INTERNAL AUDIT DIVISION

REPORT 2019/095

Audit of the United Nations Environment Programme Secretariat of the Convention on Biological Diversity

The Convention’s secretariat needs to strengthen resource management and ensure that applicable regulations and rules are complied with

31 October 2019
Assignment No. AA2019/220/01
Audit of the United Nations Environment Programme Secretariat of the Convention on Biological Diversity

EXECUTIVE SUMMARY

The Office of Internal Oversight Services (OIOS) conducted an audit of the United Nations Environment Programme (UNEP) secretariat of the Convention on Biological Diversity (CBD). The objective of the audit was to assess the adequacy and effectiveness of governance, risk management and control processes over the provision of secretariat services to the Convention. The audit covered the period from January 2016 to June 2019 and included a review of strategic management, financial management, human resources management and performance management.

The audit showed that the Convention’s secretariat needs to strengthen resource management and ensure that applicable regulations and rules are complied with. OIOS made 12 recommendations. To address the issues identified in the audit, the Convention’s secretariat and UNEP needed to:

- Implement a results-based approach in its work programming and budgeting;
- Develop a mechanism to ensure compliance with the 90-day requirement for circulation of budget proposals for Conference of Parties (COP) meetings;
- Accelerate its efforts to implement the COP’s request to publish additional financial information on the Convention’s website to enhance transparency and accountability;
- Implement the United Nations Enterprise Risk Management and Internal Control Policy to systematically manage risks and strengthen internal controls in implementing its mandated activities;
- Review the existing administrative arrangements and assess options and the feasibility of establishing service level agreements for provision of administrative services to the secretariat and the COP in an efficient and effective manner;
- Ensure that the lessons learned from the procurement action concerning the lease of new office premises for the Convention’s secretariat are documented and appropriately disseminated to prevent recurrence;
- Establish accountability for the failure of the secretariat to comply with Financial Rules 105.14 and 105.18 and applicable procurement procedures which resulted in procurement of goods amounting to $77,500 without a written contract and without any competitive bidding;
- Ensure that staff complete mission reports for all travels undertaken, including explanation of their linkage to expected results, and establish a mechanism to demonstrate the effectiveness of measures taken to rationalize the use of travel resources;
- Address staff complaints and concerns about the prevailing work environment in the secretariat;
- Identify and address the root causes of high staff turnover and delays in recruitment at the secretariat;
- Validate the adoption of structural changes proposed by the COP and identify any gaps that should be presented to the next COP for further guidance; and
- Develop an evaluation policy and mechanism to facilitate evaluation of its multi-year programme of work.

The Convention’s secretariat and UNEP accepted the recommendations and has initiated action to implement them.
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ANNEX I Status of audit recommendations

APPENDIX I Management response
Audit of the United Nations Environment Programme Secretariat of the Convention on Biological Diversity

I. BACKGROUND

1. The Office of Internal Oversight Services (OIOS) conducted an audit of the United Nations Environment Programme (UNEP) secretariat of the Convention on Biological Diversity (CBD).

2. CBD is an international multilateral treaty adopted at the Earth Summit in 1992, together with the United Nations Framework Convention on Climate Change (UNFCCC) and the United Nations Convention to Combat Desertification (UNCCD). The Convention entered into force in 1993, has 196 member states as Parties, and has three objectives: (a) conservation of biological diversity; (b) sustainable use of the components of biological diversity; and (c) fair and equitable sharing of the benefits arising out of the utilization of genetic resources. The Convention is complemented by three international agreements: the Cartagena Protocol on Biosafety (September 2003); the Nagoya Protocol on Access and Benefit-sharing (October 2014); and the Nagoya-Kuala Lumpur Supplementary Protocol on Liability and Redress (March 2018).

3. The Conference of the Parties (COP) is the governing body of the Convention. The Convention also established the Subsidiary Body on Scientific, Technical and Technological Advice (SBSTTA) to provide timely advice relating to the implementation of the Convention. In addition, the COP established the Subsidiary Body on Implementation (SBI) to facilitate implementation of the Convention, as well as the Working Group on Article 8j and related provisions that covered involvement of indigenous and local communities in conserving life on Earth. At COP14 in 2018, the Parties decided to establish an additional new body – the ad-hoc Open-Ended Working Group – to prepare, during the biennium 2019-2020, the Post-2020 Global Biodiversity Framework to be adopted at COP15 to be held in China in 2020.

4. By decision 1/4 of November 1994, the COP decided that the secretariat of the Convention will be provided by UNEP. Accordingly, UNEP provides administrative services such as human resources management, financial management and conference services to the CBD secretariat and concluded an administrative arrangement for this purpose in 2010. Following the establishment of the United Nations Office at Nairobi (UNON), some of the administrative services of UNEP have been delegated to UNON. As such, the administrative services for the CBD secretariat are provided by UNEP and UNON.

5. The functions of the CBD secretariat as specified in Article 24 of the Convention are to: (a) arrange and service meetings of the COP; (b) perform the functions assigned to it by the Convention’s Protocols; (c) prepare reports on the execution of its functions under this Convention and present them to the COP through the Bureau; (d) coordinate with other relevant international bodies and enter into such administrative and contractual arrangements as may be required for the effective discharge of its functions; and (e) perform such other functions as may be determined by the COP.

6. The strategic and programmatic direction of the CBD secretariat, and the related budget and programme of work result from decisions of the COP. During the United Nations Decade on Biodiversity (2010-2020), the global strategic direction for biodiversity was established through the Convention’s Strategic Plan for Biodiversity 2011-2020 and the 20 global biodiversity targets (collectively known as Aichi Biodiversity Targets) adopted at COP10 in Nagoya in October 2010.

7. The Executive Secretary of CBD thus has dual accountability. On one hand the Executive Secretary is accountable to the Parties for implementation of the secretariat’s programme of work, and on the other
hand, is accountable to the Executive Director of UNEP for administrative matters of the secretariat in accordance with United Nations regulations and rules.

8. The CBD secretariat is funded by assessed regular contributions from the Parties to the core budget and voluntary contributions to trust funds. The core budget was $28.6 million for biennium 2015-2016, $37.2 million for the biennium 2017-2018 and $38.8 million for the biennium 2019-2020. As of 31 May 2019, the secretariat had 109 staff posts of which 15 were vacant and under different stages of recruitment at the time of the audit.

9. Comments provided by UNEP and the CBD secretariat are incorporated in italics.

II. AUDIT OBJECTIVE, SCOPE AND METHODOLOGY

10. The objective of the audit was to assess the adequacy and effectiveness of governance, risk management and control processes over the provision of secretariat services to the Convention.

11. This audit was included in the 2019 risk-based work plan of OIOS based on: (a) the COP’s request to the Executive Secretary to have an audit undertaken on a regular basis by OIOS; and (b) the risk that potential weaknesses in the provision of secretariat services to the Convention could adversely affect its operations and mandate.

