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INTEROFFICE MEMORANDUM

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

TO: Mr. Supachai Panitchpakdi, Secretary-General
A: United Nations Conference on Trade and Development
(UNCTAD)

DATE: 8 February 2012

REFERENCE: IAD: 12- 00148

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



SUBJECT: **Assignment No. AE2011/345/01 – Audit of UNCTAD arrangements to support quadrennial conferences, meetings and intergovernmental processes**
OBJET: **conferences, meetings and intergovernmental processes**

Overall results relating to arrangements to support to quadrennial conferences, meetings and intergovernmental processes were satisfactory

1. Attached please find the final report on the above-mentioned audit.

cc: Mr. Petko Draganov, Deputy Secretary-General, UNCTAD
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INTERNAL AUDIT DIVISION

AUDIT REPORT

Audit of UNCTAD arrangements to support quadrennial conferences, meetings and intergovernmental processes

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AUDIT REPORT

Audit of UNCTAD arrangements to support quadrennial conferences, meetings and intergovernmental processes

BACKGROUND

1. The work of the United Nations Conference on Trade and Development (UNCTAD) is focused around its three pillars: research and analysis; consensus-building; and technical cooperation. The consensus-building activities in UNCTAD include organizing and facilitating conferences, intergovernmental meetings, and liaison among groups of Member States, document processing, and regular servicing of the intergovernmental bodies in UNCTAD. The quadrennial conferences are the top-level decision making forum. The XII conference held in Accra, Ghana resulted in the adoption of the Accra Accord on 25 April 2008 and the XIII conference is scheduled to be held in Doha, Qatar in April 2012, as decided by the General Assembly in its resolution 63/204.

2. The Accra Accord confirmed the fundamental importance of the consensus-building pillar of UNCTAD. In supporting the consensus-building pillar, the Intergovernmental Support Services (ISS), under the Division of Management and reporting directly to the Deputy Secretary-General of UNCTAD, facilitates and organizes the quadrennial conferences and other mandated meetings of the Trade and Development Board (TDB); Trade and Development Commission; Investment, Enterprise and Development Commission; Working Party; and Expert Groups. In performing these duties, the ISS needs to regularly coordinate its activities with the President of TDB, the Office of the Secretary-General of UNCTAD, substantive divisions of UNCTAD and the Division of Conference Management (DCM) of the United Nations Office at Geneva (UNOG).

3. Total regular budget for UNCTAD programme support services for the biennium 2010-2011 was \$29.38 million, which included three entities under the Division of Management: the ISS; the Resources Management Service; and the Technical Cooperation Service. UNCTAD received \$1.39 million cash contribution from the Government of Ghana as per the Host Country Agreement for organizing the XII conference. Cash contribution from the Government of Qatar for organizing the XIII conference was estimated at \$2.98 million.

4. The ISS is headed by a D-1 and supported by 22 staff members. It is composed of: (a) TDB Secretariat, including Conference Servicing and Logistics Section, which facilitates all UNCTAD intergovernmental meetings in coordination with UNOG DCM; (b) Group Liaison Unit, which serves as the interface between the regional groups, TDB and the UNCTAD Secretariat; and (c) Documents Management Section, which facilitates document processing and submission to UNOG DCM for translation, printing and issuance.

OBJECTIVE AND SCOPE

5. In accordance with its mandate, OIOS provides assurance and advice on the adequacy and effectiveness of the United Nations internal control system, the primary objectives of which are to ensure (a) efficient and effective operations; (b) accurate financial and operational reporting; (c) safeguarding of assets; and (d) compliance with mandates, regulations, and rules.

6. The audit of UNCTAD arrangements to support quadrennial conferences, meetings and intergovernmental processes was conducted to assess the adequacy and effectiveness of UNCTAD governance, risk management and control processes in providing reasonable assurance regarding the arrangements to support quadrennial conferences, meetings and intergovernmental processes.

7. The audit was included in the 2011 internal audit work plan for UNCTAD, as the consensus-building activities were identified as high risk, given the importance attached to the consensus-building pillar in the Accra Accord and the forthcoming XIII conference to be organized in Doha in April 2012. OIOS had not previously audited this area.

