



INTERNAL AUDIT DIVISION

REPORT 2017/003

Audit of the management of the sustainable development subprogramme in the Department of Economic and Social Affairs

The Division for Sustainable Development needed to enhance the management of the subprogramme to make it more effective

13 February 2017
Assignment No. 2015/540/01

Audit of the management of the sustainable development subprogramme in the Department of Economic and Social Affairs

EXECUTIVE SUMMARY

The objective of the audit was to assess the adequacy and effectiveness of governance, risk management and control processes over the sustainable development subprogramme in the Department of Economic and Social Affairs (DESA). The audit covered the period from 1 January 2014 to 30 June 2016 and included: (i) subprogramme performance; (ii) risk assessment and annual work planning; (iii) management of technical cooperation activities; and (iv) management of posts and other resources.

The support of the Division of Sustainable Development (DSD) in DESA to intergovernmental processes was adequate. DSD, however, needed to enhance the management of the subprogramme to make it more effective.

OIOS made seven recommendations. To address issues identified in the audit, DESA needed to:

- Obtain feedback from principal stakeholders, such as the High Level Political Forum, on the support services provided by DSD in order to measure its performance more objectively;
- Ensure all DSD branches prepare annual workplans;
- Require DSD to establish a formal process to prioritize technical cooperation activities that support the sustainable development agenda;
- Put in place adequate planning mechanisms for DSD technical cooperation activities to ensure that funds allocated for projects are effectively utilized;
- Facilitate a strategic review of the impact of funding uncertainty on the United Nations Centre for Regional Development and the Centre's continuing relevance to the overall work programme of DSD;
- Fill vacant posts in DSD on a priority basis and initiate recruitment actions for upcoming retirements 12 months prior to the scheduled retirement date; and
- Ensure official travel arrangements for sustainable development experts, training participants and consultants are finalized 16 calendar days in advance of travel and document any exceptions with appropriate justification.

DESA accepted the recommendations and is in the process of implementing them.

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Audit of the management of the Sustainable Development subprogramme in the Department of Economic and Social Affairs

I. BACKGROUND

1. The Office of Internal Oversight Services (OIOS) conducted an audit of the management of the sustainable development subprogramme in the Department of Economic and Social Affairs (DESA).

2. DESA is responsible for supporting the Secretary-General in implementing his development agenda. Its work is guided by the universal, integrated and transformative 2030 Agenda for Sustainable Development, along with the set of 17 sustainable development goals (SDGs) and 169 associated targets adopted by the United Nations General Assembly on 25 September 2015.

3. The Division for Sustainable Development (DSD) is one of the nine divisions of DESA. Its objective is 'to accelerate the implementation of SDGs, targets and commitments in accordance with the internationally agreed development goals, including those contained in the United Nations Millennium Declaration and the outcomes of major United Nations conferences and summits, in particular the United Nations Conference on Sustainable Development'. The Division has the following five core functions: (i) provision of support to United Nations intergovernmental processes on sustainable development; (ii) analysis and policy development; (iii) capacity development at the country level; (iv) inter-agency coordination; and (v) knowledge management, communication and outreach.

4. As part of its mandate, DSD serves as the substantive secretariat for the High-Level Political Forum (HLPF) established in July 2013. HLPF provides political leadership, guidance and recommendations on sustainable development, follows up and reviews progress in the implementation of sustainable development commitments, and promotes system-wide coherence and coordination of sustainable development policies.

5. For the 2016-2017 biennium, DSD budget under Section 9 totaled \$19.9 million, comprising \$18.3 million from the regular budget and \$1.6 million from extrabudgetary funding. For the 2014-2015 biennium, the DSD subprogramme was allocated \$23.2 million comprising \$20.9 million from the regular budget and \$2.4 million from extrabudgetary funding. In addition, \$16.3 million was allotted to technical cooperation activities for the 2014-2015 biennium. These resources were allocated from: (i) budget Section 9 in extrabudgetary funding of \$11.8 million; (ii) budget Section 23 on the regular programme for technical cooperation (RPTC) - \$2.1 million; and (iii) budget Section 35 on the Development Account - \$2.4 million.