12. OIOS conducted this audit in June and July 2019 at the secretariat offices in Montreal, Canada and UNEP Headquarters in Nairobi, Kenya. The audit covered the period from January 2016 to June 2019. Based on an activity-level risk assessment, the audit covered risk areas relating to the secretariat which included strategic management, financial management, human resources management and performance management.

13. The audit methodology included: (a) interviews with key personnel; (b) review of relevant documentation; (c) analytical review of data; and (d) sample testing of transactions.

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

III. AUDIT RESULTS

A. Strategic management

The secretariat organized meetings as mandated

15. The secretariat planned and held meetings as mandated by the Parties. Between January 2016 and June 2019, the secretariat organized 174 meetings including preparatory meetings for the COP as well as COP13 in Cancun, Mexico in December 2016 and COP14 in Sharm El Sheikh, Egypt in November 2018, besides preparatory meetings and consultations for the COP15 to be held in China in 2020. The secretariat utilized technology and conducted 12 meetings, mainly workshops, online. The secretariat participated in other meetings remotely but had not kept records of such meetings.

16. In accordance with the Parties’ request in COP13, the secretariat had developed a tool for recording, tracking and publishing COP decisions on its website (www.cbd.int).
Need to implement results-based budgeting

17. The Strategic Plan 2011-2020 of the Convention adopted at COP10 in 2010 in Nagoya, Japan is comprised of a shared vision, a mission, five strategic goals and 20 ambitious yet achievable Aichi Biodiversity Targets. The Strategic Plan serves as a flexible framework for establishment of national and regional targets and seeks to promote coherent and effective implementation of the three objectives of the Convention. The vision and mission indicated in the Strategic Plan were:

(a) Vision – “By 2050, biodiversity is valued, conserved, restored and wisely used, maintaining ecosystem services, sustaining a healthy planet and delivering benefits essential for all people.”

(b) Mission – “Take effective and urgent action to halt the loss of biodiversity in order to ensure that by 2020 ecosystems are resilient and continue to provide essential services, thereby securing the planet’s variety of life, and contributing to human well-being, and poverty eradication. To ensure this, pressures on biodiversity are reduced, ecosystems are restored, biological resources are sustainably used and benefits arising out of utilization of genetic resources are shared in a fair and equitable manner; adequate financial resources are provided, capacities are enhanced, biodiversity issues and values mainstreamed, appropriate policies are effectively implemented, and decision-making is based on sound science and the precautionary approach.”

18. The implementation of the Strategic Plan 2011-2020 and the objectives of the Convention fall under the responsibility of each CBD Party through their National Biodiversity Strategy and Action Plan. There are a number of mechanisms to review implementation by Parties of the Strategic Plan and progress towards the achievement of the Aichi Biodiversity Targets, which are supported by the secretariat. These include: periodic editions (4-5 years) of the Global Biodiversity Outlook which is based on national reports, a suite of indicators, and independent scientific review; and biennial analyses of progress by Parties in developing and implementing their National Biodiversity Strategy and Action Plans and achieving the Aichi Biodiversity Targets and related national targets, which are reviewed by the Convention’s SBI and COP. The CBD Parties report their progress on implementing the Convention’s commitments through their National Reports submitted to the secretariat.

19. A mid-term assessment of progress towards the implementation of the Strategic Plan for Biodiversity 2011-2020 showed a significant loss of biodiversity. The status of progress indicators towards Aichi Biodiversity Targets, as contained in the Global Biodiversity Outlook 4, are summarized in Table 1.

<table>
<thead>
<tr>
<th>Status of progress indicator</th>
<th>Number of indicators</th>
<th>Percentage of total indicators</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 On track to exceed target</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>2 On track to achieve target</td>
<td>4</td>
<td>7</td>
</tr>
<tr>
<td>3 Progress towards target but not to achieve it</td>
<td>31</td>
<td>57</td>
</tr>
<tr>
<td>4 No progress towards target</td>
<td>10</td>
<td>19</td>
</tr>
<tr>
<td>5 Moving away from target</td>
<td>5</td>
<td>9</td>
</tr>
<tr>
<td>6 Not evaluated</td>
<td>3</td>
<td>6</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>54</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

Source: Global Biodiversity Outlook 4

20. A basic principle of results planning is to start with the desired change (impact and outcomes) and then identify the outputs, activities and inputs required to achieve them. Planning lays the basis for implementation, monitoring, reporting and evaluation processes and directs all steps in their proper
sequence. The starting point for developing the budget is to identify the mandates, the results required to fulfil those mandates, and the historical trends in income and expenditure to achieve results.

21. The integrated programme of work and budget for the Convention and its Protocols for the 2017-2018 biennium were not results-based. The budget for the 2019-2020 biennium includes only a preliminary set of indicators for a results-based framework. While the expected results that the secretariat was to be accountable for are indicated in decisions of the COP, the linkage between activities and expected impacts, outcomes and outputs were not well articulated. Further, OIOS’ review of the “Report on the Administration of the Convention on Biological Diversity (January-December 2018)” indicated that the secretariat was not adequately reporting its activities against specific and measurable results. Therefore, there was a need to enhance the clarity, transparency and accountability for the results to be achieved from utilization of the resources provided. The CBD secretariat stated that it had initiated the development of a results-based budget for the biennium 2019-2020, which was different from the format used in previous years. Due to the novelty of the framework and absent the knowledge of developing results-based budgets at the secretariat level, the budget contained only the preliminary set of indicators for a results-based framework.

22. The secretariat needs to enhance its ability to effectively monitor and report its impact on the support it provides to CBD Parties by implementing a results-based approach.

(1) The secretariat of the Convention on Biological Diversity, with the support of UNEP, should implement a results-based approach in its work programming and budgeting.

The CBD secretariat accepted recommendation 1 and stated that it will further develop its results-based framework to be included in the proposed 2021-2022 programme of work and budget that will be considered by COP15 in October 2020. In developing this approach, the secretariat will consult with Parties, including at the third meeting of the Subsidiary Body on Implementation in May 2020. The further work on results-based approaches will supplement existing efforts which include biennial reports to all Parties, and documents provided to meetings of the COP and subsidiary bodies, on the implementation of COP decisions. Efforts will also be made to link results-based approaches of the secretariat to the existing indicators and mechanisms to assess progress in the implementation of the Strategic Plan for Biodiversity 2011-2020 and its successor framework. Recommendation 1 remains open pending receipt of the CBD secretariat’s result-based budget presented at COP15.

Need for timely circulation of budget proposals

23. In Annex II of decision II/20 of November 1995, the COP stated that budget proposals from the secretariat were to be circulated at least 90 days before meetings of the COP.

