



INTERNAL AUDIT DIVISION

REPORT 2021/013

Audit of the Automated System for Customs Data programme at the United Nations Conference on Trade and Development

**There is need to strengthen strategic
planning and some aspects of governance
and project management**

5 May 2021

Assignment No. AE2020-340-02

Audit of the Automated System for Customs Data programme at the United Nations Conference on Trade and Development

EXECUTIVE SUMMARY

The Office of Internal Oversight Services (OIOS) conducted an audit of the Automated System for Customs Data (ASYCUDA) programme at the United Nations Conference on Trade and Development (UNCTAD). The objective of the audit was to assess the adequacy and effectiveness of governance, risk management and control processes over the effective management of the ASYCUDA programme. The audit covered the period from January 2018 to June 2020 and included a review of: (a) strategic planning and risk management; (b) project management; and (c) human and financial resources management.

The audit indicated the need to strengthen strategic planning and some aspects of governance and project management relating to the ASYCUDA programme.

OIOS made 10 recommendations. To address issues identified in the audit, UNCTAD needed to:

- Finalize a long-term strategic plan for the ASYCUDA programme;
- Develop a funding strategy or model for mobilizing the resources required for upgrade of ASYCUDAWorld and related research and development needs, and update the ASYCUDA risk register to include risks associated with continued delays or failure to secure the required resources;
- Strengthen the composition and operational arrangements of the ASYCUDA governing bodies to enhance their effectiveness in providing guidance, support and oversight;
- Develop terms of reference for the ASYCUDA regional offices and regional programme officers;
- Review the ASYCUDA programme structure and explore options for addressing the gaps in resources needed to conduct social and economic analysis of the programme's achievements;
- Ensure that the ASYCUDA Project Officer Manual is up to date and aligned to the organization-wide practices;
- Enhance review mechanisms for the ASYCUDA programme to ensure that project evaluations and surveys of user countries are conducted, and the related reports are collected and submitted to the Evaluation and Monitoring Unit;
- Ensure effective mainstreaming of gender, human rights, and environmental considerations in ASYCUDA project documents and reporting activities;
- Develop a plan with targets and specific actions to improve gender balance of staff in the ASYCUDA programme; and
- Define timelines for closure of operationally complete projects and expedite the compensation for projects with negative balances.

UNCTAD accepted the recommendations and has initiated action to implement them.

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Audit of the Automated System for Customs Data programme at the United Nations Conference on Trade and Development

I. BACKGROUND

1. The Office of Internal Oversight Services (OIOS) conducted an audit of the Automated System for Customs Data (ASYCUDA) programme at the United Nations Conference on Trade and Development (UNCTAD).

2. ASYCUDA is a programme under UNCTAD's Division on Technology and Logistics (DTL). The programme was established in 1981 and is currently implemented in 98 countries. It is UNCTAD's largest technical cooperation programme accounting for more than 50 per cent of its technical cooperation budget. ASYCUDA designs and develops software applications (products) for customs administration and the trade community to facilitate compliance with international standards and best practices. Its main objectives are: (a) modernizing customs operations and helping to improve revenue collection; (b) facilitating trade efficiency and competitiveness by substantially reducing transaction time and costs; (c) improving security by streamlining procedures of cargo control, transit of goods and clearance of goods; (d) helping fight corruption by enhancing the transparency of transactions; and (e) promoting environmental sustainability through the use of electronic transactions and documents.

3. ASYCUDA's flagship product, known as "ASYCUDAWorld", is a computerized customs management system which covers most foreign trade procedures and customized information technology solutions for specific needs. Examples of recently developed ASYCUDA products include: (a) the ASYCUDA e-CITES which is an off-the-shelf software solution for electronic permit management and exchange that facilitates the implementation of the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES); and (b) the Automated System for Relief Emergency Consignments (ASYREC), which is an application that facilitates and speeds up the processing of international relief in the event of crisis, including disasters and conflict. Some of the new products are embedded in ASYCUDAWorld while others are separate products. ASYCUDA responded proactively to the COVID-19 pandemic emergency by issuing guidelines for adapting the use of ASYCUDAWorld to the COVID-19 situation.

