

Terms of reference for the audit of selected subprogrammes and related technical cooperation projects in the United Nations Economic Commission for Europe

Introduction

Internal Audit Division (IAD) is conducting an audit of selected subprogrammes and related technical cooperation projects in the United Nations Economic Commission for Europe (UNECE) as per the notification letter issued on 25 September 2015. This document provides the approach to be adopted by IAD in undertaking this audit assignment and serves to establish its objectives, scope, evaluation criteria, timing, staffing and respective responsibilities.

Objective

The objective of the audit is to determine whether the governance, risk management, and control processes over the UNECE management of subprogrammes provide reasonable assurance regarding:

- Achievement of UNECE strategic objectives;
- Reliability and integrity of financial and operational information;
- Effectiveness and efficiency of operations and programmes;
- Safeguarding of assets; and
- Compliance with mandates, regulations, policies, procedures and contracts.

Scope

The audit will take place from November 2015 to May 2016 and will be carried out in Geneva and New York. The audit will cover the period from January 2014 until October 2015.

The scope of the audit will cover the review of UNECE governance mechanisms, programme management systems and processes, and monitoring, evaluation and reporting procedures in relation to two subprogrammes, namely: Environment and Transport; and the related technical cooperation projects.

Results of the audit fieldwork may lead to changes in the scope of the audit and any such changes will be discussed with UNECE management.

Approach

Within the defined scope, the audit will focus on the major risks that threaten the achievement of UNECE objectives and will assess key controls in mitigating associated risks. IAD will assess existence, adequacy and effectiveness of internal controls through interviews, analytical reviews and tests.

A high-level summary of audit criteria against which IAD will evaluate the selected audit areas is listed in Annex I. Please let us know if you have any questions or comments regarding these criteria.

Communicating audit results

An exit conference will be held with UNECE management to discuss the preliminary audit results at the end of the audit fieldwork. The formal detailed audit results will also be provided to UNECE management for written comments to ensure factual accuracy of the results and feasibility of the related recommendations. Such comments will be incorporated into the draft audit report addressed to UNECE senior management for further comments and action plans to implement the accepted recommendations.

The final audit report will be submitted to UNECE senior management, including its comments on the draft report.

Planned exit conference and reporting dates

The planned exit conference and reporting dates are as follows:

Milestone	Planned date
Exit conference	24 November 2015
Detailed audit results	29 January 2016
Draft report	31 March 2016
Final report	16 May 2016

Staffing

The Auditor-in-Charge for this audit will be Malick Diop, assisted by Federico Morales and supervised by Tilchand Acharya, Section Chief. The Chief of the New York Audit Service will be responsible for overall management of the engagement.

Audit of selected subprogrammes and related technical cooperation projects in the United Nations Economic Commission for Europe
Audit approach and sources of audit criteria

No.	Audit area	Sources of audit criteria
1	Subprogramme management related to: (i) Environment; and (ii) Transport	<p>Organizational policies and requirements</p> <ul style="list-style-type: none"> ▪ Legislative mandates and resolutions of the Economic and Social Council and the Committee for Programme and Coordination ▪ UNECE Executive Committee directives ▪ Committee on Environmental Policy, and Inland Transport ▪ Outcome of the review of the 2005 reform of ECE (as adopted by the UNECE at its 65th session on 11 April 2013) ▪ United Nations Financial Regulations and Rules (ST/SGB/2013/40) ▪ United Nations Staff Regulations and Rules (ST/SGB/2014/2) ▪ ECE standard operating procedures and other guidelines, policies, procedures in line with United Nations regulations and rules ▪ General Assembly resolutions on the accountability framework and United Nations Internal control framework (A/RES/64/259) ▪ UNECE Terms of Reference and Rules and Procedures (E/ECE/778/Rev.5) ▪ UNECE Proposed strategic framework for the period 2014-2015 - A/67/6 (Prog. 17) ▪ UNECE Proposed programme budget for the biennium 2014-2015 - A/68/6 (Sect.20) ▪ Environment conventions and protocols ▪ Transport Agreements and Conventions <p>Executive direction and management</p> <ul style="list-style-type: none"> ▪ UNECE Executive Secretary’s Compact (signed with the Secretary-General) ▪ UNECE Executive Committee directives ▪ Executive Secretary directives ▪ UNECE organigram & organizational structure ▪ UNECE Accountability Framework, 2012 <p>Strategic planning & risk management</p> <ul style="list-style-type: none"> ▪ Regulations and Rules Governing Programme Planning, the Programme Aspects of the Budget, the Monitoring of Implementation and the Methods of Evaluation (ST/SGB/2000/8) ▪ General Assembly resolution 63/276, “Accountability framework, enterprise risk management and internal control