6. DSD is headed by a director, who is supported by 37 professional and 21 general service staff. It is composed of five branches and one unit, namely: (i) Intergovernmental Support and Interagency Branch; (ii) Policy and Analysis Branch; (iii) Water, Energy and Capacity Development Branch; (iv) Outreach and Communications Branch; and (v) Small Island Developing States (SIDS), Oceans and Climate Branch, which houses the SIDS Unit. The DESA Capacity Development Office provides broad substantive guidance and management to the implementation of capacity development work and technical cooperation activities.

7. Comments provided by DESA are incorporated in italics.

II. AUDIT OBJECTIVE, SCOPE AND METHODOLOGY

8. The objective of the audit was to assess the adequacy and effectiveness of governance, risk management and control processes over the sustainable development subprogramme in DESA.

9. This audit was included in the 2016 risk-based work plan of OIOS due to the operational risks of the subprogramme and stakeholder interests in the 2030 Agenda for Sustainable Development.

10. OIOS conducted this audit from August to November 2016. The audit covered the period from 1 January 2014 to 30 June 2016. Based on an activity-level risk assessment, the audit covered risks in the management of the sustainable development subprogramme, which included: (i) subprogramme performance; (ii) risk assessment and annual work planning; (iii) management of technical cooperation activities; and (iv) management of posts and other resources.

11. The audit methodology included: (i) interviews of key personnel; (ii) reviews of relevant documentation; (iii) analytical reviews of data; and (iv) tests of transactions using judgmental sampling.

III. OVERALL CONCLUSION

12. DSD support to intergovernmental processes was adequate. DSD, however, needed to: (i) obtain formal feedback from principal stakeholders to measure its performance more objectively; (ii) prepare annual workplans for all branches; (iii) establish a formal process to prioritize and plan technical cooperation activities; (iv) facilitate a review of the impact of the funding uncertainty of the United Nations Centre for Regional Development and the Centre's continuing relevance to its overall work programme; (v) initiate recruitment actions for upcoming retirements 12 months prior to the scheduled retirement date; and (vi) comply with the policy requiring finalization of travel arrangements 16 calendar days in advance.

IV. AUDIT RESULTS

A. Subprogramme performance

DSD adequately serviced intergovernmental and expert bodies

13. According to its proposed programme budgets for the biennia 2014-2015 and 2016-2017, DSD is responsible for servicing intergovernmental and expert bodies, including the: (i) General Assembly (Second Committee); (ii) Economic and Social Council (ECOSOC) and (iii) HLPF.

14. In the 2014-2015 biennium, DSD serviced 80 meetings of the United Nations Second Committee, 18 informal consultations of ECOSOC and 8 meetings of the Council, and 90 formal and informal meetings of HLPF. In servicing the HLPF, DSD produced five background papers for the forum containing briefs on specific subjects. During the 2014-2015 biennium, DSD was involved in producing a number of notable reports including the report of the Open Working Group of the General Assembly on SDGs, the annual global sustainability development report, the harmony with nature report, and the report on the United Nations mainstreaming sustainable development.

15. Overall, DSD was expected to implement 404 activities and outputs during the 2014-2015 biennium, including outputs related to servicing intergovernmental and expert bodies, to achieve its objective of accelerating the implementation of SDGs, targets and commitments. The Division

implemented 383 or 95 per cent of its 404 planned outputs for the 2014-2015 biennium, largely meeting the expected accomplishments. It recorded and monitored performance results through the Integrated Monitoring and Document Information System. Based on the interviews with DSD officials and reviews of relevant documents, OIOS concluded that the Division adequately serviced intergovernmental processes as part of the subprogramme performance.

Absence of a formal feedback mechanism on services rendered to intergovernmental processes

16. One of DSD's indicators of achievement for the biennium 2014-2015 is that 87 per cent of Member States express satisfaction with the support and servicing of intergovernmental processes, including activities related to consensus-building, partnerships and voluntary commitments, policy analysis and participation of major groups and other relevant stakeholders.

17. DSD supported United Nations intergovernmental processes on sustainable development as described above. The Division also organized expert group meetings to support countries preparing their national reviews, using resources under RPTC to address their sustainable development challenges. DSD is currently reviewing voluntary national reports and holding discussions with interested Member States to identify gaps and priority areas for its upcoming capacity building strategies. However, DSD had no formal means of obtaining feedback and measuring stakeholders' satisfaction of the services rendered by the Division in the intergovernmental processes.