4. ASYCUDA is funded exclusively from extra budgetary funds, with the exception of two general service posts that were funded by the regular budget. For most projects, beneficiary governments self-financed the implementation of ASYCUDAWorld in their countries. As of May 2020, the programme had 73 active projects with a total budget of \$73.5 million. Expenditure for the years 2018 and 2019 amounted to \$20.39 million and \$21.69 million, respectively, of which staff and personnel costs were around 57 per cent. ASYCUDA is headed by a Chief of Service (D-1) and had 151 staff and personnel including 69 international professional staff (38 fixed-term and 31 temporary), 4 general service staff (3 fixed-term and 1 temporary), 20 service contractors, 3 United Nations Volunteers, 1 international consultant, 53 individual contractors, and 1 fellowship contract holder.

5. Comments provided by UNCTAD are incorporated in italics.

II. AUDIT OBJECTIVE, SCOPE AND METHODOLOGY

6. The objective of the audit was to assess the adequacy and effectiveness of governance, risk management and control processes over the effective management of the ASYCUDA programme.

7. This audit was included in OIOS' work plan for 2020 due to the risks associated with implementation of the ASYCUDA programme which is UNCTAD's largest technical cooperation programme.

8. OIOS conducted this audit from June to December 2020. The audit covered the period from January 2018 to June 2020. Based on an activity-level risk assessment, the audit covered risk areas relating to: (a) strategic planning and risk management; (b) project management; and (c) human and financial resources management.

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

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

III. AUDIT RESULTS

A. Strategic planning and risk management

Need to finalize the ASYCUDA long-term strategic plan

11. In 2009, the UNCTAD Secretary-General strengthened the programme's governance structure and established the ASYCUDA Programme Management Board (APMB) to ensure that the programme receives the needed support. APMB is responsible for, among other things, ensuring the development of a multiyear strategic plan and an annual progress report which should be endorsed by the UNCTAD Secretary-General. The ASYCUDA programme is integrated in DTL's strategic framework and budget, and a high-level summary of ASYCUDA annual plans and achievements were reported in the UNCTAD programme budget. ASYCUDA had also developed a high-level results-based management framework (RBM matrix) that outlined its key activities, outputs and outcomes, and key assumptions and indicators of progress. The RBM matrix also showed linkages to the relevant Sustainable Development Goals (SDGs).

12. However, ASYCUDA did not have a multiyear strategic plan outlining its long-term vision and strategy as envisioned in the terms of reference (TOR) of APMB. The last multiyear strategic planning document covered the period 2011 to 2015 and was extended for two additional years to 2017. A strategic plan for the period 2018-2023 was in draft, with important sections on the results framework still blank. These sections need to be filled in line with the RBM Matrix and used as the basis for performance monitoring and evaluation. Some of the gaps addressed later in the report regarding sustainability and funding for the ASYCUDA system upgrades are also important strategic issues that need to be addressed in the strategic planning process. UNCTAD explained that finalization of the strategic plan was put on hold to take into consideration recommendations that may arise from the OIOS audit which was initially scheduled for 2019 but was postponed to 2020.

13. ASYCUDA reported on its deliverables yearly at an aggregate level in the United Nations Secretariat's performance reporting portal (IMDIS). A new Umoja Integrated Planning, Management and Reporting (IPMR) tool was scheduled to be implemented in February 2021. No end of cycle report had been prepared for the six-year strategic plan that ended in 2017. An end of cycle report for a large programme with multiyear strategic documents is essential to assess the achievement of strategic goals and to identify lessons that could be learned to inform the strategic planning process.

(1) UNCTAD should finalize a long-term strategic plan for the ASYCUDA programme which should be submitted to its governing bodies for endorsement.

UNCTAD accepted recommendation 1 and stated that the strategic plan will be presented to ASYCUDA's governing bodies for endorsement. Recommendation 1 remains open pending receipt of the approved long-term strategic plan for the ASYCUDA programme.