8. The key controls tested for the audit were: (a) needs assessment; and (b) regulatory framework. For the purpose of this audit, OIOS defined these key controls as follows:

(a) **Needs assessment** – controls that are designed to provide reasonable assurance that the processes, including meeting calendar and document management; assessment of required resources; logistics arrangements; and lessons learned and feedback mechanisms, to organize and service the quadrennial conferences and meetings to support the intergovernmental processes are adequate and effective.

(b) **Regulatory framework** – controls that are designed to provide reasonable assurance that the regulatory arrangements are in place and working as intended, including ensuring that efficiency and effectiveness is optimized through establishment of a clear mandate; delegated authority; an adequate organizational structure; work planning and performance monitoring, and that the administrative and financial arrangements are compliant with UN rules and regulations.

9. The key controls were assessed for the control objectives shown in Table 1. Certain control objectives (shown in Table 1 as “Not applicable”) were not relevant to the scope defined for this audit.

10. OIOS conducted the audit from February to July 2011. The audit covered the period from 1 January 2010 to 31 May 2011.

11. OIOS conducted an activity-level risk assessment to identify and assess specific risk exposures, and to confirm the relevance of the selected key controls in mitigating associated risks. Through interviews, analytical reviews and tests of controls, OIOS assessed the existence and adequacy of internal controls and conducted necessary tests to assess their effectiveness.

AUDIT RESULTS

12. In OIOS opinion, UNCTAD governance, risk management and control processes examined were **satisfactory** in providing reasonable assurance regarding the arrangements to support quadrennial conferences, meetings and intergovernmental processes.

13. The overall rating is based on the assessment of key controls presented in Table 1 below. UNCTAD had put in place adequate arrangements to support quadrennial conferences, meetings and intergovernmental processes. Feedback mechanisms and group liaison activities undertaken by ISS contributed to the effectiveness of the consensus-building pillar. Adequate arrangements were in place for planning and scheduling of intergovernmental meetings. Parliamentary documents were largely submitted on time to UNOG for translation and issuance. Preparations for the UNCTAD XIII Conference in Doha were progressing well. The regulatory framework was adequate to enable ISS to undertake its mandate, and ISS generally carried out its activities in compliance with policies and established procedures within the delegated authority.

14. Informal mechanisms to receive feedback from the stakeholders regarding the arrangements to support quadrennial conferences, meetings and intergovernmental processes through the Bureau meetings, the Consultations of the President of the Trade and Development Board (TDB), and the breakfast meetings. Further in the Report of the TDB on its fifty-seventh session several delegations expressed

their appreciation of UNCTAD's work in organizing meetings and improvements in the availability of documents.

Table 1: Assessment of key controls

| Business objective | Key controls | Control objectives | | | |
|--|--------------------------|------------------------------------|--|------------------------|---|
| | | Efficient and effective operations | Accurate financial and operational reporting | Safeguarding of assets | Compliance with mandates, regulations and rules |
| Support to quadrennial conferences, meetings and intergovernmental processes | (a) Needs assessment | Satisfactory | Satisfactory | Not applicable | Not applicable |
| | (b) Regulatory framework | Satisfactory | Not applicable | Not applicable | Satisfactory |

Needs assessment

15. There were adequate processes for receiving feedback on intergovernmental issues, facilitating group consensus, planning and scheduling meetings and submitting documentation to UNOG for organizing and servicing quadrennial conferences, meetings and sessions. The preparations for the UNCTAD XIII Conference in Doha were also progressing well and UNCTAD was in the process of upgrading its web platform, which will include a new meeting calendar management tool.

Regulatory framework

16. UNCTAD ISS had the necessary delegated authority to undertake its mandate, and generally carried out its activities in compliance with established policies and procedures. UNCTAD Management had established an internal procedure to further improve document submission timelines by the substantive divisions to improve the effectiveness of the document processing cycle.

ACKNOWLEDGEMENT

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

18. The Management of UNCTAD had no substantive comments on this audit.



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