24. The CBD secretariat did not publish in a timely manner the budget proposals for the 2019-2020 biennium which were submitted to COP14 held in Egypt in 2018. The English version of the proposal was published on 7 November 2018 which was only 10 days before the conference; versions in other languages were published later. This limited the time available for internal consultation by the Parties to effectively review the proposals and inform their decisions. In decision CBD/COP/DEC/14/37 of December 2018, the Parties noted with concern the late delivery of budgetary documents and urged the Executive Secretary to take necessary measures to ensure that documents for COP15 are circulated with full respect for the rules.

25. The secretariat provided two explanations for the delay in publishing the budget proposals. The first explanation was the complexity of developing a results-based budget which the secretariat had initiated for the first time in accordance with the requirements of the United Nations Secretariat. This resulted in
delays in the submission of the budget proposals to the Parties, which only partially adopted a results-based approach. The second explanation was that there were numerous changes in leadership at UNEP in 2018 which resulted in inadequate support from UNEP for budget preparation. There was no representative from UNEP’s Corporate Services Division at COP14 to support the secretariat in the COP’s budget committee, which had been customary in the past.

26. Notwithstanding these explanations, OIOS is of the view that the CBD secretariat needs to ensure compliance with the timelines established by the COP for provision of documents to the Parties to enable proper consideration of budget proposals before they are approved.

(2) The secretariat of the Convention on Biological Diversity, in consultation with UNEP, should develop a mechanism to ensure compliance with the 90-day requirement for circulation of budget proposals for Conference of Parties meetings.

The CBD secretariat accepted recommendation 2 and stated that with support from UNEP, it will take measures to ensure the timely preparation of the budget proposal 2021-2022 and its circulation to the COP within the 90 days’ deadline. Consistent with this timetable, the secretariat will also arrange for preliminary discussions with its member states of the budget proposals for the biennium 2021-2022 at the time of the third meeting of the CBD’s Subsidiary Body on Implementation in May 2020. Recommendation 2 remains open pending receipt of evidence that a mechanism has been developed to ensure compliance with the 90-day requirement for circulation of budget proposals for COP meetings.

Need to implement COP decision on additional financial disclosure

27. In decision CBD/COP/DEC/14/37 of December 2018, the Parties requested the CBD secretariat and UNEP to provide additional financial information to enhance disclosure beyond the current information contained in certified financial statements of the trust funds of CBD. This was intended to facilitate due diligence and financing decisions by Parties and other potential donors. The Parties also requested the secretariat, as a means to further enhance efforts to foster transparency and accountability, to establish a section on the website of the Convention to publish or provide links to up-to-date information relevant to the governance of the Convention, including, inter alia, audit reports, applicable financial regulations and rules, and any other relevant budgetary and financial information.

28. The COP was concerned that limited financial disclosure hampered the ability of the secretariat to be transparent and accountable, and to raise funds from a broader array of donors. The CBD secretariat needs to address this concern effectively and promptly.

(3) The secretariat of the Convention on Biological Diversity should, in collaboration with UNEP, accelerate its efforts to implement the Conference of Parties’ request to publish additional financial information on the Convention’s website to enhance transparency and accountability.

The CBD secretariat accepted recommendation 3 and stated that it initiated work in January 2019 to develop financial and administrative dashboards as management tools to respond effectively to the request of the COP to publish additional information on the Secretariat’s website to enhance transparency and accountability. Key information will be made available by 15 November 2019 and the work is scheduled to be completed by 1 April 2020. Recommendation 3 remains open pending receipt of evidence of the availability of additional financial information on the Convention’s website as requested by the Parties.
Need to implement risk management framework

29. The General Assembly has long recognized the need for effective risk management in the United Nations. In its resolutions 63/276 of 26 June 2009 and 64/259 of 5 May 2010, the Assembly called upon the Secretary-General to implement a systematic approach to risk management and internal control in the United Nations.

30. In May 2011, the United Nations adopted an enterprise risk management and internal control policy framework which was designed to address the strategic risks associated with the implementation of mandates and objectives, as well as the risks inherent in daily operations that support the achievement of mandates.

31. As risk owners, the CBD secretariat’s responsibilities included: (i) regularly reviewing the risks; (ii) identifying internal control deficiencies and proposing appropriate risk mitigation measures; and (iii) updating relevant risk information and contributing to risk reporting as required. As of June 2019, there was no evidence that the risk management framework had been implemented at the secretariat.

32. In the absence of an effective risk management framework, the secretariat may not be able to identify and address risks in a timely manner which could have a potentially adverse impact on its provision of services to the Convention.

(4) The secretariat of the Convention on Biological Diversity, in collaboration with UNEP, should implement the United Nations Enterprise Risk Management and Internal Control Policy to systematically manage risks and strengthen internal controls in implementing its mandated activities.

The CBD secretariat accepted recommendation 4 and stated that it will endeavour to implement this recommendation within the current biennium, following UNEP’s guidance and drawing upon the experience of other United Nations entities. The secretariat will work in consultation with the COP Bureau and Parties, including at the third meeting of the Subsidiary Body on Implementation in May 2020. Recommendation 4 remains open pending receipt of evidence that the CBD secretariat has implemented the United Nations Enterprise Risk Management and Internal Control Policy.

Need for service level agreements for provision of administrative services

33. In its Decision 1/4 of December 1994, the COP designated UNEP to provide secretariat services to the Convention. This was welcomed by the UNEP Governing Council in its decision 18/36 of May 1995.

34. According to the agreement signed between UNEP and the CBD secretariat dated 20 October 2010, the Executive Secretary is accountable to the COP through its Bureau on programme delivery and policy related issues, and to the Executive Director of UNEP on administrative and financial matters as stipulated by the United Nations regulations and rules. The agreement also provided for a service level agreement (SLA) for provision of administrative services by UNEP and UNON. UNON was established to provide administrative services to UNEP and the United Nations Human Settlements Programme.

35. As of June 2019, there was no SLA for the provision of administrative services to the CBD secretariat. During the audit, key staff in the secretariat expressed concern on the quality of service delivery by both UNEP and UNON which adversely impacted the efficient and effective implementation of Convention programmes. Furthermore, there was a lack of clarity on what role UNEP, UNON and other United Nations offices should play in provision of administrative services to the secretariat.
36. At COP14 in 2018, the Executive Secretary indicated to the Parties the need for improvement in the administrative services provided by UNEP and UNON considering the Secretary-General’s reform, and the need to enhance efficiency in operations and reduce bureaucratic layers. In the budget proposal submitted to the Parties, the secretariat indicated the need for an independent review and analysis of the options for administrative arrangements for the CBD secretariat to be carried out, taking into account the lessons learned from the current administrative set up with UNEP and UNON, the experience of the administrative arrangements of UNFCCC and UNCCD, and the report of the Secretary-General concerning the Global Service Delivery Model. The results of this independent review and analysis were to be reported to COP15 in China in 2020.

37. In the absence of SLAs, there was limited accountability of the timeliness, effectiveness and efficiency for the administrative services provided by UNEP and UNON to support the secretariat.