Need to develop a fundraising strategy for research and development requirements

14. UNCTAD is aware of the need to mobilize resources for continued research and development and to implement new technical solutions for ASYCUDAWorld which are essential for long-term sustainability of the programme. One of the elements that needs to be addressed is the reliance of ASYCUDAWorld on a commercial middleware which all beneficiary countries need to acquire alongside other software licenses for the ASYCUDAWorld platform. In four different audit and investigations reports since 2008, OIOS reported procurement irregularities associated with the commercial middleware and recommended that ASYCUDA cut ties with the middleware provider.

15. In response to the OIOS recommendations, in 2012, UNCTAD prepared a business case for the development of a new version of ASYCUDAWorld that would be based on open source software and not depend on the commercial middleware. However, the new version had not been developed due to funding constraints. UNCTAD indicated that informal consultations with donors were not successful since donors were reluctant to fund research and development activities. UNCTAD stated that alternative funding models such as charging the users for a research and development/maintenance portion had also not been pursued due to the reluctance expressed by user countries to pay for such costs.

16. Newly developed ASYCUDA products such as ASYHUB, ASYPM and e-CITES did not require the commercial middleware because they used open source software. This is an indication of steps taken to move away from the commercial middleware. However, an alternative for ASYCUDAWorld and how it would be financed needs to be addressed. Also, the funding mechanism for regular technological upgrades of all products needs to be defined because such upgrades are increasingly important especially given the fast pace of development of digital technologies.

17. ASYCUDA explained that several attempts to address the funding requirements for technological upgrades were made but they were not successful. On 26 May 2020, the UNCTAD Secretary-General requested the Under-Secretary-General for Management Strategy, Policy and Compliance to allow UNCTAD to use \$4.5 million of its programme support costs savings to upgrade ASYCUDAWorld in a 5-year plan to ensure long-term sustainability of the programme. UNCTAD stated that the request for funds from the programme support costs savings was the first phase towards funding the new version of ASYCUDAWorld in line with the business case prepared in 2012. The business case was in the process of being revised to reflect a phased approach to research and development.

18. While UNCTAD recognized that the continued use of commercial middleware was a risk factor, the risks were not documented in the risk register. According to ASYCUDA staff, the potential for any malicious third-party to cause damage to customs operations that used ASYCUDAWorld was limited due to long term licence agreements. However, UNCTAD needs to fully assess the risks and include them in the ASYCUDA risk register to ensure that they are appropriately mitigated.

(2) UNCTAD should: (a) develop a funding strategy or model for mobilizing the resources required for upgrade of ASYCUDAWorld and related research and development needs; and (b) update the ASYCUDA risk register to include risks associated with continued delays or failure to secure the required resources.

UNCTAD accepted recommendation 2. Recommendation 2 remains open pending receipt of the funding strategy or model for mobilizing resources and an updated risk register incorporating risks associated with delayed funding.

Need to strengthen programme governance

19. The Director of DTL indicated that the Division had regular consultations with the UNCTAD Secretary-General regarding ASYCUDA activities and achievements. In 2009, the UNCTAD Secretary-General established APMB and also APMC (ASYCUDA Programme Management Committee). APMB is responsible for ensuring good governance, coordination with other United Nations entities, approval of the multiyear strategic programme, and continuous relevance of the programme, while APMC was to be responsible for supporting and operationalizing the responsibilities of APMB.

20. APMC was discontinued in 2017 and replaced with the practice of meetings between the DTL Director and ASYCUDA senior management. APMB on the other hand was an operational body and its membership was expanded to include a representative of the Office for the Coordination of Humanitarian Affairs (OCHA) as well as other UNCTAD services such as information technology. Although other UNCTAD programmes followed the good practice of including the representatives of donors and beneficiaries in such committees or boards to strengthen programme support and oversight, APMB did not have donor or beneficiary representatives. Although required by its TOR to meet twice a year, APMB met once in 2018, 2019 and 2020. Further, important decisions (such as to postpone the finalization of the strategic plan, and to dissolve APMC) were not documented in the minutes of APMB's meetings. Most regional programme managers interviewed by OIOS were also not aware of the ASYCUDA governance mechanisms and decisions.

