not binding, cannot be applied in all cases and cannot stop the intergovernmental bodies from making decisions to hold additional meetings and generate additional reports when key issues or situations in HRC are discussed. In addition, and in particular in relation to the UPR, Member States forming the body can self-impose word limits, however later they may provide documents that exceed the desired report length, sometimes significantly.

OBJECTIVE AND SCOPE

This audit was conducted to assess whether DCM, under the overall policy direction of DGACM, effectively implemented adequate risk management, control and governance processes to provide reasonable assurance regarding the adequacy of its funding and costing arrangements. The key controls tested for the audit included those related to: (a) needs assessment; and (b) regulatory framework. The audit covered the period 1 January 2008 - 31 January 2011.

AUDIT RESULTS

In OIOS opinion, DCM risk management, control and governance processes examined were **unsatisfactory** to provide reasonable assurance regarding the adequacy of its funding and costing arrangements.

DCM continues to have an inappropriate level and type of resources at its disposal which makes it unable to absorb additional mandates within existing resources. DCM, under the authority of DGACM, needs to put more effort into assessing, in a structured manner, the conference servicing needs of its clients as part of the budget preparation process, and systematically measuring the funding gaps.

Conducting needs assessment as part of budget preparation

DCM did not accurately project and cost the conference servicing needs of its clients as part of the budget preparation. According to DCM, this was not a requirement, its proposals for additional resources had not been taken seriously under the policy of zero growth budget and it was not the final decision-maker in the budget preparation process. In the opinion of OIOS, DCM should communicate in its programme budget proposal the justification for the full requirements to service the needs of its clients, which should be validated by the clients.

(1) UNOG Division of Conference Management should conduct a structured assessment of the conference servicing needs of its clients to justify the requested resources in terms of the requirements of output delivery.

DCM accepted recommendation 1. It stated that it is a service provider without a substantive programme and thus does not determine its workload. DCM has relatively little discretion in how to implement its work programme, given that conference service workload standards and timeframes, as defined by the General Assembly, have remained constant and the target share of contractual translation is set by the Committee on Conferences. Existing costing methodology used for cost estimates involves notional costing and is thus not directly applicable to the biennial project process. OIOS expects DGACM to establish in the context of integrated global management a clear costing methodology for use in this context. DCM has taken initial steps towards this goal through implementation of a forecasting module for clients to submit their projected requirements for a six-month period. The Division compares the requirements with the existing mandates, the Calendar of Conferences, and expected capacity. It has proved difficult for clients to forecast their requirements on a six-month basis, so expanding this exercise to cover the full biennium may prove problematic. It should be noted that some mandates are not specific, most notably the HRC mandate to meet no less than ten weeks per year, which makes forecasting the workload problematic for clients. The DGACM initiative in the Secretary-General's report on the Pattern of Conferences, A/66/118, to resolve this problem and require all new legislative mandates to specify relevant information for meetings and documentation was not supported in the Committee on Conferences; ACABQ held the proposal should

go to the General Assembly. DCM noted that client workload derives from mandates and thus it could not consider client requests for increases beyond the mandates. For situations where mandate is unclear, DCM and its clients are in difficult position. Certain documents have no limits, such as Member State States party reports, which are rarely submitted as per the Treaty Body reporting schedule. The combined treaty body system accounts for 29 per cent of documentation processed in DCM, so this unpredictability has a large impact on DCM operations. OIOS acknowledges the initial actions taken by DCM to better forecast client requirements for conference services. Recommendation 1 remains open pending receipt of documentation on the procedures implemented for the structured needs assessment in close consultation with the clients.

Performing a systematic review of implications of funding gaps

DCM had no tools and methodology that would allow it to present an accurate overview of its resource requirements, the gap in funding, as well as the dynamics of closing this gap. The breakdown of the overall amount of the cuts made by the Office of Programme Planning, Budget and Accounts of the Department of Management was not explained to DCM despite its requests. Workload indicators and statistics on DCM activities were also not linked with the budgetary and costing indicators prepared.

(2) UNOG Division of Conference Management, in consultation with the Department for General Assembly and Conference Management, should systematically review the gap between budgetary allocations and the estimated resource requirements in order to assess the implications of funding shortfalls.