18. DSD explained that informal feedback, such as discussions between DSD staff and Member States' representatives who were involved in chairing and leading discussions in the various intergovernmental fora had been used in evaluating DSD's performance. Nonetheless, without a formal mechanism to obtain feedback on its services to stakeholders, DSD had no objectively verifiable basis on which to measure its performance on achieving targets.

(1) DESA should establish a formal mechanism to obtain feedback from principal stakeholders, such as the High Level Political Forum, on the support services provided by the Division of Sustainable Development in order to measure its performance more objectively.

DESA accepted recommendation 1 and stated that the Division had already sent out questionnaires to various countries, entities, groups and stakeholders to obtain feedback on its activities and had received some responses. A formal mechanism would be developed in 2017 to obtain feedback from Member States on the work of HLPF. However, based on past experience, the response rate was likely to be low. Recommendation 1 remains open pending receipt of evidence of implementation of the formal mechanism for obtaining feedback from principal stakeholders.

B. Risk assessment and annual workplanning

Need to assess the risks of DSD operations

19. The United Nations Secretariat implemented a policy and framework of enterprise-wide risk management, which requires defining a consistent methodology of assessing, monitoring and communicating risks. However, DESA had not implemented the enterprise risk management framework, and therefore DSD had not established a documented risk assessment process.

20. While no formal risk assessment was conducted at the operational level, branch managers indicated that they were aware of the risks and challenges faced by each of their areas of work and took them into account when implementing branch activities. According to DSD, long-term plans were

developed based on the DESA strategic framework, proposed programme budget, and mandates given by the General Assembly in its resolutions. There was also a high vacancy rate at the chief of branch/D-1 level, with the posts being occupied by various officers-in-charge (OICs) on a temporary basis, which made risk-based long-term planning difficult.

21. Nevertheless, owing to the importance of SDGs there was the need to formally identify risks, and develop risk mitigating strategies. Since this issue had already been raised in other DESA audits, OIOS did not make a recommendation in this regard at this time.

The Secretary-General's bulletin on the organization of the DSD subprogramme needs to be updated

22. The Secretary-General's bulletin on procedures for the promulgation of administrative actions (ST/SGB/2009/4) requires officials responsible for promulgating and/or implementing administrative issuances to review them periodically to ensure that the rules, instructions and procedures that they prescribe are up to date, that obsolete administrative issuances are abolished with minimum delay, and that new issuances or amendments to existing issuances are promulgated as required.

23. The Secretary-General's bulletin on the organization of DESA (ST/SGB/1997/9) was not up to date with the current activities and functions of DSD as it was promulgated in 1997 and had not been revised since then. The Division explained that their current mandate could be clearly seen in the various resolutions of the General Assembly and ECOSOC and summarized biennially in the strategic framework of the Department; therefore, the need to update the Secretary-General's bulletin had not been a priority although one was being worked on. In its audit of the management of the Statistics subprogramme, OIOS recommended that DESA revise the Secretary-General's bulletin to reflect changes to its mandate and functions. Therefore, OIOS did not make a recommendation on this issue.

Not all DSD branches had annual workplans

24. Programme planning regulations and rules require programme managers to develop workplans and related processes to implement work programmes for which they are responsible.

25. The Intergovernmental Support and Interagency Branch prepared annual workplans for 2014 and 2015, while the Water, Energy and Capacity Development Branch prepared annual workplans for 2014 only. Other branches did not develop formal workplans for 2014 to 2016 and explained that the workplans for subprogramme 3 on sustainable development as contained in the biennial strategic framework and the proposed programme budget of the Department were considered the workplan of the Division.

26. The Division also explained that there were generally no workplans for 2015 as they had been awaiting the outcome of the 2030 Agenda for which resolution 70/1 was adopted by the General Assembly on 25 September 2015, as well as the follow-up review of HLPF which took place in July to August 2016. Workplans had also not been developed as five of the six branch/unit chief posts were vacant, with OICs temporarily filling the posts after the retirement of the incumbents. Although the Division provided OIOS with key priority areas for 2015 and 2016, the listing of priority areas did not include specific information that would have been contained in workplans, such as key deliverables, timeframes, and staff assigned.

