



UNITED NATIONS
ECONOMIC COMMISSION FOR EUROPE

The Executive Secretary

Under-Secretary-General

MEMORANDUM

CONFIDENTIAL

To: Mr. Gurpur Kumar
Deputy Director
Internal Audit Division, OIOS

Ref: ECE/PMU/2012/162/M
Date: 21 May 2012

From: Sven Alkalaj 

cc: Ms. Maria Eugenia Casar
Ms. Zamira Eshmambetova
Ms. Leslie Cleland
Ms. Amy Wong

Subject: AN2011/720/01 Comprehensive Audit of UNECE

I thank you for the further opportunity for ECE to comment on the draft report of the Comprehensive Audit of UNECE by OIOS.

Per your request, I am providing you with:

1. ECE comments on the OIOS draft report; and
2. ECE Action Plan on OIOS recommendations.

While many of ECE's comments are already reflected in the revised draft of the report, there remain some minor inconsistencies and inaccuracies which I would like to bring to your attention.

I understand that ECE's comments on this draft report will be included as an appendix to the final report as per the General Assembly resolution 64/263.

I look forward to the successful closure of the audit.

Regards.

**Comments
of the Economic Commission for Europe**

on the final draft of the audit report 12-00118 AN2011/720/01 by OIOS

General: Please ensure consistency in using either ECE or UNECE throughout the document.

Para 4: Table 1 footnote wrongly refers A/66/6 (Sect. 19) as a source of information. Please replace with: "Source: A/64/6 (Sect. 19)".

Para 5: Please refer to document A/66/6 (sect. 20) in addition to A/64/6 (sect. 20) to cover two biennia.

Para 9 mentions that the audit covers two biennia. However, some findings refer only to one biennium. Please ensure consistency throughout the document.

Para 12: The last sentence of the paragraph is not quite accurate. Please replace it by the following:

"An alternate to the Executive Officer proposed by ECE for the Delegation of Authority was not cleared by the UN Controller, as required by the ST/SGB/2005/7".

Para 15 does not accurately reflect the situation. Please replace starting from sentence 4 by the following:

"The aims of the reforms were two-fold: (a) to sharpen the focus of ECE on the normative work (development of legal instruments, norms and standards), and (b) to better respond to the needs of countries with economies in transition, in particular those in Eastern Europe, the Caucasus and Central Asia. As a result of these reforms, the development, adoption/accession and implementation of international standards has been strengthened, particularly by countries with economies in transition which were provided tailored technical assistance and policy advice by ECE. Increased national capacity of ECE member States, in turn, has contributed to the enhancement of regional/subregional cooperation and integration."

Para 18: Please replace the sentence related to the review by the following, to reflect the latest developments:

"In 2011, the Commission started a review of the UNECE 2005 reform that will continue through 2012. The outcome of the review will be submitted for approval by the Commission in 2013."

Para 19 does not accurately reflect the situation. Please replace it by the following:

"In accordance with its evaluation policy, ECE conducts a) biennial performance assessments of its subprogrammes and b) self-evaluations of activities/cluster of activities of the subprogrammes. For the biennia 2008-09 and 2010-11, all ECE subprogrammes carried out biennial performance assessments and self-evaluations. During the same

AUDIT RECOMMENDATIONS

Comprehensive audit of the United Nations Economic Commission for Europe

Rec. no.	Recommendation	Critical ¹ / important ²	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
1	UNECE should review the Terms of Reference of the Grants Committee and ensure: (a) establishing tenure limits for its members; (b) designating alternate members; and (c) avoiding potential for any conflict of interest affecting grants related to any member's substantive division, including the chairperson.	Important	Yes	Leslie Cleland, Executive Officer	31 December 2012	Terms of Reference of the Grants Committee are currently being reviewed internally and the final version will be sent to the Controller's Office for approval. The composition of the Grants Committee has been reviewed. A new Chair and members and their alternates were appointed for a one-year period in January 2012.
2	The UNECE Executive Officer should ensure that the name of the alternate has been cleared by the Office of the Controller to perform significant financial management functions as required by the ST/SGB/2005/7.	Important	Yes	Leslie Cleland, Executive Officer	30 June 2012	A memorandum proposing a newly appointed Administrative Officer as an alternate to the Executive Officer for the Delegated Authority was sent to the Controller on 27 March 2012.
3	UNECE should update ST/SGB/2008/9 to incorporate the new changes in the organizational structure.	Important	Yes	Parisudhi Kalampas ut, Chef de Cabinet	31 December 2012	The revised ST/SGB/2008/9 will be submitted to the Department of Management for approval, per established UN procedure, upon the completion of the review of the ECE 2005 reform.

¹Critical recommendations address significant and/or pervasive deficiency or weakness in governance, risk management or internal control processes, such that reasonable assurance cannot be provided regarding the achievement of control and/or business objectives under review.

²Important recommendations address important deficiencies or weaknesses in governance, risk management or internal control processes, such that reasonable assurance may be at risk regarding the achievement of control and/or business objectives under review.