DCM accepted recommendation 2 and stated that it, as part of the DGACM workload/capacity planning exercise implemented this biennium, has identified resource shortfalls. These shortfalls have resulted in increasing backlog of documentation and poor compliance with issuance schedules, as well as extension of last biennium's discontinuation of summary records for the Human Rights Council. DCM negotiated with clients regularly to reprioritize documents on a short-term basis. DCM welcomed an integrated global approach to management of shortfalls, recognizing that client expect a consistent level of service across the four conference servicing duty stations. DCM also noted that DGACM has the lead on the two remaining projects, which are a documentation processing system and a data warehouse. The Framework for Performance Indicators has been finalized and is being codified in the new IT systems for documentation processing and data extraction, which DGACM is developing. Once these systems come on line, standardized data and statistics will be available. The Monitoring, Evaluation, Risk Management, and Statistical Verification Section (MERS), which was previously under the DCM Executive Office, but is now under the Office of Information Management and Evaluation (OIME), prepares the workload indicators and statistics. DCM uses the workload standards set by the General Assembly and the methodology determined by DGACM in its workload/capacity planning. Recommendation 2 remains open pending receipt of documentation on the procedures implemented for the systematic review of funding gaps.

ACKNOWLEDGEMENT

OIOS wishes to express its appreciation to the Management and staff of UNOG DCM for the assistance and cooperation extended to the auditors during this assignment.

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I. INTRODUCTION

1. The Office of Internal Oversight Services (OIOS) conducted an audit of conference services funding and costing arrangements at United Nations Office at Geneva (UNOG).

II. AUDIT OBJECTIVE

2. This audit was conducted to assess whether UNOG Division of Conference Management (DCM), under the overall policy direction of the Department for General Assembly and Conference Management (DGACM), effectively implemented adequate risk management, control and governance processes to provide reasonable assurance regarding the adequacy of its funding and costing arrangements. The key controls tested for the audit included those related to: (a) needs assessment; and (b) regulatory framework.

3. For the purposes of this audit, OIOS defined these key controls as follows:

- (a) **Needs assessment** – those controls that are designed to provide reasonable assurance that there is a proper assessment of the needs to ensure sufficient capacity and resources to support activities;
- (b) **Regulatory framework** – those controls that are designed to provide reasonable assurance that policies and procedures are in place for systematically resolving the difference between the actual workload and available resources, and that they are implemented consistently to guide activities.

III. AUDIT SCOPE AND METHODOLOGY

4. OIOS conducted the audit from December 2010 to May 2011. The audit covered the period from 1 January 2009 to 31 January 2011.

5. To gain a general understanding of the current practices, processes and activities of DCM, OIOS interviewed DCM management and staff and reviewed relevant documents including reports, policies, guidelines and procedures, as well as budgetary and financial records. The audit team then conducted an activity-level risk assessment to identify and evaluate specific risk exposures and to confirm the relevance of the selected key controls in mitigating the associated risks.

6. Through interviews, analytical reviews, verification of procedures and other audit procedures, OIOS assessed the existence and adequacy of the established procedures and guidelines, and conducted relevant tests of controls to assess whether policies and procedures were implemented consistently.

IV. OVERALL ASSESSMENT

7. In OIOS opinion, DCM risk management, control and governance processes examined were **unsatisfactory** to provide reasonable assurance regarding the adequacy of its funding and costing arrangements. DCM continues to have an inappropriate level and type of resources at its disposal which makes it unable to absorb additional mandates within existing resources. DCM, under the authority of DGACM, needs to put more effort into assessing, in a structured manner, the conference servicing needs of its clients as part of the budget preparation process, and systematically measuring the funding gaps.

V. AUDIT RESULTS

A. Needs assessment

A structured needs assessment as part of budget preparation was not conducted

8. Conference services in New York, Geneva, Vienna and Nairobi are covered under Section 2 of the programme budget. Each duty station prepares its respective input for the strategic framework, programme performance and budget proposals, and sends it to the Under-Secretary-General for DGACM for review. DGACM submits a coordinated proposal for Section 2 as a whole to OPPBA. For the 2008-2009 biennium, the total proposed programme budget of DGACM was \$620.8 million (A/62/6 (Sect.2)), \$204.2 million (or 32.9 per cent) of which was apportioned to DCM in Geneva.