(5) UNEP, in collaboration with the secretariat of the Convention on Biological Diversity and UNON, should review the existing administrative arrangements and assess options and the feasibility of establishing service level agreements for provision of administrative services to the secretariat and the Conference of the Parties in an efficient and effective manner.

UNEP accepted recommendation 5 and stated that following COP Decision 14/37, the CBD secretariat has initiated discussions with UNEP and UNON on this matter. The secretariat will work with UNEP and UNON to assess options and the feasibility of establishing SLAs for the provision of administrative services to the secretariat while reviewing services standards in the meantime. Recommendation 5 remains open pending receipt of evidence that appropriate arrangements have been established for provision of administrative services to the CBD secretariat and COP.

B. Financial management

Need to ensure economy in use of resources

38. The objective of procurement activities is the timely acquisition of goods, services and works while upholding the four guiding principles: (a) best value for money; (b) fairness, integrity and transparency; (c) effective international competition; and (d) the interest of the United Nations. The Procurement Manual (July 2013) defines procurement functions to include all actions necessary for acquisition, by purchase or lease of property, including products and real property, and of services, including works. The Manual provides guidance to staff in performing procurement functions.

39. The audit showed that the CBD secretariat initiated a procurement action involving Canadian Dollars (CAD) 43.6 million (equivalent of US$32.3 million) without following the applicable procurement procedures. This procurement action consisted of CAD 40.7 million for leasing new offices and CAD 2.9 million as one-off construction/renovation costs. Since the host country (which was eventually responsible for payment of rentals) did not authorize funding for relocation to the new offices, this procurement action was abandoned.

40. After an unsuccessful attempt to lease the new offices, the secretariat reverted to extending the lease agreement for its existing premises at a total commitment of CAD 10.7 million for five years. Even this action was not performed in accordance with the procedures of the Procurement Manual, as explained later in the present report. It was also uneconomical because the secretariat opted for a 5-year lease even though a 10-year lease was an available option that would have resulted in cost savings of CAD 1.36 million (approximately US$1.04 million). The secretariat has been occupying these premises since 1996.
41. The CBD secretariat disregarded the United Nations Financial Regulations and Rules (FRR) and provisions of the Procurement Manual while undertaking this procurement action as explained below.

(a) Lack of segregation of duties

42. In the failed procurement action relating to the attempted relocation to new premises, the secretariat undertook procurement functions such as appointment of an estate agent, visits to shortlisted premises, and selection of the preferred option which it later communicated to the host country with a request for funding. These functions conflicted with the secretariat’s role of requisitioner as described in the Procurement Manual. By undertaking conflicting roles of requisitioner and procurement, the secretariat was unable to demonstrate that best value and transparency were achieved, which are essential to safeguard the interests of the United Nations.

(b) Lack of planning and prior concurrence of the host country

43. The procurement process was initiated without prior concurrence of the host country even though the host country would have had to bear the additional costs arising from the new lease. The justification for moving to new offices was not adequately documented, and there was no evidence that the necessary acquisition planning as explained in the Procurement Manual had been performed.

(c) Failure to seek review by the Local and Headquarters Committees on Contracts

44. In both cases (the failed relocation to new premises and subsequent renewal of the existing lease), in terms of United Nations Financial Rule 105.13, the procurement actions should have been submitted for initial review by the Local Committee on Contracts (LCC) and subsequent review by the Headquarters Committee on Contracts (HCC) since they were above the LCC’s threshold of $500,000. However, the CBD secretariat disregarded this requirement. Consequently, there was no independent review to assure that the procurement actions satisfied the four principles including best value and the interest of the United Nations.

45. As the existing lease was nearing the expiry date of 30 September 2019, UNEP granted a one-time special delegation of authority to the Executive Secretary to sign an extension of the lease for five years and advised the secretariat to request ex post facto approval from the HCC. While the FRR and Procurement Manual provide for such exigency, it excludes exigencies arising due to poor planning as was the case with the lease agreement. **UNEP and the CBD secretariat stated that a 10-year lease has since been negotiated and submitted for review by HCC.**

46. Non-compliance with the FRR and the Procurement Manual may promote a culture of disregard for established rules and procedures, result in waste of resources, and expose the Organization to risks including potential erosion of donor confidence. OIOS is of the view that UNEP and the CBD secretariat need to document and disseminate the lessons learned from this procurement exercise to ensure that such failures do not recur.
(6) UNEP, in coordination with the secretariat of the Convention on Biological Diversity, should ensure that the lessons learned from the procurement action concerning the lease of new office premises for the Convention’s secretariat are documented and appropriately disseminated to prevent recurrence.

UNEP accepted recommendation 6 and stated that the CBD secretariat will ensure that the lessons learned from the procurement action concerning the lease of new office premises for the Convention’s secretariat are documented and appropriately disseminated to prevent recurrence. Recommendation 6 remains open pending receipt of evidence that the lessons learned have been documented and appropriately disseminated.

Goods were procured without a written contract and without competitive bidding

47. Financial Rule 105.18 requires a written procurement contract to be used to formalize procurement actions. In contravention of this rule, in 2018, the CBD secretariat received goods for $77,500 without a written contract. In preparation for the 25th anniversary of the Convention at COP14 in 2018, the secretariat, through a management decision of May 2017, decided to have special printed commemorative material for the anniversary. To this end, in contravention of procurement procedures, secretariat staff contacted a vendor who supplied the goods without a written contract. Additionally, the goods were procured without competition, in contravention of Financial Rule 105.14.

48. The Executive Secretary indicated that she was not aware of the procurement action; while the goods were delivered in November 2018 for COP14, it was only discovered in February 2019 after the vendor demanded payment for the goods delivered. The Executive Secretary immediately took action to resolve the matter and avoid legal consequences. With assistance from UNEP, the secretariat paid the supplier on an ex post facto basis and referred the matter to UNEP for investigation. The Executive Secretary also asked UNEP to provide training to staff on procurement regulations and rules.

49. OIOS is of the view that the secretariat’s failure to comply with Financial Rule 105.18 is a serious matter that needs to be looked into and prevented in future to ensure that goods and services are not only procured based on a written contract but also in accordance with Financial Rule 105.14 which emphasizes the need for effective competition.

(7) UNEP should establish accountability for the failure of the secretariat of the Convention on Biological Diversity to comply with Financial Rules 105.14 and 105.18 and applicable procurement procedures which resulted in procurement of goods amounting to $77,500 without a written contract and without any competitive bidding.

UNEP welcomed recommendation 7 and stated that it is already reviewing the case to determine relevant actions. Recommendation 7 remains open pending receipt of evidence that UNEP has established accountability for the CBD secretariat’s failure to comply with the United Nations FRR.

Need for better accountability for funds used on travel

50. The CBD secretariat incurred travel expenditure aggregating $4,795,458 on 974 trips made by its staff during the period January 2016 to 31 May 2019. The average travel cost per staff member during this period was $23,977 while the highest for a single staff member was $236,663.