27. OIOS noted that while the departmental biennial strategic framework and proposed programme budgets are the formal programme planning instruments of the Secretariat, they are prepared at a high level at least 18 months prior to the periods they relate. They therefore need to be broken down into specific activities, and operationalized through an annual work planning exercise. It is also specially

significant for DSD to prepare its annual workplans for 2016 following the adoption of the General Assembly resolution 70/1 given that the proposed programme budget for the 2016-2017 biennium could not have included operational requirements indicated in the resolution. In the absence of up-to-date and formalized annual workplans for all branches at the subprogramme level, there is a risk that General Assembly and ECOSOC resolutions may not be accomplished and consequently departmental objectives may not be achieved effectively.

(2) DESA should take action to ensure that all branches of the Division of Sustainable Development prepare annual workplans within the general framework of the departmental biennial strategic framework and the proposed programme budget to reflect current mandate and related activities.

DESA accepted recommendation 2 and stated that the Division submits to the Department an annual workplan, as well as an annual review summary of its work, based on inputs from the branches. Starting 2017, all branches would also have annual workplans. Recommendation 2 remains open pending receipt of workplans prepared by the branches for 2017.

C. Management of technical cooperation activities

DSD needed to establish a formal mechanism to prioritize technical cooperation activities

28. Pursuant to General Assembly resolution 70/1, the United Nations Secretariat is requested to support Member States with implementation of the 2030 Agenda for Sustainable Development at the regional, national, sub-regional and local levels.

29. According to DSD, the formulation and execution of its technical cooperation activities stemmed from various initiatives such as Agenda 21, the Johannesburg Plan of Implementation, the Rio+20 Outcome (the Future We want), and the 2030 Agenda for Sustainable Development. The Division prioritized technical cooperation activities and funded them from three sources: RPTC, the Development Account and extrabudgetary resources. The Division also, with technical support from the Capacity Development Office, identified technical cooperation activities based on: (i) requests from Member States; and (ii) its mandate to support Member States in their capacity development needs.

30. However, a formal process was needed in developing and prioritizing technical cooperation activities. The audit noted that:

- a. There was no audit trail of the basis on which decisions were taken to allocate funds to technical cooperation activities from the three funding sources. According to DSD, the strategy underlying the allocation of a particular funding source to a specific project relates to the linkage between normative and operational work. This enables the delivery of expertise and approaches to developments that are both country-driven and based on global consensus, in this case the 2030 Agenda. The Division's capacity development portfolio makes use of funding sources that are appropriate for the activities in question. For instance, RPTC funds are used to support activities with shorter lead times, while Development Account projects are used for longer-term interventions. However, the process as described was not apparent in any document;
- b. United Nations regional commissions implement technical cooperation activities to support Member States at the regional level. In doing so, the regional commissions also draw resources from budget Section 23 on RPTC, as well as from budget Section 35 on the

Development Account. The complementarity of efforts between DSD and the regional commissions required close coordination to achieve synergy and cost savings. According to DSD, as part of the implementation of its approved work programme, the Division consults with members of the Executive Committee of Economic and Social Affairs on development activities that would need to be implemented to support the work of HLPF and advance the implementation of the 2030 Agenda. This, however, needed to be more apparent in the programming of technical cooperation activities; and

- c. In the implementation of the SDGs under General Assembly resolution 70/1, HLPF facilitates reviewing voluntary country reports. These reports provide a glimpse of the position of Member States as viewed from the SDGs. Any lessons learned or gaps identified in the reviews of country voluntary reports could form a source of programming technical cooperation activities to support Member States.

31. Without a formal process to develop a programme of technical cooperation activities, there is a risk that DSD may not be able to effectively perform one of its core functions of capacity development at the country level.

(3) DESA should require the Division of Sustainable Development to establish a formal process to prioritize technical cooperation activities that support the sustainable development agenda.

DESA accepted recommendation 3 and stated that the Division had already initiated internal steps to prioritize its technical cooperation activities in line with the 2030 Agenda and the work of HLPF. DSD would seek advice from the Capacity Development Office to establish a more formal process, and align future capacity building activities with the normative and analytical work of the Division on the implementation of the 2030 Agenda. Recommendation 3 remains open pending notification of the establishment of a formal process to prioritize technical cooperation activities.