No.	Audit area	Sources of audit criteria
		<p>framework, and results-based management framework”</p> <ul style="list-style-type: none"> ▪ Policy Framework for Enterprise Risk Management and Internal Control ▪ UNECE Risk Treatment Plan – 2014-2015 <p>Resource planning & allocation</p> <ul style="list-style-type: none"> ▪ United Nations programme budget Section 21 <p>Work planning & implementation</p> <ul style="list-style-type: none"> ▪ UNECE Proposed strategic framework for the period 2014-2015 - A/67/6 (Prog. 17) ▪ UNECE Proposed programme budget for the biennium 2014-2015 - A/68/6 (Sect.20) ▪ Annual work plans ▪ Progress and annual reporting mechanisms ▪ Evaluation policy, mechanisms, and tools ▪ Programme standard operating procedures and guidelines ▪ Information Technology systems, software, and automated tools <p>Communication & Coordination</p> <ul style="list-style-type: none"> ▪ Regional Coordination Mechanism and other Secretariat interdepartmental and interagency coordination mechanisms (external) ▪ Interdivisional and other internal coordination mechanisms ▪ Outreach strategy and mechanisms <p>Monitoring, evaluation, and reporting</p> <ul style="list-style-type: none"> ▪ United Nations Monitoring & Evaluation guidelines on monitoring, evaluation, and reporting ▪ Integrated Monitoring & Documentation Information System (IMDIS) reporting system ▪ Internal monitoring and evaluation systems and tools ▪ Reporting mechanisms and requirements ▪ Performance reporting processes (ST/SGB/2000/8)
2	Management of the technical cooperation projects	<p>Organizational policies and requirements</p> <ul style="list-style-type: none"> ▪ UNECE Proposed strategic framework for the period 2014-2015 - A/67/6 (Prog. 17) ▪ UNECE Proposed programme budget for the biennium 2014-2015 - A/68/6 (Sect.20) ▪ Secretary-General’s Bulletin on Establishment and Management of Trust Funds (ST/SGB/188) ▪ General Trust Funds (ST/AI/284) ▪ Administrative Instruction on Technical Cooperation Trust Funds (ST/AI/285)

No.	Audit area	Sources of audit criteria
		<ul style="list-style-type: none"> ▪ Administrative Instruction on Programme Support Accounts (ST/AI/286) ▪ Administrative Instruction on Consultants and Individual Contractors (ST/AI/2013/4) ▪ United Nations Financial regulations and rules relating to voluntary contributions, trust funds, commitments and expenses, delegation of authority, and financial management and reporting (ST/SGB/2013/4) ▪ UNECE Guidelines for the establishment of extra-budgetary projects ▪ UNECE Technical cooperation strategy, E/ECE/1447/add.2 ▪ Memorandum of understanding between UNECE and donors and implementing partners ▪ Project documents ▪ Guidelines for Joint Development Account projects ▪ Guide for the Biennial Evaluations of Subprogrammes by UNECE Sectoral Committees ▪ Delegation of Authority under the Financial Regulations and Rules of the United Nations (ST/AI/2004/1) <p>Strategic planning and resource mobilization</p> <ul style="list-style-type: none"> ▪ Resource mobilization strategy (for extrabudgetary and in-kind contributions) ▪ Donor pledges and agreements, and donor financial reporting processes (ST/AI/285) (for technical cooperation projects) ▪ Memoranda of Understanding with implementing/development partners <p>Project prioritization, appraisal, and approval</p> <ul style="list-style-type: none"> ▪ Guidelines for project proposal, appraisal and approval ▪ Guidelines for selection of project implementing partners <p>Allocation and disbursement</p> <ul style="list-style-type: none"> ▪ Project fund allocation and disbursement procedures. <p>Monitoring, evaluation, and reporting</p> <ul style="list-style-type: none"> ▪ UNECE Project Monitoring Tool ▪ UNECE Evaluation Policy 2014