51. OIOS’ review of a sample of 495 trips with a total cost of $2,354,149 relating to 24 staff showed that mission reports were filed in only 136 instances (or 27 per cent). Of these 24 staff, 7 had not prepared a single mission report even though they were involved in a total of 119 trips costing $617,149. Nine other
staff had prepared on average two mission reports for a total of 180 trips costing $783,932. Four staff who undertook trips without preparing any mission reports had since resigned or retired. The mission reports reviewed by OIOS contained information required by the secretariat such as the primary objectives of the mission, key observations and conclusions, and key meetings including key points discussed. However, they were not linked to expected results which would enhance transparency and accountability for the travel funds spent.

52. The secretariat stated that it follows the travel procedures of UNEP and implements the travel guidelines issued by UNEP, including quarterly plans and formats for travel requests and mission reports. The secretariat also stated that the Executive Secretary had instructed managers to rigorously evaluate the need for travel, prioritize their importance, and make all efforts to use alternative methods (such as virtual meetings) wherever possible. The secretariat stated that in this way, a considerable number of invitations and missions were declined.

53. At COP14, Parties urged the Executive Secretary to further reduce the environmental impact of the operations of the secretariat by rationalizing the use of resources including travel resources, such as by adopting wider use of videoconferencing facilities, and prioritizing official travel that is directly related to the implementation of the approved work programme. The secretariat needs to demonstrate the measures it has established to implement the COP’s request.

(8) The secretariat of the Convention on Biological Diversity should ensure that: (a) staff complete mission reports for all travels undertaken, including explanation of their linkage to expected results; and (b) establish a mechanism to demonstrate the effectiveness of measures taken to rationalize the use of travel resources.

The CBD secretariat accepted recommendation 8 and stated that with a view to achieving full compliance of 2019 missions by year end, the secretariat will take the following steps: (i) management will highlight the importance of timely completion of mission reports; and (ii) compliance will be linked to travel requests. The secretariat will adjust the template for mission reports in line with the August 2019 update of the UNEP template with a view to highlight results achieved. The secretariat will also continue to encourage remote participation in meetings where possible and systematically document such participation. Recommendation 8 remains open pending receipt of evidence that mission reports have been completed and a mechanism has been established to demonstrate the effectiveness of measures taken to rationalize the use of travel resources.

C. Human resources management

Staff concerns about the work environment need to be addressed

54. The core of any organization is its people as they form the foundation of the internal control system necessary to ensure achievement of goals and objectives. Thus, it is critical to ensure a positive working environment that promotes motivation and productivity among staff.

55. During the OIOS team’s interactions with the secretariat’s staff, there were indications that staff had complaints and concerns about the prevailing work environment in the secretariat. Staff felt that management was not taking their concerns seriously, and that this was affecting their morale and productivity. If these are not addressed, there could be a significant adverse impact on the secretariat’s ability to achieve its objectives and goals.
56. OIOS is of the view that the CBD secretariat needs to take effective steps with the support of UNEP to address staff concerns and promote a healthy work environment. In doing so, assistance could be sought from the relevant offices at United Nations Headquarters if required.

(9) The secretariat of the Convention on Biological Diversity, with the support of UNEP, should address staff complaints and concerns about the prevailing work environment in the secretariat.

The CBD secretariat and UNEP accepted the recommendation. The CBD secretariat stated that it confirms its commitment to ensure a good working environment for all staff members. The secretariat will devote efforts to address staff concerns and, where necessary, liaise with UNEP or seek informal dispute resolution mechanisms as applicable. Recommendation 9 remains open pending receipt of evidence of the action taken to address staff complaints and concerns.

Need to fill vacancies in a timely manner and address staff turnover

57. The CBD secretariat had high vacancy rates particularly at the middle management level. This was caused by delays in recruitment as well as high staff turnover. The staff recruitment process at the secretariat involved 13 stages across three entities – the secretariat, UNEP, and UNON.

58. During the period January 2017 to December 2018, the secretariat recruited 23 staff members of whom in 20 cases (87 per cent), it took more than the benchmark target of 120 days. On average, the time taken to recruit the staff was 255 days. The longest time for recruitment was 648 days for a P-2 position (post number 40074). In 12 cases, it took over 300 days to conclude the recruitment process.

59. OIOS’ analysis showed that the main cause for the delays in recruitment were attributable to the time taken by the secretariat’s hiring manager. On average, the hiring manager (who is responsible for assessing and recommending candidates) took 124 working days to complete the task against the benchmark of 40 days. There was only one designated hiring manager at the secretariat. The top five delayed recruitments are listed in Table 2 below.

Table 2: Top five delayed recruitments at the CBD secretariat during 2017-2018

<table>
<thead>
<tr>
<th>Job Opening Number</th>
<th>Post Title</th>
<th>Grade</th>
<th>Time for recommendation of candidates (days)</th>
<th>Time from job posting to selection (days)</th>
</tr>
</thead>
<tbody>
<tr>
<td>40074</td>
<td>Associate Programme Management Officer</td>
<td>P-2</td>
<td>366</td>
<td>648</td>
</tr>
<tr>
<td>60846</td>
<td>Programme Management Assistant</td>
<td>G-6</td>
<td>232</td>
<td>453</td>
</tr>
<tr>
<td>61685</td>
<td>Associate Programme Management Officer</td>
<td>P-2</td>
<td>127</td>
<td>399</td>
</tr>
<tr>
<td>85598</td>
<td>Senior Programme Management Officer</td>
<td>P-5</td>
<td>211</td>
<td>384</td>
</tr>
<tr>
<td>59265</td>
<td>Programme Management Assistant</td>
<td>G-6</td>
<td>204</td>
<td>378</td>
</tr>
</tbody>
</table>

60. During the period January 2017 to June 2019, the secretariat lost 21 senior and experienced staff due to resignation (8), early/normal retirement (6), transfer (6) and abolishment of post (1). The grades of the separated staff are shown in Table 3.
Table 3: Staff turnover at the CBD secretariat from January 2017 to June 2019

<table>
<thead>
<tr>
<th>Period</th>
<th>D-1</th>
<th>P-5</th>
<th>P-4</th>
<th>P-3</th>
<th>P-2</th>
<th>G-6</th>
<th>G-3</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>3</td>
<td>1</td>
<td>-</td>
<td>-</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>7</td>
</tr>
<tr>
<td>2018</td>
<td>-</td>
<td>-</td>
<td>2</td>
<td>1</td>
<td>2</td>
<td>2</td>
<td>-</td>
<td>7</td>
</tr>
<tr>
<td>2019 (up to June)</td>
<td>1</td>
<td>2</td>
<td>2</td>
<td>-</td>
<td>2</td>
<td>2</td>
<td>-</td>
<td>7</td>
</tr>
<tr>
<td>Total</td>
<td>4</td>
<td>3</td>
<td>4</td>
<td>1</td>
<td>3</td>
<td>5</td>
<td>1</td>
<td>21</td>
</tr>
</tbody>
</table>

61. The loss of key senior and experienced staff could have a negative impact on the secretariat’s capacity to undertake its substantive work. This is especially important as the secretariat prepares for the 2020 United Nations Biodiversity Conference. Parties interviewed expressed concern at the high staff turnover and vacancy rates which could adversely impact the secretariat’s ability to effectively implement its mandate.

