



INTERNAL AUDIT DIVISION

REPORT 2019/070

Audit of the Conference Affairs Services programme at the United Nations Framework Convention on Climate Change

**Controls over monitoring and effectiveness
in the implementation of the programme
need to be strengthened**

**13 August 2019
Assignment No. AA2019/241/01**

Audit of the Conference Affairs Services programme at the United Nations Framework Convention on Climate Change

EXECUTIVE SUMMARY

The Office of Internal Oversight Services (OIOS) conducted an audit of the Conference Affairs Services (CAS) programme at the United Nations Framework Convention on Climate Change (UNFCCC). The objective of the audit was to assess the adequacy and effectiveness of governance, risk management and control processes over the activities of the CAS programme at UNFCCC. The audit covered the period from 1 January 2017 to 31 December 2018 and included a review of strategic management and programme and project management.

The CAS programme was implementing its activities in accordance with the programme budget and performance requirements. However, there was a need to strengthen controls over monitoring and effectiveness in the implementation of the programme.

OIOS made six important recommendations. To address the issues identified in the audit, the UNFCCC secretariat needed to:

- Strengthen the planning of its conference services to maximize the utilization of conference facilities;
- Strengthen programme planning and monitoring by developing unit level work plans with defined programme objectives and performance indicators and establishing a system that facilitates verification of the CAS programme's performance reported in the secretariat's budget performance report;
- Finalize due diligence criteria for selecting observer organizations and disable the user access privileges of staff who are no longer with UNFCCC;
- Ensure that client surveys are conducted on a regular basis and appropriate action plans are prepared to improve the quality of services based on survey results;
- Ensure that the programme staff complete the required training, including mandatory courses; and
- Ensure that the status of the grants is reviewed periodically to ensure their timely financial closure.

The UNFCCC secretariat accepted the recommendations and has initiated action to implement them.

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Audit of the Conference Affairs Services programme at the United Nations Framework Convention on Climate Change

I. BACKGROUND

1. The Office of Internal Oversight Services (OIOS) conducted an audit of the Conference Affairs Services (CAS) programme at the United Nations Framework Convention on Climate Change (UNFCCC).
2. UNFCCC was established as an overall framework for intergovernmental process to combat climate change. The Convention was ratified by 197 Parties and came into force on 24 March 1994. The Conference of the Parties (COP) is the Convention's supreme legislative body which is supported by the UNFCCC secretariat (hereinafter referred to as 'the secretariat').
3. The Convention was complemented by the Kyoto Protocol which was adopted in December 1997 and has 197 Parties. Furthermore, in December 2015, the Parties reached the Paris Agreement (the Agreement) to combat climate change. The UNFCCC secretariat is required to facilitate the flow of authoritative information on the implementation of the Convention, the Protocol, and the Agreement.
4. The basic mandate of the CAS programme is contained in Article 8 of the Convention, Article 14 of the Protocol and Article 17 of the Agreement. The programme is responsible for servicing sessions of the governing bodies and subsidiary bodies established under the Convention, the Protocol, and the Agreement. The programme provides conference services, including meetings management, official documentation, and liaison with Parties, observer organizations and other stakeholders.
5. The COP attracts between 20,000 and 30,000 participants from all over the world including Heads of States, Governments, Ministers as well as the Secretary-General of the United Nations and the President of the United Nations General Assembly. Organizing these conferences requires extensive planning, communication and cooperation. The CAS programme coordinates, cooperates, and maintains effective working relationships with host countries, the Department for Safety and Security, the Department of General Assembly and Conference Management and other departments of the United Nations Secretariat.
6. As of 31 December 2018, the CAS programme had 20 fixed-term and four temporary staff, and was headed by a Director, overseen by the Deputy Executive Secretary of the UNFCCC secretariat. The programme had five units namely: (i) management and coordination unit; (ii) external relations unit; (iii) observer organizations liaison unit; (iv) meetings management unit; and (v) documents unit. At the time of the audit, UNFCCC had embarked on a secretariat-wide structure review to meet the increasing demands of the Convention.
7. During 2017-18, the total expenditure incurred on the CAS programme was \$37.9 million. This was funded by the core budget (\$3 million), the Bonn Fund (\$3.4 million), the Trust Fund for Supplementary Activities (\$9 million), the Trust Fund for Participation in the UNFCCC process (\$8.1 million), and the Trust Fund for the Special Account (\$14.4 million).
8. Comments provided by the UNFCCC secretariat are incorporated in italics.