9. The preparation of the biennial budget in DCM involves the following:

- a. The Programme Planning and Budget Division (PPBD) of OPPBA issues Budget Instructions for every biennium, which provide guidance on programme formulation and resource allocation for the biennium.
- b. DCM prepares its budget in accordance with the Budget Instructions by using top-down budgeting approach. DCM management sets the overall amount by type of work (i.e. not by client) that DCM will need for the biennium by using the initial appropriations of the previous biennium as a baseline which is adjusted to reflect increases or decreases deriving from mandate changes.
- c. The budget is submitted through the UN Budget Information System (UNBIS) to DGACM.
- d. After several revisions and discussions, DGACM submits its combined budget to PPBD, which adjusts the budget submission and finalizes the budget fascicle.
- e. Discussions are held between DCM, DGACM, the Advisory Committee on Administrative and Budgetary Questions (ACABQ) and the Fifth Committee of the General Assembly on the requirements of DCM and the proportion of the combined DGACM budget that can be allocated to DCM. DCM, along with the other conference servicing duty stations, participates in the meeting with ACABQ, usually via videoconferencing. DCM provides input to DGACM to answer any questions from the ACABQ and the Fifth Committee.
- f. The budget is approved by the Fifth Committee.

10. During the budget preparation process, the Central Planning and Coordination Service (CPCS) of DCM received input to the calendar of conferences and meetings from DCM clients in the form of requests to service these meetings. In accordance with the Compendium of Administrative Policies, Practices and Procedures of Conference Services issued by DGACM in 2007, "the calendar of conferences and meetings should be costed as part of the preparation of budget estimates for each biennium". However, in practice this costing was not performed because according to DCM common solutions for different duty stations had not been found and DCM was not aware that any such costing was done by DGACM. There was also no specific requirement to obtain a detailed projection of conference servicing needs from the clients as part of the budget preparation and the focus of DCM was on new and expanded mandates, not those that were static. Further, because of the policy of zero growth budget, DCM did not consider it meaningful to assess accurate resource requirements in consultation with its clients. It argued that its proposals for additional resources had not been taken seriously under the policy of zero growth budget and that it was not the final decision-maker. In summary, it had no control over its funding.

11. In the opinion of OIOS, DCM should communicate in its programme budget proposal the justification for the full requirements to service the needs of its clients, which should be validated by the clients. In doing so, there should be close consultation with the clients not only on the estimated number of meetings but also on the number and length of documents. DCM, on the basis of these figures, should then determine the required number and mix of staff.

12. These calculations should be performed taking into account the historical aspect of the resource shortfalls for DCM, which dated back to the biennium 2008-2009 when the resource requirements for servicing the HRC's Universal Periodic Review (UPR) process were estimated at \$9,757,566 while the amount finally approved by the General Assembly was only \$874,000.

Recommendation 1

(1) UNOG Division of Conference Management should conduct a structured assessment of the conference servicing needs of its clients to justify the requested resources in terms of the requirements of output delivery.

13. *DCM accepted recommendation 1. It stated that it is a service provider without a substantive programme and thus does not determine its workload. DCM has relatively little discretion in how to implement its work programme, given that conference service workload standards and timeframes, as defined by the General Assembly, have remained constant and the target share of contractual translation is set by the Committee on Conferences. Existing costing methodology used for cost estimates involves notional costing and is thus not directly applicable to the biennial project process. OIOS expects DGACM to establish in the context of integrated global management a clear costing methodology for use in this context. DCM has taken initial steps towards this goal through implementation of a forecasting module for clients to submit their projected requirements for a six-month period. The Division compares the requirements with the existing mandates, the Calendar of Conferences, and expected capacity. It has proved difficult for clients to forecast their requirements on a six-month basis, so expanding this exercise to cover the full biennium may prove problematic. It should be noted that some mandates are not specific, most notably the HRC mandate to meet no less than ten weeks per year, which makes forecasting the workload problematic for clients. The DGACM initiative in the Secretary-General's report on the Pattern of Conferences, A/66/118, to resolve this problem and require all new legislative mandates to specify relevant information for meetings and documentation was not supported in the Committee on Conferences; ACABQ held the proposal should go to the General Assembly. DCM noted that client workload derives from mandates and thus it could not consider client requests for increases beyond the mandates. For situations where mandate is unclear, DCM and its clients are in difficult position. Certain documents have no limits, such as Member State States party reports, which are rarely submitted as per the Treaty Body reporting schedule. The combined treaty body system accounts for 29 per cent of documentation processed in DCM, so this unpredictability has a large impact on DCM operations. OIOS acknowledges the initial actions taken by DCM to better forecast client requirements for conference services. Recommendation 1 remains open pending receipt of documentation on the procedures implemented for the structured needs assessment in close consultation with the clients.*