62. As of 18 June 2019, the secretariat had 15 vacant posts which were at various stages in the recruitment process. Staff may be feeling overwhelmed and stressed, if the significant increase in sick leave is any indication. During the five-month period from January to 31 May 2019 alone, 58 staff recorded a total of 458 sick days. This is significantly higher than 2016 (172 days by 18 staff), 2017 (463 days by 27 staff), and 2018 (398 days by 32 staff). The secretariat, with the support of UNEP, needs to look into the apparent high turnover as well as the delays in filling vacancies and take appropriate remedial action.

(10) The secretariat of the Convention on Biological Diversity should identify and address the root causes of high staff turnover and delays in recruitment at the secretariat with the support of UNEP.

The CBD secretariat accepted recommendation 10 and stated that it will work jointly with UNEP and with the help of UNON as necessary (as the three organizations are involved in recruitments), to expedite ongoing recruitments in progress and to identify and address the root causes of high staff turnover and delays in recruitment at the secretariat. Recommendation 10 remains open pending receipt of evidence that the root causes of high staff turnover and delays in recruitment have been identified and addressed.

Need to evaluate the secretariat’s organization structure

63. In its decision XII/32 of October 2014 (COP12) the Parties requested the Executive Secretary to complete the Functional Review of the CBD secretariat in consultation with UNEP. The Parties also requested the Executive Secretary to submit the final report of the review, including individual post analysis, and update the organization structure. This was expected to sharpen the results focus of the secretariat and optimize the use of the human and financial resources.

64. In decision XIII/32 of December 2016, the COP welcomed the new structure of the secretariat, which should lead to further synergies and efficiencies. However, in decision CBD/COP/DEC/14/37 of December 2018, the Parties noted with concern the adjustments made by the Executive Secretary to the staffing structure of the secretariat during the 2017-2018 biennium which entailed consequent increases in staff costs in the integrated budget for the 2019-2020 biennium.

65. In its budget proposal for the 2019-2020 biennium presented to the Parties at COP14 in 2018, the secretariat requested funding for an additional 9 posts in anticipation of increased volume of work arising from the Parties’ desire for an ambitious agreement for a post 2020 Global Biodiversity Framework to be adopted at COP15 in 2020. The secretariat’s request was not accepted by the Parties who decided that for
the 2019-2020 biennium, the secretariat’s budget and staffing levels should remain the same as in the previous biennium 2017-2018. This is even though at COP14, Parties decided to establish an additional body to be serviced by the secretariat, namely the ad-hoc Open-Ended Working Group on the post 2020 Global Biodiversity Framework which generated a considerable number of additional meetings to be prepared by the secretariat, thereby adding to the existing workload. Furthermore, the consultancy budget (which could have helped the secretariat to get temporary support to cope with the additional workload) was also cut by the Parties.

66. During the period 2016-2019, there were four different organization structures in use at the secretariat. There were 55 job reclassifications completed (1 in 2016; 44 in 2017; 5 each in 2018 and 2019) while eight were under reclassification in June 2019. The organization structures did not provide for an evaluation function to facilitate evaluation of the secretariat’s activities to assess their efficiency, effectiveness, impact and sustainability.

67. OIOS concluded that the CBD secretariat needs to assess the adequacy and appropriateness of its existing structure and propose necessary adjustments to effectively support the achievement of the Convention’s objectives and aspirations of the Parties.

(11) The secretariat of the Convention on Biological Diversity should, with the support of UNEP, validate the adoption of structural changes proposed by the Conference of Parties and identify any gaps that should be presented to the next Conference of Parties for further guidance.

The CBD secretariat accepted recommendation 11 and stated that the current structure largely follows that established in 2016 following an extensive functional review and organizational adjustments to the structure carried out in 2018. Thus, the secretariat does not envisage the need for further large-scale changes. Nevertheless, the secretariat will assess the current arrangements, report to Parties, and consult Parties and UNEP on the need for any adjustments. Recommendation 11 remains open pending receipt of the results of consultation with the Parties and UNEP on the need for any adjustments to the structure.

D. Performance monitoring, reporting and evaluation

Need for an evaluation policy and mechanism

68. The UNEP evaluation policy (2016) defines evaluation as “a systematic and discrete process, as objective as possible, to determine relevance, efficiency, effectiveness, impact and/or sustainability of any element of a programme’s performance relative to its mandate or objectives.” The policy seeks to increase transparency, coherence and efficiency in generating and using evaluative knowledge for organizational learning and effective management for results, to support accountability.

69. There were no defined mechanisms for evaluation at the CBD secretariat. The UNEP Evaluation Unit did not cover the activities of the CBD secretariat. The secretariat itself did not have an evaluation policy or dedicated resources for evaluation. Thus, the secretariat was not systematically evaluating its activities to assure their relevance, efficiency, effectiveness, impact and sustainability.
(12) The secretariat of the Convention on Biological Diversity should, in consultation with UNEP, develop an evaluation policy and mechanism to facilitate evaluation of its multi-year programme of work.

The CBD secretariat and UNEP accepted recommendation 12. The CBD secretariat stated that it will explore, together with UNEP, in particular its Evaluation Unit, options for systematic evaluation of its activities and report to the Parties on the options and cost implications. UNEP stated that its Evaluation Unit stands ready to provide guidance to the CBD secretariat on the development of the evaluation policy. Recommendation 12 remains open pending receipt of evidence that the CBD secretariat has developed an evaluation policy and the related mechanisms to implement it.

IV. ACKNOWLEDGEMENT

70. OIOS wishes to express its appreciation to the Management and staff of UNEP and the CBD secretariat for the assistance and cooperation extended to the auditors during this assignment.