Underutilization of budgeted funds for capacity development activities

32. Heads of departments and programme managers are required to monitor expected accomplishments, as measured by the delivery of outputs scheduled in the approved programme budget.

33. While the Division effectively executed its regular budget activities in the 2014-2015 biennium, it underutilized funds for project activities from extrabudgetary technical cooperation resources under programme budget Section 9 and the Development Account, for which budget performance was 52 per cent and 51 per cent, respectively. Although 94 per cent of RPTC funds were committed to 15 projects, only 7 of these projects were related to sustainable development activities, for which budget performance was 57 per cent. In particular, less than 10 per cent of RPTC resources allocated to one project (INT15R11 for Capacity Development Training for Post-2015 sustainable development in seven developing countries) was utilized.

34. According to DSD, the primary reasons behind the overall low budget performance rates, were as follows:

- The delivery of certain activities for Development Account and extrabudgetary projects had been affected by external factors such as: (i) political decisions and changes in governments and security situations delaying project activities; and (ii) challenges in identifying regional and country experts with requisite expertise in relation to SIDS.

- RPTC projects were organized with compressed lead times in order to meet capacity development needs arising at relatively short notice. Some participants did not submit the required documentation on time and others cancelled their participation at the last minute. Secondly, some planned capacity development expenditures were also covered through United Nations country teams and in those cases RPTC resources were not spent.
- Additionally, most activities under project INT15R11 were cancelled because requests for travel could not be submitted prior to the Umoja deployment transition.

35. However, some of these challenges could have been averted with advance planning of technical cooperation activities, taking into account local conditions and associated risks in implementing the projects.

(4) DESA should put in place adequate planning mechanisms for technical cooperation activities in the Division of Sustainable Development to ensure that funds allocated for projects are effectively utilized.

DESA accepted recommendation 4 and stated that utilization of funds for technical cooperation activities under RPTC and the Development Account would be improved through adequate planning mechanisms and better use of Umoja reporting facilities for planning and monitoring resource allocations. Recommendation 4 remains open pending receipt of evidence of mechanisms implemented to better utilize technical cooperation funds.

Management of project offices outside Headquarters

36. The Division's technical cooperation activities included two projects located outside New York: (i) the United Nations Centre for Regional Development (UNCRD) in Nagoya, Japan; and (ii) the United Nations Office of Sustainable Development (UNOSD) in Incheon, Korea.

(i) Financial sustainability of UNCRD needed review

37. UNCRD was established by ECOSOC resolution 1582, dated 4 June 1971, to assist developing countries in their transition to a sustainable development path. An agreement was signed in June 1971 between Japan and the United Nations towards the funding of the Centre.

38. Japan has been the primary donor to UNCRD since its establishment. A review of financial statements available up to 2014 showed that the financial resources of the Centre had been declining over the last six years. Since 2008, contributions from the donor declined by 77 per cent from \$3,183,748 in 2008 to \$908,005 in 2014. As a result, the net fund balance over the same period declined by 64 per cent from \$5,242,310 in 2008 to \$1,898,791 as at December 2014. On the other hand, the annual expenditures had increasingly exceeded income over the last six financial periods as illustrated in Table 1.

Table 1: Funding sustainability of UNCRD (in United States dollars)

Year	Cash remittances to the UNCRD Core Fund	Expenditures	Net increase or (decrease) in fund balance
2008	3,183,748.22	3,114,926.19	355,128.10
2009	2,905,435.00	3,242,483.55	(148,603.76)
2010	2,033,810.00	2,745,632.35	(548,196.15)
2011	2,078,652.14	2,670,247.57	(499,770.71)
2012	1,800,109.20	3,033,044.86	(1,036,851.87)
2013	1,488,114.35	2,329,767.30	(792,733.58)
2014	908,004.67	1,592,355.41	(672,491.05)
2015*	779,631.00	803,063	

* Estimates

39. There was no diversification of donors to finance the UNCRD work programme and, therefore, its financial sustainability is uncertain.

(5) DESA should facilitate a strategic review of the impact of funding uncertainty on the United Nations Centre for Regional Development and the Centre’s continuing relevance to the overall work programme of the Division of Sustainable Development.