DCM could benefit from detailed procedures for preparing and reviewing Programme Budget Implications

14. Since 2006, the pattern of conferences at UNOG became extremely dynamic and demanding in terms of services. Nine new human rights bodies and activities were established between 2006 and 2009, which, according to DCM calculations, resulted in the increase of the overall translation workload by 60 per cent.

15. Certain Programme Budget Implications (PBIs) of the Human Rights Council (HRC) were based on resolutions that did not explain the documentation needs, which made estimating the workload, and thus the costing, difficult, increasing the likelihood that actual needs were not correctly reflected in the PBIs. In addition, the *Conf. 25* form prepared by the substantive secretariat of HRC capturing the estimated and proposed workload made by HRC secretariat was not binding. DCM frequently faced a situation where the final documentation needs of HRC were twice as much as the approved amount in the PBIs, which had been based on the HRC secretariat workload projections for the documentation requirements that were underestimated.

16. DCM had to absorb the mandated additional needs within available resources. DGACM did not share the workload due to the lack of spare capacity. In 2010, DCM was directed to absorb \$4.8 million in new requirements from the 12th-15th sessions of HRC. In its report on the Audit of conference services put at the disposal of the Human Rights Council in 2009 (A/64/511), OIOS recommended that OHCHR improve the processes involved in estimating budgetary implications of HRC decisions. Implementation of the recommendation is in progress.

17. There was only informal guidance on preparing and reviewing PBIs. Formal and detailed procedures could be useful in the complex process of estimating the needs of HRC and the human rights mechanisms. Procedures could also assist in clarifying the different roles that DCM, DGACM, HRC and Treaty Bodies' substantive secretariats, UNOG Financial Resources Management Service and OPPBA play in the process.

18. **UNOG Division of Conference Management could consider developing standard operating procedures for the preparation and review of programme budget implications related to servicing Human Rights Council and its machinery, including the clarification of the respective roles and responsibilities of the different players involved.** *DCM noted that preparation of oral statements for recent sessions of the HRC has gone much more smoothly, reflecting the proactive approach of OHCHR administration, which has the lead on this matter. DCM concurred that formal SOPs would be a basis for further improvements in the process and notes that these SOPs should apply to all its clients, not only OHCHR. DCM also noted that costing methodology in use in UNOG FRMS was established between OPPBA and DGACM, so it is not possible for DCM to change it unilaterally.*

A systematic review of funding gaps was not performed

19. There was no formal mechanism in DCM to assess the shortfalls between the budget allocated and the requirements by budget component to deal with any resource shortfalls. For the biennium 2010-2011, DCM prepared an original estimation of its total additional requirements of \$33.2 million, based on new and revised mandates. In the final submission to DGACM this was reduced to \$28.8 million in view of a reassessment of needs. PPBD, however, cut this estimate to \$17.7 million, out of which \$13.7 million represented the net re-costing and the delayed impact of new posts. Hence, only \$4.0 million resulted in new capacity. The gap between the original estimate and the final appropriation was \$29.2 million, which seriously affected the delivery capacity of DCM. This was also reflected in the annual report on document management for 2010, submitted by DGACM and forwarded by the UN Secretary-General to the heads of Departments, Funds and Programmes on 25 February 2011, stating that the capacity shortfall for UNOG for 2011 was estimated to be 33 per cent.