II. AUDIT OBJECTIVE, SCOPE AND METHODOLOGY

9. The objective of the audit was to assess the adequacy and effectiveness of governance, risk management and control processes over the activities of the CAS programme at UNFCCC.

10. This audit was included in the 2019 risk-based internal audit work plan due to the risk that potential weaknesses in the management of the CAS programme could adversely affect the implementation of UNFCCC's mandate.

11. OIOS conducted this audit from March to April 2019 in Bonn, Germany. The audit covered the period from 1 January 2017 to 31 December 2018. Based on an activity-level risk assessment, the audit covered higher and medium risk areas in the management of the CAS programme, which included: strategic management; and programme and project management.

12. The audit methodology included: (a) interviews with key personnel; (b) review of relevant documentation; (c) analytical review of data; and (d) tests of transactions using stratified samples.

13. The audit was conducted in accordance with the International Standards for the Professional Practice of Internal Auditing.

III. AUDIT RESULTS

A. Strategic management

Need to maximize the utilization of conference facilities

14. The CAS programme provided conference services at three major UNFCCC events during the period under review: COP23 held in Bonn, Germany in October/November 2017; COP24 held in Katowice, Poland in November/December 2018; and the Bangkok Climate Change Conference (SB48.2) held in Bangkok, Thailand in August/September 2018. The UNFCCC secretariat hosted the COP23 event with support from the Government of Germany.

15. OIOS' review of the CAS programme in relation to these three major events showed that there was underutilization of conference facilities. As against the benchmark of 80 per cent¹ for utilization of conference servicing resources, the utilization of conference rooms ranged between 51 and 66 per cent during the two COP events and between 50 and 75 per cent during the three events organized for the subsidiary bodies. The underutilization was because the CAS programme estimated the conference facilities requirements based on best-case scenarios, before finalization of the events' schedules. Low utilization results in uneconomical and inefficient use of resources since some of the conference facilities were already paid for.

(1) The UNFCCC secretariat should strengthen the planning of its conference services to maximize the utilization of conference facilities.

The UNFCCC secretariat accepted recommendation 1 and stated that as of January 2019, the CAS programme had been strengthening coordination efforts with internal clients, and as a result, it was able to communicate more specific requirements to external providers. This initiative, and detailed analysis of previous conference facilities use, had led to revised and streamlined technical requirements for COP25 event, which would allow UNFCCC to optimize the utilization of conference facilities. Recommendation 1 remains open pending receipt of evidence of measures taken to strengthen planning of the secretariat's conference services to maximize their utilization.

¹ Para.7 of the General Assembly's resolution 50/206 of 23 January 1996.

B. Programme and project management

Need to strengthen programme planning and monitoring

16. The UNFCCC budget support guide for 2018-19 requires programmes to ensure a fully results-oriented planning process articulating expected accomplishments and good performance indicators consistent with UNFCCC's secretariat-wide long-term strategy. In addition, the Budget Unit required the programmes to have systems to facilitate verification of contents in annual budget performance reports.

17. The CAS programme had developed activity-based unit level work plans. However, the work plans did not specify programme objectives, staff and management responsibilities for their implementation, expected accomplishments, measurable performance indicators, and monitoring mechanisms. Furthermore, there were no systems in place that supported verification of the programme performance reported in the secretariat's annual budget performance reports as of June 2018.

18. In the absence of an effective performance management system, the CAS programme's contribution to the achievement of UNFCCC's goals and objectives may not be objectively measured and reported to ensure accountability.

(2) The UNFCCC Director of Conference Affairs Services (CAS) programme should strengthen programme planning and monitoring by: (i) developing unit level work plans with defined programme objectives and performance indicators; and (ii) establishing a system that facilitates verification of the CAS programme's performance reported in the secretariat's budget performance report.

The UNFCCC secretariat accepted recommendation 2 and stated that the CAS programme will undertake steps to address these matters in the 2020 programme and unit planning. Recommendation 2 remains open pending receipt of evidence of: unit level plans with defined programme objectives and performance indicators; and establishment of a system that assists in tracking the CAS programme performance reported in the secretariat's annual budget performance reports.

Need to strengthen procedures for selecting observer organizations and restricting access to online tools

19. COP decision 1/CP.21 broadly encourages non-Party stakeholders to engage in various aspects of implementation of the Paris Agreement. The UNFCCC secretariat is required to support this process by establishing appropriate procedures and tools to maintain channels of communication and relationship with Parties, observer States and the United Nations family to facilitate their participation in meetings of the Convention. The programme had developed: (i) information technology-based tools for an Online Registration System (ORS); (ii) Online Admission System (OAS) for registering the observer organizations; and (iii) the Side Events and Exhibits Online Registration System, including standard operating procedures for this purpose. At the time of the audit, the ORS had 200,000 records while OAS had about 2,500 records. The secretariat's Information and Communications Technology programme developed and supported these tools.