DESA accepted recommendation 5 and stated that the suggested strategic review would be carried out in coordination with relevant stakeholders in the first half of 2017. Recommendation 5 remains open pending receipt of the results of the strategic review on the impact of funding uncertainty on UNCRD.

(ii) Controls over establishing UNOSD were adequate

40. UNOSD was established in 2011 in response to the Rio+20 outcomes. A memorandum of understanding was signed with the Korean Ministry of Environment in December 2010 and the Office is solely funded by the Republic of Korea, which contributed \$4.5 million for the 2014-2015 biennium.

41. There were initial delays in recruiting professional staff: the first Head of Office only assumed his position in March 2012, two posts were vacant for 1.5 years and the office was generally affected by a high staff turnover. However, at the time of the audit there was a full complement of six staff. A UNOSD Steering Committee met annually and provided strategic direction to the office. OIOS concluded that controls over establishing UNOSD were adequate.

D. Management of posts and other resources

DSD had high vacancy rate, particularly at the chief of branch/unit levels

42. The Secretary-General, in his report on the overview of human resources management reform: towards a global, dynamic and adaptable workforce (A/67/324), indicated that the recruitment process to replace retiring staff members should start 12 months prior to the retirement of the incumbent.

43. The audit results showed that five of the six branch/unit chief positions were vacant at the D-1/P-5 levels in DSD. Three of these vacancies had occurred as a result of the retirement of the incumbents, while one vacancy was due to an early retirement, and another was due to a temporary reassignment. These posts had remained vacant from 6 to 13 months. Table 2 provides details of these vacancies.

Table 2: Vacancies at branch/unit chief level

No.	Functional Title & Branch/Unit	Transfer/separation date	Reason for vacancy	Recruitment initiated on	Length of vacancy (months)	Time from vacancy to initiation of recruitment
1	Chief, Intergovernmental Support & Interagency Branch	14/01/16	Temporary assignment	No job opening	8	No job opening due to temporary assignment
2	Chief, Outreach and Communications Branch	31/03/16	Retirement	31/12/15	6	3 months prior
3	Chief, Policy and Analysis Branch	31/08/15	Retirement	26/03/15	13	5 months prior
4	Chief, Water, Energy & Capacity Development Branch	01/01/16	Early retirement	03/12/15	9	1 month prior
5	Chief, SIDS Unit	31/12/15	Retirement	27/02/16	9	2 months post

44. In the cases of known upcoming vacancies, as in scheduled retirements, recruitment actions were initiated between five months prior to retirement and two months after the retirement of the incumbent. Although this was proactive in some cases, it still did not allow adequate time to fill the posts within a reasonable time after the incumbent retired.

45. Vacancies, especially those at the branch/section chief level, could lead to inability of the Division to effectively establish work plans and implement mandated activities and therefore reduce its effectiveness.

(6) DESA should fill the current vacant posts in the Division for Sustainable Development on a priority basis and initiate recruitment actions for upcoming retirements 12 months prior to the scheduled retirement date.

DESA accepted recommendation 6 and stated that the Division had filled a number of posts during 2016 and included a review of recruitment actions on its weekly agenda for Branch Chiefs/Focal Points meetings. Starting from 2017, it would institute regular meetings with DESA Executive Office and Capacity Development Office on the status of upcoming and current vacancies. Recommendation 6 remains open pending receipt of evidence of regular reviews of recruitment actions.

Noncompliance with travel policy

46. Staff rule 7.8 and the administrative instruction on official travel (ST/AI/2013/3) require all travel arrangements for individuals travelling on behalf of the United Nations to be finalized 16 calendar days in advance of commencement of official travel. Programme managers are required to provide justification on all official travel arrangements that did not meet this requirement.

47. OIOS reviewed 118 travel documents, representing 34 per cent of 345 processed documents to assess compliance with the 16 calendar days advance travel policy. As summarized in Table 3, there was a 59 per cent noncompliance rate with the policy, based on the tested number of documents. In seven cases, no justification was provided for deviating from the 16 calendar days advance purchase requirement.