20. DCM had limited tools and methodology that would allow it to present an accurate overview of the resource requirements, the gap in funding, as well as the dynamics of closing this gap. Although the initial calculation of DCM of its funding gap was based on the recurrent and non-recurrent costs of additional mandates, the breakdown of the overall amount of the cuts made by PPBD was not explained

to DCM despite its requests. It was also not clear to DCM whether notional unit costs or actual unit costs were used in the calculations.

21. Workload indicators and statistics on DCM activities were not linked with the budgetary and costing indicators prepared by DCM Executive Office, further contributing to the inability of DCM to accurately present statistical data on the gap between DCM workload and funding. Instead, DCM attempted to perform a gap analysis based on the work of the Statistical Working Group II, which had been formed by DGACM to establish an output and costing framework that answers the requests by the General Assembly and ACABQ with regard to validity and consistency of the performance indicators and costing models of DGACM. However, this Framework for Performance Indicators and Costing Methods of Conference Services was still in draft form and could in the view of DCM not be used as a basis for accurate and consistent analysis tool.

Recommendation 2

(2) UNOG Division of Conference Management, in consultation with the Department for General Assembly and Conference Management, should systematically review the gap between budgetary allocations and the estimated resource requirements in order to assess the implications of funding shortfalls.

22. *DCM accepted recommendation 2 and stated that it, as part of the DGACM workload/capacity planning exercise implemented this biennium, has identified resource shortfalls. These shortfalls have resulted in increasing backlog of documentation and poor compliance with issuance schedules, as well as extension of last biennium's discontinuation of summary records for the Human Rights Council. DCM negotiated with clients regularly to reprioritize documents on a short-term basis. DCM welcomed an integrated global approach to management of shortfalls, recognizing that client expect a consistent level of service across the four conference servicing duty stations. DCM also noted that DGACM has the lead on the two remaining projects, which are a documentation processing system and a data warehouse. The Framework for Performance Indicators has been finalized and is being codified in the new IT systems for documentation processing and data extraction, which DGACM is developing. Once these systems come on line, standardized data and statistics will be available. The Monitoring, Evaluation, Risk Management, and Statistical Verification Section (MERS), which was previously under the DCM Executive Office, but is now under the Office of Information Management and Evaluation (OIME), prepares the workload indicators and statistics. DCM uses the workload standards set by the General Assembly and the methodology determined by DGACM in its workload/capacity planning. Recommendation 2 remains open pending receipt of documentation on the procedures implemented for the systematic review of funding gaps.*

Consultation with major clients would facilitate review of the workload requirements and allocated resources

23. Adequate coordination with clients should be in place to facilitate mutual review and identification of solutions for any unmet needs and expectations, in order to increase transparency and to avoid criticism by the clients.

24. After the issuance of the OIOS report to the General Assembly on the audit of conference services put at the disposal of the Human Rights Council in 2009 (A/64/511), DCM and OHCHR undertook major efforts to increase coordination in order to achieve efficient provision of conferencing support to HRC. Some UNOG clients, like the Economic Commission for Europe and the United Nations Conference on Trade and Development, have expressed concerns about the level of conference services they receive noting that their share of conference services is decreasing, while that of OHCHR, the

biggest and rapidly expanding client, is increasing. Some clients felt that they were entitled to a specific amount of services, although the DCM budget is not split up by client.

25. DCM received an increasing amount of complaints from its clients for not translating all documents into official languages in a timely manner. In addition, the DCM clients were interested in knowing what proportion of funding was allocated to them, but this information was not available because the budget is based on the type of work and not on a specific client. There was also an exchange of letters between the senior management of the clients and the Under-Secretary-General for DGACM regarding these complaints. However, no solution has been found since there is no form of cost sharing mechanism. One of the possibilities to overcome the different perceptions could be the creation of a working group comprising DCM and its clients that would facilitate establishing the link between the workload requirements of each client and the proportion of DCM resources allocated to any particular client. The review of workload requirements could take into account particular needs of the clients, such as new mandates and big conferences held once in several years.