20. OIOS' review of the procedures followed within and outside these tools indicated the following:

(a) There was inadequate due diligence for reviewing the selection of observer organizations. This made it difficult to finalize the selection of observer organizations, which often required legal advice and took on average about 12 months to accord provisional admission.

(b) There were inadequate procedures to restrict access to the information technology-based tools used. For example, two former staff had administrator access to ORS while six former staff still had access to OAS, including two with administrator rights. This exposed the UNFCCC secretariat to the risk of unauthorized access and potential loss of data.

(3) The UNFCCC Director of Conference Affairs Services programme should: (i) finalize due diligence criteria for selecting observer organizations; and (ii) disable the user access privileges of staff who are no longer with UNFCCC.

The UNFCCC secretariat accepted recommendation 3 and stated that the revisions to the process of selecting observer organizations would however only be implemented after the UNFCCC secretariat's restructuring is completed. All user access privileges of staff who were no longer with UNFCCC were disabled. Recommendation 3 remains open pending receipt of evidence that: (a) due diligence criteria have been finalized for selecting observer organizations; and (b) the user access to ORS and OAS has been disabled for staff who are no longer with UNFCCC.

Feedback mechanisms on the provision of conference services require improvement

21. UNFCCC's guidelines require the budget performance reports to include appropriate performance indicators. For conference services, the performance indicator is the percentage of stakeholders expressing satisfaction with the quality of services provided at sessions. To this effect, the CAS programme uses surveys to measure the level of satisfaction of its internal and external clients.

22. The CAS programme did not conduct surveys consistently in 2017 and 2018. The last client satisfaction surveys were conducted in May 2016 and January 2017 for external and internal clients, respectively. Consequently, the programme could not report on the quality of services provided in UNFCCC's budget performance report as at June 2018. Out of the four objectives, the programme could not report on 50 per cent of the expected results for two objectives and 100 per cent on another objective, pending survey results. UNFCCC explained that a feedback survey was planned for June 2019. OIOS is of the view that timely surveys provide valid and useful feedback unlike surveys conducted several months after the event. The programme needs to share survey results with clients for transparency and accountability.

23. The CAS programme also needed to systematically obtain client satisfaction survey results from external parties whenever such surveys are conducted. For example, the United Nations Office in Geneva obtained feedback from external clients on the quality of services provided by the secretariat during COP23 event. However, the CAS programme did not obtain these results for review and lessons to be learned, if any, for programme planning purposes. Satisfied clients are important to ensure the continued relevance and viability of the programme to its stakeholders.

(4) The UNFCCC Director of Conference Affairs Services programme should ensure that client surveys are conducted on a regular basis and appropriate action plans are prepared to improve the quality of services based on survey results.

The UNFCCC secretariat accepted recommendation 4 and stated that it acknowledges the importance of gathering proper feedback from clients. However, due to severe and chronic understaffing of the programme it was not in a position to continue to conduct client surveys in 2017 and 2018. With temporary support for the second half of 2019 and beyond with a new enhanced Management and Coordination Unit, the CAS programme will be able to reinitiate the

client surveys from COP25 event onwards. Recommendation 4 remains open pending receipt of evidence of client satisfaction surveys conducted for COP25 and that the results are used for programme planning purposes.

Learning and development needs to be strengthened

24. According to the general principles of the United Nations learning and development policy (ST/SGB/2009/9), maintaining the professional and managerial competence of staff is an important priority as it represents a critical investment in the future of the Organization. Learning and development is a responsibility shared by the Organization, its managers and each individual staff member. Additionally, staff members are required to complete mandatory training programmes.

25. There was no evidence that staff of the CAS programme completed training on project management skills which is important for effective management of conference services. Furthermore, the UNFCCC secretariat required its staff to ensure a minimum completion rate of 80 per cent for the mandatory training programmes by 30 September 2018. However, at the time of the audit, only 35 per cent of the CAS programme staff had met this requirement. Inadequate training may result in inefficient and ineffective implementation of CAS' programme of work.

(5) The UNFCCC Director of Conference Affairs Services programme should ensure that the programme staff complete the required training, including mandatory courses.