(3) UNCTAD should strengthen the composition and operational arrangements of the ASYCUDA governing bodies to enhance their effectiveness in providing guidance, support and oversight.

UNCTAD accepted recommendation 3. Recommendation 3 remains open pending receipt of evidence that the composition and operational arrangements of the ASYCUDA governing bodies have been strengthened.

Need to formalize the TOR for regional offices and regional programme officers

21. ASYCUDA operates with a decentralized, regional structure which provides flexibility and proximity to beneficiaries' needs. Over the years, the regional structure has been changed and adapted to the project portfolio and currently includes eight regional managers covering as many regions. However, the programme organigram had not been updated to reflect the new regional structure, and there were no formal TOR or guidance for the regional structure and regional programme officers' functions. The job descriptions of some regional programme officers did not include their regional responsibilities.

22. Further, there were divergent practices for planning and management of regional resources. For instance, some regional programme officers developed a regional strategy while others did not have a formal plan beyond the list of ongoing projects. Although staff were committed to work with the United Nations Sustainable Development Assistance Framework, there was no clear and consistent understanding among regional programme officers of their role in ensuring that ASYCUDA development efforts were reflected in their respective frameworks. The regional programme officers' participation in Country Teams also varied significantly. In addition, most of the regional programme officers complained that there was no practice of formally meeting all peers to share experience and provide inputs to management. The

situation partially improved following the implementation of Microsoft Teams and remote working arrangements as a result of the COVID-19 pandemic, leading to meetings being held remotely.

23. Documenting the regional office and regional programme officers' TOR would help in clarifying their role and responsibilities and addressing the gaps in planning and management as noted above.

(4) UNCTAD should develop formal terms of reference for the ASYCUDA regional offices and regional programme officers.

UNCTAD accepted recommendation 4 and stated that this will be implemented in close collaboration with the Chief of Resources Management Service. Recommendation 4 remains open pending receipt of formal TOR for the ASYCUDA regional offices and regional programme officers.

Need to strengthen capacity to conduct economic and social analysis

24. ASYCUDA's workforce is composed of technical experts and project managers funded within time-limited project activities. There were no dedicated resources with the necessary analytical skills to conduct social and economic analysis which is at the heart of UNCTAD's mandate. UNCTAD and ASYCUDA management were concerned about the impact of this gap on staffing. For instance, the 2019 compendium provides some reference to results achieved in 23 countries, but the report does not refer to social/economic development indicators. There is a need to assess the appropriate mix of project management and substantive knowledge in the ASYCUDA programme's workforce to enable the conduct of economic and social analysis of programme implementation.

(5) UNCTAD should review the ASYCUDA programme structure and explore options for addressing the gaps in resources needed to conduct social and economic analysis of the programme's achievements.

UNCTAD accepted recommendation 5 and stated that the regular budget resource mobilization is to be explored for a P-3/P-4 economic affairs officer. Recommendation 5 remains open pending receipt of evidence that the ASYCUDA programme structure has been reviewed and decisions made regarding how to deal with the gaps in resources needed to conduct social and economic analysis of the programme's achievements.

B. Project management

Need to update the ASYCUDA Project Officer Manual

25. The ASYCUDA Project Officer Manual provides guidelines relating to the management of activities (including standard forms and templates) that are aligned with UNCTAD's project management standards. However, the Manual was last revised in 2012 and several sections needed to be updated in view of major changes such as the introduction of Umoja, the new quality assurance mechanism for technical cooperation projects in UNCTAD, changes in the regional structure, and introduction of new governance mechanisms. In March 2020, UNCTAD issued a "project management handbook" but it did not cover aspects such as project documents, transfer of assets, and information security which are more specific to ASYCUDA. Some of the procedures described in the new handbook were different from the Manual and both seemed to be in force. Clear and up to date guidelines would enhance project officers' awareness and compliance with the project management guidelines and requirements.

(6) UNCTAD should ensure that the ASYCUDA Project Officer Manual or standard operating procedures are up to date and aligned to the organization-wide practices.

UNCTAD accepted recommendation 6 and stated that this will be implemented in close collaboration with the Chief of Technical Cooperation Section. Recommendation 6 remains open pending receipt of evidence that the ASYCUDA Project Officer Manual or standard operating procedures are up to date and aligned to the organization-wide practices.