26. Additionally, DCM could benefit from establishing maximum quotas for clients based on workload assessment to tackle the issue of resource shortfalls for servicing clients. At the UN Office at Vienna (UNOV), a “capping” method has been used on a pilot basis as a means to demonstrate to the clients the maximum amount of work, which can be done with the existing resources allocated to it. While OIOS acknowledges that the conference servicing environment is different in Geneva, DCM could consider reviewing the merits of establishing a similar mechanism for its clients. Even if not implemented as an enforcement mechanism, it could provide a platform for discussion with the clients on what DCM can achieve with its existing resources and where clients can help to alleviate the funding situation of DCM by keeping their own demand for services better under control. *DCM noted that it has been reluctant to establish capping outside of the framework of integrated global management.*

27. **UNOG Division of Conference Management could consider creating a working group comprising DCM and its clients to facilitate establishing the link between the workload requirements of each client and the proportion of its resources allocated to any particular client.** *DCM noted that it consults with clients regularly to establish the workload forecast, prioritize documentation, and discuss process improvements. In October, DCM notified its clients of the coming documentation challenges and solicited client input to ensure that highest priority documentation is processed as effectively as possible. DCM also is an active participant in the Task Force under the leadership of the President of the HRC. Establishing a multi-lateral working group could help clients better understand the demands the Division faces and might develop into a forum to exchange best practices in documentation management.*

B. Regulatory framework

Further efforts are needed to develop mechanisms and tools to re-assess capacity, prioritize work and identify efficiency savings where funding is inadequate

28. Mechanisms and tools should be in place for re-assessing the capacity of conference services and prioritizing the work, in order to assist in decision-making when funding is inadequate. Moreover, a programme for increasing productivity and achieving efficiency savings should be in place to assist in maximizing the use of available resources.

29. The following examples noted by OIOS pointed to the importance of paying attention to resource utilization in DCM:

- Percentage of documents submitted by clients on time and within page limits and issued by DCM in accordance with the six-week rule showed that in 2009 DCM issued only 38 per cent of documents on time, while the target was 100 per cent. It should be noted as a caveat, however, that the DCM clients submitted only 33 per cent of pre-session documents on time (10 weeks before the session) and within word limits. The situation improved in 2010 and the percentage of documents issued in accordance with mandated time frame rose to 49 per cent. This was achieved also in light of certain improvement on the part of the clients who submitted 36 per cent of pre-session documents on time and within word limits.
- During the first six months of 2010, the productivity for translation in DCM was 12 per cent below the target. The average output of translation per staff member per day was 1,290 words against the target of 1,460 words. DCM explained that this was due to lower productivity in only one section, namely the English Translation Section, which was caused by the inferior quality of documents to be translated, as well as problems caused by simultaneous retirement of experienced staff.

30. In October 2010, DCM created a new Office of Information Management and Evaluation (OIME) by merging the Monitoring, Evaluation, Risk Management, and Statistical Indicators Verification Section (MERS) and the Information and Telecommunication Section (ITS). This was aimed at improving the strategy of optimizing DCM resources by taking into account calendar constraints, as well as personnel and financial factors. DCM was at an early stage of developing a system to re-assess its capacity in case of inadequate funding. It had just recently started to be systematically engaged in a capacity planning exercise with the support of DGACM. However, no documents on the process and its outcomes were available for review at the time of this audit. Further, a comprehensive mechanism to prioritize the work in DCM when funding is not adequate had not yet been developed.

31. In an effort to convince the Member States to solve the issue of the gap between workload and resources, more efforts and visible results were needed at DCM, with the support of DGACM, in terms of re-assessment of capacity, prioritization of work and identification of concrete efficiency savings. However, since DCM is at an early stage of developing a system of re-assessment of capacity and prioritization of work when funding is not adequate, as well as setting up a formal programme for increasing productivity and achieving efficiency savings, OIOS is not making a recommendation.

Reporting resource shortfalls to Member States could be made more formal

32. Formal arrangements should be in place for reporting the resource shortfalls to Member States on a regular basis, to increase their awareness of the implications on conference service delivery so that they can properly assess and, to the extent possible, meet the required funding needs.