The UNFCCC secretariat accepted recommendation 5 and stated that since receipt of the draft OIOS report, the CAS Director had enforced the procedures to ensure that staff complete the required mandatory training. To date, all mandatory due courses have been completed. Furthermore, the programme has initiated discussions with the secretariat's Training Unit to request their assistance in setting up face to face relevant training for staff including project management training in 2020. Recommendation 5 remains open pending receipt of evidence that staff have completed the required project management and other mandatory training programmes.

Need to ensure timely financial closure of grants

26. The CAS programme, in coordination with UNFCCC's Financial Resources Management Unit, is required to regularly review the grants operated by it in Umoja to assess their completion status. Umoja job aids are available to guide the staff in closing the grants whose activities are completed. OIOS' review of grants operated by the CAS programme indicated that the financial closure of 11 grants totalling \$3.4 million had not been completed in Umoja despite their operational closure. As of December 2018, four out of 11 grants were inactive since June 2016; one grant was inactive since December 2017; and the remaining six grants became inactive between April and December 2018. Delay in financial closure of these grants increases the risk that UNFCCC may fail to detect anomalies and any non-compliance with grant reporting requirements.

(6) The UNFCCC Director of Conference Affairs Services programme should ensure that the status of the grants is reviewed periodically to ensure their timely financial closure.

The UNFCCC secretariat accepted recommendation 6 and stated that the CAS programme undertakes to address this matter in coordination with the secretariat's Financial Resources Management Unit and the Resource Mobilization and Partnerships team. Recommendation 6 remains open pending receipt of evidence that grants are being reviewed periodically to ensure their timely financial closure.

IV. ACKNOWLEDGEMENT

27. OIOS wishes to express its appreciation to the management and staff of UNFCCC for the assistance and cooperation extended to the auditors during this assignment.

(Signed) Eleanor T. Burns
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Office of Internal Oversight Services

STATUS OF AUDIT RECOMMENDATIONS

Audit of the Conference Affairs Services programme at the United Nations Framework Convention on Climate Change

Rec. no.	Recommendation	Critical ² / Important ³	C/ O ⁴	Actions needed to close recommendation	Implementation date ⁵
1	The UNFCCC secretariat should strengthen the planning of its conference services to maximize the utilization of conference facilities.	Important	O	Receipt of evidence of measures taken to strengthen planning of the secretariat's conference services to maximize their utilization	30 June 2020
2	The UNFCCC Director of Conference Affairs Services (CAS) programme should strengthen programme planning and monitoring by: (i) developing unit level work plans with defined programme objectives and performance indicators; and (ii) establishing a system that facilitates verification of the CAS programme's performance reported in the secretariat's budget performance report.	Important	O	Receipt of evidence of: unit level plans with defined programme objectives and performance indicators; and establishment of a system that assists in tracking the CAS programme performance reported in the secretariat's annual budget performance reports.	30 June 2020
3	The UNFCCC Director of Conference Affairs Services programme should: (i) finalize due diligence criteria for selecting observer organizations; and (ii) disable the user access privileges of staff who are no longer with UNFCCC.	Important	O	Receipt of evidence that: (a) due diligence criteria have been finalized for selecting observer organizations; and (b) the user access to ORS and OAS has been disabled for staff who are no longer with UNFCCC.	31 December 2021
4	The UNFCCC Director of Conference Affairs Services programme should ensure that client surveys are conducted on a regular basis and appropriate action plans are prepared to improve the quality of services based on survey results.	Important	O	Receipt of evidence of client satisfaction surveys conducted for COP25 and that the results are used for programme planning purposes.	30 June 2020
5	The UNFCCC Director of Conference Affairs Services programme should ensure that the programme staff complete the required training, including mandatory courses.	Important	O	Receipt of evidence that staff have completed the required project management and other mandatory training programmes.	30 June 2020

² Critical recommendations address critical and/or pervasive deficiencies in governance, risk management or control processes, such that reasonable assurance cannot be provided with regard to the achievement of control and/or business objectives under review.

³ Important recommendations address important (but not critical or pervasive) deficiencies in governance, risk management or control processes, such that reasonable assurance may be at risk regarding the achievement of control and/or business objectives under review.

⁴ C = closed, O = open

⁵ Date provided by UNFCCC in response to recommendations.