Need to ensure that the evaluation policy is consistently applied

26. ASYCUDA did not consistently comply with the UNCTAD evaluation policy. A substantial number of ASYCUDA projects are financed by beneficiary developing countries that do not allocate resources for independent evaluation of the project and by traditional development partners (such as World Bank) which have their own established evaluation frameworks. While UNCTAD Evaluation and Monitoring Unit obtained confirmation that the donors would undertake the evaluation exercises separately, with the exception of one evaluation document, there was no record of past independent evaluation exercises for ASYCUDA projects. ASYCUDA did not also share completed self-evaluation documents with the Evaluation Unit which is necessary to enable the Unit to oversee quality and organize the knowledge and results generated. Further, the Project Officer Manual requires project officers and regional coordinators to conduct surveys of user countries to verify fulfilment of stakeholders' expectations. However, this requirement was not consistently complied with. In 2019 ASYCUDA management decided to ensure better alignment of ASYCUDA practices with UNCTAD evaluation policy. Periodic evaluations of projects in line with the evaluation policy are necessary for assessing the efficiency and effectiveness of the projects and identifying lessons that could be learned.

(7) UNCTAD should enhance review mechanisms for the ASYCUDA programme to ensure that project evaluations and surveys of user countries are conducted, and the related reports are collected and submitted to the Evaluation and Monitoring Unit.

UNCTAD accepted recommendation 7. Recommendation 7 remains open pending receipt of evidence that review mechanisms have been established to oversee compliance with the evaluation policy and requirements for surveying user countries and ensuring related reports are collected, reviewed and submitted to the Evaluation and Monitoring Unit.

Need to mainstream gender, human rights and environmental sustainability

27. Gender equality and the empowerment of women, promotion of human rights and sustainable use of resources lie at the heart of the SDGs, and they are vital to fully realizing the rights and potential of all persons. The outcome of the fourteenth session of UNCTAD's Ministerial Conference held in 2016 (Nairobi Maafikiano) requires UNCTAD to effectively contribute to achieving the SDGs and give due account to cross-cutting issues such as respect for human rights, including the right to development, gender equality and women's empowerment among others. It also encourages UNCTAD to facilitate the development, transfer, dissemination and diffusion of environmentally sound technologies.

28. In 2011 UNCTAD developed a gender strategy and action plan which requires project documents to adopt gender inclusive language, include a specific paragraph on gender; and ensure that training events and trainers are sensitized to gender issues. All ASYCUDA project proposals are reviewed by the gender focal point. The gender focal point explained that the technical nature of some of the ASYCUDA products make it difficult to integrate gender dimension into the logical framework and background analysis. However, ASYCUDA had not yet developed guidelines for mainstreaming gender in the areas where it was possible such as training and collection of baseline data. ASYCUDA had also not yet elaborated a common

understanding of gender mainstreaming. Out of nine projects reviewed, only two had objectives and indicators with gender focus. The rest of the project documents had only generic gender-friendly statements. Gender equality assessment tools in the customs management business environment, such as the World Customs Organizations, are available and could be adopted and tailored to ASYCUDA projects as appropriate.

29. ASYCUDA had also not developed guidance for the integration of human rights and sustainable environment considerations into project documents. ASYCUDA projects are always implemented in tandem with customs officers who are law enforcement entities. However, it was unclear whether ASYCUDA was subject to the requirements of the Human Rights Due Diligence Policy on United Nations support to non-United Nations Security Forces (A/67/775 of 2013), and no formal due diligence assessment was ever implemented. The UNCTAD evaluation policy (Participatory Self-Evaluation guidelines) requires that gender and sustainable environmental consideration are taken into considerations for self-evaluation exercises, but this was not done.

30. UNCTAD needs to develop and adopt guidance, accountability requirements, training and generic indicators of success to assist ASYCUDA project officers in addressing gender, human rights and environmental mainstreaming issues effectively and consistently.

(8) UNCTAD should develop guidelines for project officers to ensure effective mainstreaming of gender, human rights and environmental considerations in ASYCUDA project documents and reporting activities.