33. Recommendation 1 in the DCM 2009 Year-end Report stated that “Communication with and feedback from the clients and Member States should be improved. MERS should initiate a strategy together with Language Services and Interpretation Services to proactively approach Member States regarding language specific meetings to ensure their involvement”. The primary focus of DCM is currently on evaluating the quality of the conference services provided to Member States through feedback. Although this is an important element in the relations between DCM and its stakeholders, and communication with Member States has taken place also on the funding problems, DCM would benefit from more systematic communication of its resource constraints and their direct implications to Member States. In this endeavor, DCM would also need the support and concurrence of DGACM.

34. **UNOG Division of Conference Management, in consultation with the Department for General Assembly and Conference Management, could consider reporting resource shortfalls to Member States in a formal and regular manner to increase their awareness of the implications of**

the funding deficiencies on conference service delivery. *DCM welcomed this recommendation in principle and stated that it already regularly addresses intergovernmental bodies, most notably the HRC, regional groups, and individual Member States and provides briefings on its resource shortfalls and constraints. DCM has also participated in videoconferences with the ACABQ and the Committee on Conferences to explain its situation. DCM participates in the Task Force of the President of the HRC. DCM also participates in workshops and briefings. DCM regularly provides input to DGACM for use in discussions with the New York-based bodies that take budgetary decisions. However, DCM considered that, in light of global integration of conference services, which assigns responsibility and authority for the budget of Section 2 to DGACM, it was not the right level to accept this recommendation.*

Consideration could be given to obtaining formal approval of the cost avoidance mechanisms utilized

35. As a temporary solution to respond to the increasing workload without corresponding growth of resources, DCM in 2008-2009 started to apply certain cost avoidance mechanisms. For example, at the request of the substantive secretariat of HRC, DCM stopped producing summary records for the meetings of HRC and its Advisory Committee to reallocate those resources to processing UPR documents. In order to facilitate this cessation, which was not in accordance with UN rules on documentation, one of the Member States donated funds for web casting. However, this substitution was never formally approved. In addition, the extra budgetary financing for web casting was recently terminated and no alternative solution has since been found. Further, DCM discontinued translation of written replies to lists of issues for certain Human Rights Treaty Bodies, based on whether processing had previously been costed and budgeted or not. This change triggered major complaints by Member States.

36. The exponential growth of HRC documentation also meant that documents were frequently not translated within the required timeframe, and late submitted documents, which were given lowest priority, were not translated before the dates of the session. This had contributed to the growth of the documentation backlog. *According to DCM calculations, based on its review of backlog data through 2006, the translation backlog was 8.8 million words for the period from 2006 to mid-2011, and the International Law Commission Yearbook backlog was 95 volumes, going back to 2002, totaling 27 million words.*

37. **UNOG Division of Conference Management, in consultation with the Department for General Assembly and Conference Management, could consider obtaining formal approval of Member States for the cost avoidance mechanisms utilized in responding to resource shortfalls.** *DCM welcomed this recommendation in principle, especially in the context of the discontinuation of summary records for the HRC and its Advisory Committee. DCM has reported this situation to the Council directly. As part of the Secretary-General's request to identify 3 per cent cuts, DCM provided a number of suggestions. Some of these were proposed in the latest budget fascicle, including alternates to summary records, discontinuing compilations and yearbooks, formalizing limits on treaty body documentation as proposed by the chairs of the human rights treaty bodies, and eliminating superseded documents in the processing backlog. These proposals were further elaborated in the Secretary-General's report on the Pattern of Conferences, A/66/118, as well as changing the document processing time frame, reducing the print run for documents, and formalization of the proximity rule to reduce travel costs. The Committee on Conferences did not support the majority of these cost avoidance mechanisms. The ACABQ supported the General Assembly's consideration of these mechanisms. DCM considered that, in light of global integration of conference services, which assigns responsibility and authority for the budget of Section 2 to DGACM, it was not the right level to accept this recommendation.*

STATUS OF RECOMMENDATIONS
Audit of conference services funding and costing arrangements at UNOG

Recom. no.	Recommendation	Risk category	Risk rating	C/O ¹	Actions needed to close recommendation	Implementation date ²
1	UNOG Division of Conference Management should conduct a structured assessment of the conference servicing needs of its clients to justify the requested resources in terms of the requirements of output delivery.	Operational	Critical	O	Receipt of documentation on the procedures implemented for the structured needs assessment in close consultation with the clients.	31 December 2012
2	UNOG Division of Conference Management, in consultation with the Department for General Assembly and Conference Management, should systematically review the gap between budgetary allocations and the estimated resource requirements in order to assess the implications of funding shortfalls.	Financial	Critical	O	Receipt of documentation on the procedures implemented for the systematic review of funding gaps.	31 December 2012

¹ C=closed; O=open

² Target dates were not provided by UNCTAD. Therefore dates in *italics* were estimated by OIOS.