(Signed) Eleanor T. Burns
Director, Internal Audit Division
Office of Internal Oversight Services
## STATUS OF AUDIT RECOMMENDATIONS

Audit of the United Nations Environment Programme Secretariat of the Convention on Biological Diversity

<table>
<thead>
<tr>
<th>Rec. no.</th>
<th>Recommendation</th>
<th>Critical¹/Important²</th>
<th>C/ O³</th>
<th>Actions needed to close recommendation</th>
<th>Implementation date⁴</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>The secretariat of the Convention on Biological Diversity, with the support of UNEP, should implement a results-based approach in its work programming and budgeting.</td>
<td>Important</td>
<td>O</td>
<td>Receipt of the CBD secretariat’s result-based budget presented at COP15.</td>
<td>31 October 2020</td>
</tr>
<tr>
<td>2</td>
<td>The secretariat of the Convention on Biological Diversity, in consultation with UNEP, should develop a mechanism to ensure compliance with the 90-day requirement for circulation of budget proposals for Conference of Parties meetings.</td>
<td>Important</td>
<td>O</td>
<td>Receipt of evidence that a mechanism has been developed to ensure compliance with the 90-day requirement for circulation of budget proposals for COP meetings.</td>
<td>31 October 2020</td>
</tr>
<tr>
<td>3</td>
<td>The secretariat of the Convention on Biological Diversity should, in collaboration with UNEP, accelerate its efforts to implement the Conference of Parties’ request to publish additional financial information on the Convention’s website to enhance transparency and accountability.</td>
<td>Important</td>
<td>O</td>
<td>Receipt of evidence of additional financial information on the Convention’s website as requested by the Parties.</td>
<td>1 April 2020</td>
</tr>
<tr>
<td>4</td>
<td>The secretariat of the Convention on Biological Diversity, in collaboration with UNEP, should implement the United Nations Enterprise Risk Management and Internal Control Policy to systematically manage risks and strengthen internal controls in implementing its mandated activities.</td>
<td>Important</td>
<td>O</td>
<td>Receipt of evidence that the secretariat has implemented the United Nations Enterprise Risk Management and Internal Control Policy.</td>
<td>30 June 2020</td>
</tr>
<tr>
<td>5</td>
<td>UNEP, in collaboration with the secretariat of the Convention on Biological Diversity and UNON, should review the existing administrative arrangements and assess options and the feasibility of establishing service level agreements for</td>
<td>Important</td>
<td>O</td>
<td>Receipt of evidence that appropriate arrangements have been established for provision of administrative services to the CBD secretariat and COP.</td>
<td>30 June 2020</td>
</tr>
</tbody>
</table>

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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.

3 C = closed, O = open

4 Date provided by UNEP and the CBD secretariat in response to recommendations.
## STATUS OF AUDIT RECOMMENDATIONS

Audit of the United Nations Environment Programme Secretariat of the Convention on Biological Diversity

<table>
<thead>
<tr>
<th>No.</th>
<th>Recommendation</th>
<th>Status</th>
<th>Notes</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>6</td>
<td>UNEP, in coordination with the secretariat of the Convention on Biological Diversity, should ensure that the lessons learned from the procurement action concerning the lease of new office premises for the Convention’s secretariat are documented and appropriately disseminated to prevent recurrence.</td>
<td>Important</td>
<td>Receipt of documented lessons learned and evidence that they have been appropriately disseminated.</td>
<td>30 April 2020</td>
</tr>
<tr>
<td>7</td>
<td>UNEP should establish accountability for the failure of the secretariat of the Convention on Biological Diversity to comply with Financial Rules 105.14 and 105.18 and applicable procurement procedures which resulted in procurement of goods amounting to $77,500 without a written contract and without any competitive bidding.</td>
<td>Important</td>
<td>Receipt of evidence that UNEP has established accountability for the CBD secretariat’s failure to comply with the United Nations FRR.</td>
<td>28 February 2020</td>
</tr>
<tr>
<td>8</td>
<td>The secretariat of the Convention on Biological Diversity should ensure that: (a) staff complete mission reports for all travels undertaken, including explanation of their linkage to expected results; and (b) establish a mechanism to demonstrate the effectiveness of measures taken to rationalize the use of travel resources.</td>
<td>Important</td>
<td>Receipt of evidence that mission reports have been completed and a mechanism has been established to demonstrate the effectiveness of measures taken to rationalize the use of travel resources.</td>
<td>1 March 2020</td>
</tr>
<tr>
<td>9</td>
<td>The secretariat of the Convention on Biological Diversity, with the support of UNEP, should address staff complaints and concerns about the prevailing work environment in the secretariat.</td>
<td>Important</td>
<td>Receipt of evidence of the action taken to address staff complaints and concerns.</td>
<td>30 April 2020</td>
</tr>
<tr>
<td>10</td>
<td>The secretariat of the Convention on Biological Diversity should identify and address the root causes of high staff turnover and delays in recruitment at the secretariat with the support of UNEP.</td>
<td>Important</td>
<td>Receipt of evidence that the root causes of high staff turnover and delays in recruitment have been identified and addressed.</td>
<td>1 March 2020</td>
</tr>
<tr>
<td>11</td>
<td>The secretariat of the Convention on Biological Diversity should, with the support of UNEP, validate the adoption of structural changes proposed by the Conference of Parties and identify any gaps that</td>
<td>Important</td>
<td>Receipt of the results of consultation with the Parties and UNEP on the need for any adjustments to the structure.</td>
<td>31 August 2020</td>
</tr>
</tbody>
</table>
STATUS OF AUDIT RECOMMENDATIONS

Audit of the United Nations Environment Programme Secretariat of the Convention on Biological Diversity

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>12</td>
<td>The secretariat of the Convention on Biological Diversity should, in consultation with UNEP, develop an evaluation policy and mechanism to facilitate evaluation of its multi-year programme of work.</td>
<td>Important</td>
</tr>
</tbody>
</table>
APPENDIX I

Management Response
## Audit of the United Nations Environment Programme Secretariat of the Convention on Biological Diversity

<table>
<thead>
<tr>
<th>Rec. no.</th>
<th>Recommendation</th>
<th>Critical(^1)/Important(^2)</th>
<th>Accepted? (Yes/No)</th>
<th>Title of responsible individual</th>
<th>Implementation date</th>
<th>Client comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>The secretariat of the Convention on Biological Diversity, with the support of UNEP, should implement a results-based approach in its work programming and budgeting.</td>
<td>Important</td>
<td>YES</td>
<td>CBD/Office of the Executive Secretary and Administration, Finance and Conference Services (AFC) Division, with the support of UNEP/Corporate Services Division.</td>
<td>October 2020 – COP15 of the CBD.</td>
<td>The Secretariat will further develop its results-based framework to be included in the proposed 2021-2022 programme of work and budget that will be considered by COP-15 in October 2020. In developing this approach, the Secretariat will consult with Parties, including at the third meeting of the Subsidiary Body on Implementation in May 2020. The further work on results-based approaches will supplement existing efforts which include biennial reports to all Parties, and documents provided to meetings of the COP and subsidiary bodies, on the implementation of COP decisions. Efforts will also be made to link results-based approaches of the Secretariat to the existing indicators and mechanisms to assess progress in the implementation of the Strategic Plan for Biodiversity 2011-2020 and its successor framework.</td>
</tr>
<tr>
<td>2</td>
<td>The secretariat of the Convention on Biological Diversity, in consultation with UNEP, should develop a mechanism to ensure compliance with the 90-day requirement for circulation of budget proposals for Conference of Parties meetings.</td>
<td>Important</td>
<td>YES</td>
<td>CBD/Office of the Executive Secretary and AFC Division.</td>
<td>October 2020 – COP15 of the CBD.</td>
<td>The Secretariat, with support from UNEP, will take measures to ensure the timely preparation of the budget proposal 2021-2022 and its circulation to the COP within the 90 days deadline. Consistent with this timetable, the Secretariat will also arrange for preliminary discussions with its member states of the budget proposals for the biennium 2021-2022</td>
</tr>
</tbody>
</table>