STATUS OF AUDIT RECOMMENDATIONS

Audit of the Conference Affairs Services programme at the United Nations Framework Convention on Climate Change

Rec. no.	Recommendation	Critical ² / Important ³	C/ O ⁴	Actions needed to close recommendation	Implementation date ⁵
6	The UNFCCC Director of Conference Affairs Services programme should ensure that the status of the grants is reviewed periodically to ensure their timely financial closure.	Important	O	Receipt of evidence that grants are reviewed periodically to ensure their timely financial closure.	30 June 2020

APPENDIX I

Management Response

Management Response

Audit of the Conference Affairs Services programme at the United Nations Framework Convention on Climate Change

Rec. no.	Recommendation	Critical ¹ / Important ²	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
1	The UNFCCC secretariat should strengthen the planning of its conference services to maximize the utilization of conference facilities.	Important	Yes	Director, Conference Affairs Services Programme	30 June 2020	CAS accepts the recommendation. As of January 2019, the programme has been strengthening coordination efforts with internal clients, and as a result, is able to communicate more specific requirements to external stakeholders. This initiative, and detailed analysis of previous conference facilities use, have led to revised and streamlined technical requirements for COP 25, which will allow us to optimize the utilization of conference facilities.
2	The UNFCCC Director of Conference Affairs Services (CAS) programme should	Important	Yes	Director, Conference Affairs	30 June 2020	CAS accepts the recommendation.

¹ Critical recommendations address critical and/or pervasive deficiencies in governance, risk management or control processes, such that reasonable assurance cannot be provided with regard to the achievement of control and/or business objectives under review.

² Important recommendations address important (but not critical or pervasive) deficiencies in governance, risk management or control processes, such that reasonable assurance may be at risk regarding the achievement of control and/or business objectives under review.

Management Response

Audit of the Conference Affairs Services programme at the United Nations Framework Convention on Climate Change

Rec. no.	Recommendation	Critical ¹ / Important ²	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
	strengthen programme planning and monitoring by: (i) developing unit level work plans with defined programme objectives and performance indicators; and (ii) establishing a system that facilitates verification of the CAS programme's performance reported in the secretariat's budget performance report.			Services Programme		The programme will undertake steps to address these matters in the 2020 programme and unit planning.
3	The UNFCCC Director of Conference Affairs Services programme should: (i) finalize due diligence criteria for selecting observer organizations; and (ii) disable the user access privileges of staff who are no longer with UNFCCC.	Important	Yes	Director, Conference Affairs Services Programme	31/12/2021	CAS accepts the recommendation. (i) Revisions to the process of selecting observer organizations would be implemented after the UNFCCC secretariat's restructuring is completed in 2020. (ii) To date, all user access privileges of staff who are no longer with

Management Response

Audit of the Conference Affairs Services programme at the United Nations Framework Convention on Climate Change

Rec. no.	Recommendation	Critical ¹ / Important ²	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
						UNFCCC have been disabled.
4	The UNFCCC Director of Conference Affairs Services programme should ensure that client surveys are conducted on a regular basis and appropriate action plans are prepared to improve the quality of services based on survey results.	Important	Yes	Director, Conference Affairs Services Programme	30 June 2020	<p>CAS accepts the recommendation.</p> <p>CAS acknowledges the importance of gathering proper feedback from clients. However, due to understaffing due to secretariat-wide financial constraints of the programme, we were not in a position to continue to conduct client surveys in 2017 and 2018. It should be noted that CAS had developed a client survey mechanism and conducted the surveys in 2015 and 2016.</p> <p>With temporary support for the 2nd half of 2019 and beyond with a new enhanced Management and Coordination Unit, CAS expects be able to reinstate the client surveys from COP 25 onwards.</p>
5	The UNFCCC Director of Conference Affairs Services	Important	Yes	Director, Conference Affairs	30 June 2020	CAS accepts the recommendation.

Management Response

Audit of the Conference Affairs Services programme at the United Nations Framework Convention on Climate Change

Rec. no.	Recommendation	Critical ¹ / Important ²	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
	programme should ensure that the programme staff complete the required training, including mandatory courses.			Services Programme		<p>Since receipt the draft OIOS report was shared with the programme, CAS Director has enforced the procedures to ensure that staff complete the required mandatory trainings.</p> <p>To date, all mandatory due courses have been completed.</p> <p>Furthermore, the programme has initiated discussions with the HR Training Unit to request their assistance in setting up face to face relevant trainings for staff including project management training in 2020.</p>
6	The UNFCCC Director of Conference Affairs Services programme should ensure that the status of the grants is reviewed periodically to ensure their timely financial closure.	Important	Yes	Director, Conference Affairs Services Programme	30 June 2020	<p>CAS accepts the recommendation.</p> <p>The programme undertakes to take steps to address this matter in coordination with FRMU and RMP.</p>