UNCTAD accepted recommendation 8. Recommendation 8 remains open pending receipt of evidence that guidelines for mainstreaming of gender, human rights, and environmental considerations in ASYCUDA project documents and reporting activities have been developed.

C. Human and financial resources management

Controls relating to procurement and travel were satisfactory

31. In order to ensure ownership, enhance cost-effectiveness and reduce administrative costs for the programme, most ASYCUDA projects require beneficiary countries to directly acquire the software and hardware needed for project implementation. The programme had limited direct procurement (in 2019 ASYCUDA purchased goods and services for around \$176,000), either through the United Nations Office at Geneva or the local United Nations Development Programme (UNDP) offices. Sample review showed that procurement needs were aligned to objectives and planned outputs, UNDP charges were reviewed, and pending issues were followed up satisfactorily. Management and oversight of travel resources (which represent 15 per cent of 2019 expenditures) were also in accordance with the established policies and procedures.

Need to improve staff gender balance

32. As of 31 May 2020, ASYCUDA had 152 staff and personnel. ASYCUDA employed 42 staff members with fixed-term contracts. Due to its demand-driven nature and reliance on project contributions, the remaining workforce was composed of temporary positions (including 32 staff members on temporary appointment). ASYCUDA had managed to increase by five the number of staff with fixed-term contracts over the last three years. Males constituted 84 per cent of staff in the professional staff category (fixed term and temporary). Since 2019, female representation marginally improved in the temporary appointment category. UNCTAD attributed the gender imbalance to historical reasons and stated that it was working to

increase its outreach to female candidates. UNCTAD needs to develop a plan to improve gender balance in the ASYCUDA programme, with clear targets and actions to be taken.

(9) UNCTAD should develop a plan with targets and specific actions to improve gender balance of staff in the ASYCUDA programme.

UNCTAD accepted recommendation 9 and stated that this will be implemented in close collaboration with the Chief of Resources Management Service. Recommendation 9 remains open pending receipt of evidence that a plan has been developed, with targets and specific actions to improve gender balance of staff in the ASYCUDA programme.

Need to ensure timely closure of completed projects

33. Completed projects need to be closed in a timely manner so that any outstanding funds can be diverted to other use or returned to donors and any shortages addressed. As of 31 May 2020, ASYCUDA had 30 operationally completed projects with outstanding balances of \$558,282. Of these 11 had been due for closure for more than one year. Three out of the 30 projects had an over-expenditure balance of \$42,327 and were due for closure in 2019 and 2018. According to the UNCTAD Budget and Project Finance Section, the over-expenditure was the result of payroll expenditures being higher than expected and the deficit will be covered within the pooled funding for the beneficiary country. The remaining 27 projects having positive balances were either under negotiations for an extension or the final report was being prepared prior to closure. It is essential that a reasonable timeline for closing projects is defined and exceptions monitored and explained.

(10) UNCTAD should define timelines for closure of operationally complete projects and expedite the compensation for projects with negative balances.

UNCTAD accepted recommendation 10. Recommendation 10 remains open pending receipt of evidence that timelines for closure of operationally complete projects have been defined and the compensation for projects with negative balances have been addressed.

IV. ACKNOWLEDGEMENT

34. OIOS wishes to express its appreciation to the management and staff of UNCTAD 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 Automated System for Customs Data programme at the
United Nations Conference on Trade and Development**