OPPORTUNITIES FOR IMPROVEMENT
Audit of conference services funding and costing arrangements at UNOG

Para No.	Opportunity for improvement	Client Comments
18	UNOG Division of Conference Management could consider developing standard operating procedures for the preparation and review of programme budget implications related to servicing Human Rights Council and its machinery, including the clarification of the respective roles and responsibilities of the different players involved.	<i>DCM noted that preparation of oral statements for recent sessions of the HRC has gone much more smoothly, reflecting the proactive approach of OHCHR administration, which has the lead on this matter. DCM concurred that formal SOPs would be a basis for further improvements in the process and notes that these SOPs should apply to all its clients, not only OHCHR. DCM also noted that costing methodology in use in UNOG FRMS was established between OPPBA and DGACM, so it is not possible for DCM to change it unilaterally.</i>
27	UNOG Division of Conference Management could consider creating a working group comprising DCM and its clients to facilitate establishing the link between the workload requirements of each client and the proportion of its resources allocated to any particular client.	<i>DCM noted that it consults with clients regularly to establish the workload forecast, prioritize documentation, and discuss process improvements. In October, DCM notified its clients of the coming documentation challenges and solicited client input to ensure that highest priority documentation is processed as effectively as possible. DCM also is an active participant in the Task Force under the leadership of the President of the HRC. Establishing a multi-lateral working group could help clients better understand the demands the Division faces and might develop into a forum to exchange best practices in documentation management</i>
34	UNOG Division of Conference Management, in consultation with the Department for General Assembly and Conference Management, could consider reporting resource shortfalls to Member States in a formal and regular manner to increase their awareness of the implications of the funding deficiencies on conference service delivery.	<i>DCM welcomed this recommendation in principle and stated that it already regularly addresses intergovernmental bodies, most notably the HRC, regional groups, and individual Member States and provides briefings on its resource shortfalls and constraints. DCM has also participated in videoconferences with the ACABQ and the Committee on Conferences to explain its situation. DCM participates in the Task Force of the President of the HRC. DCM also participates in workshops and briefings. DCM regularly provides input to DGACM for use in discussions with the New York-based bodies that take budgetary decisions. However, DCM considered that, in light of global integration of conference services, which assigns responsibility and authority for the budget of Section 2 to DGACM, it was not the right level to accept this recommendation.</i>
37	UNOG Division of Conference Management, in consultation with the Department for General Assembly and Conference Management, could consider obtaining formal approval of Member States for the cost avoidance mechanisms utilized in responding to resource shortfalls.	<i>DCM welcomed this recommendation in principle, especially in the context of the discontinuation of summary records for the HRC and its Advisory Committee. DCM has reported this situation to the Council directly. As part of the Secretary-General's request to identify 3 per cent cuts, DCM provided a number of suggestions. Some of these were proposed in the latest budget fascicle, including</i>

AUDIT RESULTS

Para No.	Opportunity for improvement	Client Comments
		<p><i>alternates to summary records, discontinuing compilations and yearbooks, formalizing limits on treaty body documentation as proposed by the chairs of the human rights treaty bodies, and eliminating superseded documents in the processing backlog. These proposals were further elaborated in the Secretary-General's report on the Pattern of Conferences, A/66/118, as well as changing the document processing time frame, reducing the print run for documents, and formalization of the proximity rule to reduce travel costs. The Committee on Conferences did not support the majority of these cost avoidance mechanisms. The ACABQ supported the General Assembly's consideration of these mechanisms. DCM considered that, in light of global integration of conference services, which assigns responsibility and authority for the budget of Section 2 to DGACM, it was not the right level to accept this recommendation.</i></p>