\(^1\) 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.
## APPENDIX I

### Management Response

**Audit of the United Nations Environment Programme Secretariat of the Convention on Biological Diversity**

<table>
<thead>
<tr>
<th>No.</th>
<th>Recommendation</th>
<th>Importance</th>
<th>Key Action</th>
<th>Key Date</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>3</td>
<td>The secretariat of the Convention on Biological Diversity should, in collaboration with UNEP, accelerate its efforts to implement the Conference of Parties’ request to publish additional financial information on the Convention’s website to enhance transparency and accountability.</td>
<td>Important</td>
<td>YES</td>
<td>CBD/AFC Division with the support of the IT team.</td>
<td>1 April 2020.</td>
</tr>
<tr>
<td>4</td>
<td>The secretariat of the Convention on Biological Diversity, in collaboration with UNEP, should implement the United Nations Enterprise Risk Management and Internal Control Policy to systematically manage risks and strengthen internal controls in implementing its mandated activities.</td>
<td>Important</td>
<td>YES</td>
<td>CBD/Office of the Executive Secretary and AFC Division, with the support of UNEP/Corporate Services Division.</td>
<td>30 June 2020.</td>
</tr>
<tr>
<td>5</td>
<td>UNEP, in collaboration with the secretariat of the Convention on Biological Diversity and UNON, should review the existing administrative arrangements and assess options and the feasibility of establishing service level agreements for provision of administrative services to the secretariat and the Conference of the Parties in an efficient and effective manner.</td>
<td>Important</td>
<td>YES</td>
<td>UNEP/Corporate Services Division</td>
<td>30 June 2020.</td>
</tr>
</tbody>
</table>
### APPENDIX I

**Management Response**

**Audit of the United Nations Environment Programme Secretariat of the Convention on Biological Diversity**

<table>
<thead>
<tr>
<th>Recommendation Number</th>
<th>Description</th>
<th>Important</th>
<th>UNEP/Corporate Services Division</th>
<th>Date of Acceptance</th>
<th>UNEP's Action</th>
</tr>
</thead>
<tbody>
<tr>
<td>6</td>
<td>UNEP, in coordination with the secretariat of the Convention on Biological Diversity, should ensure that the lessons learned from the procurement action concerning the lease of new office premises for the Convention’s secretariat are documented and appropriately disseminated to prevent recurrence.</td>
<td>YES</td>
<td>30 April 2020.</td>
<td>UNEP accepts the recommendation. The Secretariat will ensure that the lessons learned from the procurement action concerning the lease of new office premises for the Convention’s Secretariat are documented and appropriately disseminated to prevent recurrence.</td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>UNEP should establish accountability for the failure of the secretariat of the Convention on Biological Diversity to comply with Financial Rules 105.14 and 105.18 and applicable procurement procedures which resulted in procurement of goods amounting to $77,500 without a written contract and without any competitive bidding.</td>
<td>YES</td>
<td>28 February 2020.</td>
<td>UNEP welcomes the recommendation and is pleased to inform that it is already reviewing the case to determine relevant actions.</td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>The secretariat of the Convention on Biological Diversity should ensure that: (a) staff complete mission reports for all travels undertaken, including explanation of their linkage to expected results; and (b) establish a mechanism to demonstrate the effectiveness of measures taken to rationalize the use of travel resources.</td>
<td>YES</td>
<td>(a) 30 January 2020; (b) 1 March 2020.</td>
<td>In order to improve compliance in the completion of mission reports, with a view to achieving full compliance of 2019 missions by year end, the Secretariat will take the following steps: (i) management will highlight the importance of timely completion of mission reports; (ii) compliance will be linked to travel requests. The Secretariat will adjust the template for mission reports in line with the August 2019 update of the UNEP template with a view to highlight results achieved. The Secretariat will also continue to encourage remote participation in meetings where possible and systematically document such participation.</td>
<td></td>
</tr>
<tr>
<td>9</td>
<td>The secretariat of the Convention on Biological Diversity, with the support of UNEP, should address staff complaints and concerns about the prevailing work environment in the secretariat.</td>
<td>YES</td>
<td>30 April 2020.</td>
<td>UNEP and the Secretariat welcome the recommendation. The Secretariat confirms its commitment to ensure a good working environment for all</td>
<td></td>
</tr>
</tbody>
</table>
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Audit of the United Nations Environment Programme Secretariat of the Convention on Biological Diversity

| 10 | The secretariat of the Convention on Biological Diversity should identify and address the root causes of high staff turn-over and delays in recruitment at the secretariat with the support of UNEP. | Important | YES | CBD/Office of the Executive Secretary and AFC Division. | 1 March 2020. | The Secretariat will work jointly, with UNEP, and with the help of UNON as necessary (as the three organizations are involved in recruitments), to expedite ongoing recruitments in progress and to identify and address the root causes of high staff turn-over and delays in recruitment at the Secretariat. |
| 11 | The secretariat of the Convention on Biological Diversity should, with the support of UNEP, validate the adoption of structural changes proposed by the Conference of Parties and identify any gaps that should be presented to the next Conference of Parties for further guidance. | Important | YES | CBD/Office of the Executive Secretary and AFC Division. | 30 August 2020; as necessary. | The Secretariat note that the current structure largely follows that established in 2016 following an extensive functional review and organizational adjustments to the structure carried out in 2018. Thus, the Secretariat does not envisage the need for further large-scale changes. Nevertheless, the Secretariat will assess the current arrangements, report to Parties, and consult Parties and UNEP on the need for any adjustments. |
| 12 | The secretariat of the Convention on Biological Diversity should, in consultation with UNEP, develop an evaluation policy and mechanism to facilitate evaluation of its multi-year programme of work. | Important | YES | CBD Office of the Executive Secretary and CBD substantive divisions. | 30 June 2020. | The Secretariat and UNEP welcome the recommendation. The Secretariat reports regularly and comprehensively to the Parties on its activities. The Secretariat will explore, together with UNEP, in particular its Evaluation Unit, options for systematic evaluation of its activities and report to the Parties on the options and cost implications. |
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Management Response

Audit of the United Nations Environment Programme Secretariat of the Convention on Biological Diversity

|   |   |   |   | UNEP’s Evaluation Unit stands ready to provide guidance to the Secretariat on the development of the evaluation policy. |   |