Rec. no.	Recommendation	Critical ¹ / Important ²	C/ O ³	Actions needed to close recommendation	Implementation date ⁴
1	UNCTAD should finalize a long-term strategic plan for the ASYCUDA programme which should be submitted to its governing bodies for endorsement.	Important	O	Receipt of the approved long-term strategic plan for the ASYCUDA programme.	31 December 2021
2	UNCTAD should: (a) develop a funding strategy or model for mobilizing the resources required for upgrade of ASYCUDAWorld and related research and development needs; and (b) update the ASYCUDA risk register to include risks associated with continued delays or failure to secure the required resources.	Important	O	Receipt of the funding strategy or model for mobilizing resources and an updated risk register incorporating risks associated with delayed funding.	31 December 2021
3	UNCTAD should strengthen the composition and operational arrangements of the ASYCUDA governing bodies to enhance their effectiveness in providing guidance, support and oversight.	Important	O	Receipt of evidence that the composition and operational arrangements of the ASYCUDA governing bodies have been strengthened.	31 December 2021
4	UNCTAD should develop formal terms of reference for the ASYCUDA regional offices and regional programme officers.	Important	O	Receipt of formal TOR for the ASYCUDA regional offices and regional programme officers.	30 September 2021
5	UNCTAD should review the ASYCUDA programme structure and explore options for addressing the gaps in resources needed to conduct social and economic analysis of the programme's achievements.	Important	O	Receipt of evidence that the ASYCUDA programme structure has been reviewed and decisions made regarding how to deal with the gaps in resources needed to conduct social and economic analysis of the programme's achievements.	30 April 2022
6	UNCTAD should ensure that the ASYCUDA Project Officer Manual or standard operating procedures are up to date and aligned to the organization-wide practices.	Important	O	Receipt of evidence that the ASYCUDA Project Officer Manual or standard operating procedures are up to date and aligned to the organization-wide practices.	31 December 2021
7	UNCTAD should enhance review mechanisms for the ASYCUDA programme to ensure that project evaluations and surveys of user countries are conducted, and the related reports are collected and submitted to the Evaluation and Monitoring Unit.	Important	O	Receipt of evidence that review mechanisms have been established to oversee compliance with the evaluation policy and requirements for surveying user countries and ensuring related reports are collected, reviewed, and submitted to the Evaluation and Monitoring Unit.	30 June 2022

STATUS OF AUDIT RECOMMENDATIONS

Audit of the Automated System for Customs Data programme at the United Nations Conference on Trade and Development

8	UNCTAD should develop guidelines for project officers to ensure effective mainstreaming of gender, human rights and environmental considerations in ASYCUDA project documents and reporting activities.	Important	O	Receipt of evidence that guidelines for mainstreaming of gender, human rights, and environmental considerations in ASYCUDA project documents and reporting activities have been developed.	30 June 2022
9	UNCTAD should develop a plan with targets and specific actions to improve gender balance of staff in the ASYCUDA programme.	Important	O	Receipt of evidence that a plan has been developed, with targets and specific actions to improve gender balance of staff in the ASYCUDA programme.	31 October 2021
10	UNCTAD should define timelines for closure of operationally complete projects and expedite the compensation for projects with negative balances.	Important	O	Receipt of evidence that timelines for closure of operationally complete projects have been defined and the compensation for projects with negative balances have been addressed.	30 June 2022

¹ Critical recommendations address those risk issues that require immediate management attention. Failure to take action could have a critical or significant adverse impact on the Organization.

² Important recommendations address those risk issues that require timely management attention. Failure to take action could have a high or moderate adverse impact on the Organization.

³ Please note the value C denotes closed recommendations whereas O refers to open recommendations.

⁴ Date provided by UNCTAD in response to recommendations.

APPENDIX I

Management Response



MEMORANDUM

À - To: Ms. Eleanor T. Burns
Director, Internal Audit Division, OIOS 21 April 2021

De - From: Ms. Isabelle Durant
Acting Secretary-General, UNCTAD

A handwritten signature in black ink, appearing to be 'Isabelle Durant', written over the printed name.

Objet - Subject: Audit of the Automated System for Customs Data programme of the United Nations Conference on Trade and Development (Assignment No. AE2020-340-02).

1. I refer to your memorandum dated 15 March 2021, conveying the results of an audit of the Automated System for Customs Data programme of the United Nations Conference on Trade and Development (Assignment No. AE2020-340-02).

2. Please find attached the completed management response table including an action plan with target dates and responsible individuals.