Table 3: Noncompliance rate with travel policy

Fund	Number of tickets	Ticket costs \$	Noncompliance	
			Number	Percentage
Regular budget	42	77,288	9	21%
RPTC	27	33,194	16	59%
Extrabudgetary	29	70,000	25	86%
Development Account	20	69,873	20	100%
Total	118	250,355	70	59%

48. The bulk of the travel authorizations that fell short of the 16 calendar days advance rule were related to travel of experts, training participants and consultants. Some events were organized with compressed lead times and participants did not submit the required documentation on time. Better planning could increase the compliance rate with the travel policy.

(7) DESA should: (i) develop an action plan to ensure official travel of sustainable development experts, training participants and consultants complies with the policy requiring finalization of arrangements 16 calendar days in advance of travel; and (ii) document any exceptions with appropriate justification.

DESA accepted recommendation 7 and stated that the Division had taken internal steps to ensure that travel requests of staff members are submitted and processed ahead of the deadline. In addition, meeting planning would be further strengthened to help process travel of delegates, experts and other participants on a timely basis. The Division would continue to strive for compliance with the advance purchase period and document exceptions of cases of noncompliance. Recommendation 7 remains open pending receipt of evidence of actions taken to ensure official travel plans are finalized at least 16 calendar days in advance of travel.

V. ACKNOWLEDGEMENT

49. OIOS wishes to express its appreciation to the management and staff of DESA 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 management of the sustainable development subprogramme in the Department of Economic and Social Affairs

Rec. no.	Recommendation	Critical ¹ / Important ²	C/ O ³	Actions needed to close recommendation	Implementation date ⁴
1	DESA should establish a formal mechanism to obtain feedback from principal stakeholders, such as the High Level Political Forum, on the support services provided by the Division of Sustainable Development in order to measure its performance more objectively.	Important	O	Submission of evidence of implementation of a formal mechanism for obtaining feedback from principal stakeholders.	31 December 2017
2	DESA should take action to ensure that all branches of the Division of Sustainable Development prepare annual workplans, within the general framework of the departmental biennial strategic framework and the proposed programme budget to reflect current mandate and related activities.	Important	O	Submission of 2017 workplans prepared by DSD branches.	30 June 2017
3	DESA should require the Division of Sustainable Development to establish a formal process to prioritize technical cooperation activities that support the sustainable development agenda.	Important	O	Submission of evidence that a formal process to prioritize technical cooperation activities has been put in place.	31 December 2017
4	DESA should put in place adequate planning mechanisms for technical cooperation activities in the Division of Sustainable Development to ensure that funds allocated for projects are effectively utilized.	Important	O	Submission of evidence that mechanisms to better utilize technical cooperation funds have been established.	31 December 2017
5	DESA should facilitate a strategic review of the impact of funding uncertainty on the United Nations Centre for Regional Development and the Centre's continuing relevance to the overall work	Important	O	Submission of the results of the strategic review of the impact of funding uncertainty on UNCRD and the Centre's continuing relevance to the	30 June 2017

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 DESA in response to recommendations.

STATUS OF AUDIT RECOMMENDATIONS

Audit of the management of the sustainable development subprogramme in the Department of Economic and Social Affairs

Rec. no.	Recommendation	Critical ¹ / Important ²	C/ O ³	Actions needed to close recommendation	Implementation date ⁴
	programme of the Division of Sustainable Development.			DSD overall work programme.	
6	DESA should fill the current vacant posts in the Division for Sustainable Development on a priority basis and initiate recruitment actions for upcoming retirements 12 months prior to the scheduled retirement date.	Important	O	Submission of evidence that regular reviews of recruitment actions have been instituted.	31 December 2017
7	DESA should: (i) develop an action plan to ensure official travel, of sustainable development experts, training participants and consultants, complies with the policy requiring finalization of arrangements 16 calendar days in advance of travel; and (ii) document any exceptions with appropriate justification.	Important	O	Submission of evidence that actions have been taken to ensure official travel plans are finalized at least 16 calendar days in advance of travel.	31 December 2017

APPENDIX I

Management Response

Management Response

Draft report on an audit of the management of the sustainable development subprogramme in the Department of Economic and Social Affairs