3. Let me take this opportunity to express our appreciation to the OIOS Europe Section headed by Ms. Anna Nyaoro.

4. Thank you for your continued collaboration and kind regards.

cc: Ms. Shamika N. Sirimanne, Director, Division on Technology and Logistics, UNCTAD
Mr Fabrice Millet, Chief, ASYCUDA Programme, UNCTAD
Mr. Adnan T. Issa, Chief, Resources Management Services, UNCTAD
Ms. Rebecca Rellstab, Programme Management Officer, UNCTAD

Management Response

**Audit of the Automated System for Customs Data (ASYCUDA) programme at the
United Nations Conference on Trade and Development**

Rec. no.	Recommendation	Critical ¹ / Important ²	Accepted? (Yes/No)	Title of responsible individual	Implementation Date	Client comments
1	UNCTAD should finalize a long-term strategic plan for the ASYCUDA programme which should be submitted to its governing bodies for endorsement.	Important	Yes	DTL Director/ ASYCUDA Programme Chief	December 2021	The strategic plan will be presented to ASYCUDA's governing bodies for endorsement.
2	UNCTAD should: (a) develop a funding strategy or model for mobilizing the resources required for upgrade of ASYCUDAWorld and related research and development needs; and (b) update the ASYCUDA risk register to include risks associated with continued delays or failure to secure the required resources.	Important	Yes	DTL Director/ ASYCUDA Programme Chief	December 2021	
3	UNCTAD should strengthen the composition and operational arrangements of the ASYCUDA governing bodies to enhance their effectiveness in providing guidance, support and oversight.	Important	Yes	UNCTAD Deputy Secretary General / DTL Director/ ASYCUDA Programme Chief	December 2021	
4	UNCTAD should develop formal terms of reference for the ASYCUDA regional offices and regional programme officers.	Important	Yes	ASYCUDA Programme Chief	September 2021	To be implemented in close collaboration with the Chief of Resource Management Service

¹ Critical recommendations address those risk issues that require immediate management attention. Failure to take action could have a critical or significant adverse impact on the Organization.

² Important recommendations address those risk issues that require timely management attention. Failure to take action could have a high or moderate adverse impact on the Organization.

Management Response

**Audit of the Automated System for Customs Data (ASYCUDA) programme at the
United Nations Conference on Trade and Development**

Rec. no.	Recommendation	Critical ¹ / Important ²	Accepted? (Yes/No)	Title of responsible individual	Implementation Date	Client comments
5	UNCTAD should review the ASYCUDA programme structure and explore options for addressing the gaps in resources needed to conduct social and economic analysis of the programme's achievements.	Important	Yes	UNCTAD Secretary General/Acting Secretary General DTL Director/ ASYCUDA Programme Chief	April 2022	RB resource mobilization to be explored for a P3/P4 economic affairs officer.
6	UNCTAD should ensure that the ASYCUDA Project Officer Manual or standard operating procedures are up to date and aligned to the organization-wide practices.	Important	Yes	ASYCUDA Programme Chief	December 2021	To be implemented in close collaboration with the Chief of Technical Cooperation Section
7	UNCTAD should enhance review mechanisms for the ASYCUDA programme to ensure that project evaluations and surveys of user countries are conducted, and the related reports are collected and submitted to the Evaluation Unit.	Important	Yes	ASYCUDA Programme Chief / Chief, Evaluation Unit, Office of the Secretary General	June 2022	
8	UNCTAD should develop guidelines for project officers to ensure effective mainstreaming of gender, human rights and environmental considerations in ASYCUDA project documents and reporting activities.	Important	Yes	ASYCUDA Programme Chief / Chief, Technical Cooperation Section	June 2022	

Management Response

**Audit of the Automated System for Customs Data (ASYCUDA) programme at the
United Nations Conference on Trade and Development**

Rec. no.	Recommendation	Critical¹/ Important²	Accepted? (Yes/No)	Title of responsible individual	Implementation Date	Client comments
9	UNCTAD should develop a plan with targets and specific actions to improve gender balance of staff in the ASYCUDA programme.	Important	Yes	DTL Director/ ASYCUDA Programme Chief	October 2021	To be implemented in close collaboration with the Chief of Resource Management Service
10	UNCTAD should define timelines for closure of operationally complete projects and expedite the compensation for projects with negative balances.	Important	Yes	Chief, Resource Management Service	June 2022	