Rec. no.	Recommendation	Critical ¹ / Important ²	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
1.	DESA should establish a formal mechanism to obtain feedback from principal stakeholders, such as the High Level Political Forum, on the support services provided by the Division of Sustainable Development in order to measure its performance more objectively.	Important	Yes	Director DSD	31.12.2017	<p>The Division has already initiated work in this direction. For the 2016 voluntary national reviews, the Division sent a questionnaire to the 22 VNR countries and received 14 replies. The Division also sent a questionnaire to EC-ESA Plus entities on the work of the HLPF and received 14 replies as of 28 December 2016. A similar survey was sent to the Major Groups and other Stakeholders, for which 19 replies were received.</p> <p>A formal mechanism will be developed in the course of 2017 on the work of the HLPF to obtain feedback from Member States. We want to caution, though, that our experience with similar endeavors in the past suggests that the response rate is likely to be low.</p>
2.	DESA should take action to ensure that all branches of the Division of Sustainable Development prepare annual workplans, within the general framework of the departmental biennial strategic framework and the proposed programme budget to reflect current mandate and related activities.	Important	Yes	Director DSD	30.06.2017	<p>The Division submits to the Department an annual work plan, as well as an annual review summary of its work. This Divisional work plan and its annual summary are based on the inputs from the Branches.</p> <p>Starting with 2017, all Branches will have also annual work plans.</p>

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

Draft report on an audit of the management of the sustainable development subprogramme in the Department of Economic and Social Affairs

Rec. no.	Recommendation	Critical ¹ / Important ²	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
3.	DESA should require the Division of Sustainable Development to establish a formal process to prioritize technical cooperation activities that support the sustainable development agenda.	Important	Yes	Director DSD	31.12.2017	The Division has already initiated internal steps to prioritize its technical cooperation activities in line with the 2030 Agenda and the work of the HLPF. It will further seek advice from the Capacity Development Office to establish a more formal process. Future capacity building activities, notably in the context of RPTC and Development Account funding, will be aligned with the normative and analytical work of the Division on the implementation of the 2030 Agenda, by replying to demands voiced by member states in the context of the HLPF.
4.	DESA should put in place adequate planning mechanisms for technical cooperation activities in the Division of Sustainable Development to ensure that funds allocated for projects are effectively utilized.	Important	Yes	Director DSD	31.12.2017	Utilization of funds for technical cooperation activities under RPTC and Development Account will be improved through adequate planning mechanisms. We believe that the increased reporting facilities of Umoja, once fully understood and made available to the Division, will allow for better monitoring and planning of resource allocations.
5.	DESA should facilitate a strategic review of the impact of funding uncertainty on the United Nations Centre for Regional Development and the Centre's continuing relevance to the overall work programme of the Division of Sustainable Development.	Important	Yes	Director DSD	30.06.2017	The suggested strategic review will be carried out in coordination with relevant stakeholders in the first half of 2017.
6.	DESA should fill the current vacant posts in the Division for Sustainable Development on a priority basis and initiate recruitment actions for upcoming	Important	Yes	Director DSD	31.12.2017	The Division has put recruitment actions on its weekly Branch Chiefs/Focal Points meetings. In the course of 2016, the Division has filled 4 D1, 1 P5, 1 P4, 1 P3,

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	retirements 12 months prior to the scheduled retirement date.					<p>1 P2, and 1 G5 positions, not including a significant number of temporary vacancies.</p> <p>Starting from 2017, regular meetings with DESA Executive Office and Capacity Development Office on the status of upcoming and current vacancies will be instituted.</p>
7.	DESA should: (i) develop an action plan to ensure official travel of sustainable development experts, training participants and consultants complies with the policy requiring finalization of arrangements 16 calendar days in advance of travel; and (ii) document any exceptions with appropriate justification.	Important	Yes	Director DSD	31.12.2017	<p>The Division has taken internal steps to ensure that travel requests of staff members are submitted and processed ahead of the deadline. In addition, meeting planning is further strengthened to help process travel of delegates, experts and other participants on a timely basis.</p> <p>Improved planning of travel-related activities will be implemented within the administrative framework provided by the relevant rules and regulations and related systems and, in the case of travel of participants from member states, in line with the conditions imposed by third parties. The Division will continue to strive for compliance with the advance period and will document exceptions of cases of non-compliance.</p>