



INTERNAL AUDIT DIVISION

REPORT 2016/032

Audit of the management of the statistics subprogramme and related technical cooperation projects in the Department of Economic and Social Affairs

Overall results relating to the effective management of the statistics subprogramme and related technical cooperation projects were initially assessed as partially satisfactory. Implementation of six important recommendations remains in progress.

FINAL OVERALL RATING: PARTIALLY SATISFACTORY

22 April 2016
Assignment No. AN2015/540/02

CONTENTS

	<i>Page</i>
I. BACKGROUND	1
II. OBJECTIVE AND SCOPE	1-2
III. AUDIT RESULTS	2-9
A. Subprogramme management	3-6
B. Regulatory framework	6-9
IV. ACKNOWLEDGEMENT	9
ANNEX I	
Status of audit recommendations	

AUDIT REPORT

Audit of the management of the statistics subprogramme and related technical cooperation projects 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 statistics subprogramme and related technical cooperation projects in the Department of Economic and Social Affairs (DESA).
2. In accordance with its mandate, OIOS provides assurance and advice on the adequacy and effectiveness of the United Nations internal control system, the primary objectives of which are to ensure: (a) efficient and effective operations; (b) accurate financial and operational reporting; (c) safeguarding of assets; and (d) compliance with mandates, regulations and rules.
3. The Statistics Division of DESA carries out its activities in close cooperation with national statistical offices and national geospatial information agencies. It works in collaboration with other offices of the Secretariat, United Nations regional commissions, United Nations specialized agencies, funds and programmes, and other intergovernmental organizations. In particular, the Division acts as the secretariat to the Statistical Commission and the Committee of Experts on United Nations Global Geospatial Information Management (UN-GGIM), both of which report to the Economic and Social Council (ECOSOC), as well as the Committee for the Coordination of Statistical Activities. The Division also provides secretariat support to a number of inter-agency and expert group meetings in specific statistical domains.
4. A Director at the D-2 level heads the Division and is assisted by the Executive Support Unit, Capacity Development Section, Statistical Planning and Development Section, and the Office and Technology Development Section. The substantive work of the Division is carried out by five branches: Economic Statistics branch; Trade Statistics branch; Demographic and Social Statistics branch; Environment and Energy Statistics branch; and Statistical Services branch.
5. For the biennium 2014-2015, the subprogramme was allocated \$44.1 million from: (i) the regular budget under the DESA programme budget - \$34 million, regular programme of technical cooperation - \$2.5 million, and Development Account - \$1.4 million; (ii) extrabudgetary funds - \$4.7 million; and (iii) revenue-generating activities in the statistical revenue account - \$1.5 million. The subprogramme's major outputs were servicing of intergovernmental and expert bodies and producing recurrent and non-recurrent statistical publications and technical materials.
6. Comments provided by DESA are incorporated in *italics*.

II. OBJECTIVE AND SCOPE

7. The audit was conducted to assess the adequacy and effectiveness of the DESA governance, risk management and control processes in providing reasonable assurance regarding the **effective management of the statistics subprogramme and related technical cooperation projects in DESA**.
8. The audit was included in the 2015 OIOS risk-based work plan because of the operational risks in delivering the subprogramme objective and the related technical cooperation projects.

9. The key controls tested for the audit were: (a) subprogramme management; and (b) regulatory framework. For the purpose of this audit, OIOS defined these key controls as follows:

(a) **Subprogramme management** - controls that provide reasonable assurance that adequate and effective processes are established to guide the planning, direction, coordination, and execution of the statistics subprogramme activities.

(b) **Regulatory framework** - controls that provide reasonable assurance that policies and procedures: (i) exist to guide the operations of the Statistics Division; (ii) are implemented consistently; and (iii) ensure the reliability and integrity of financial and operational information.

10. The key controls were assessed for the control objectives shown in Table 1. One control objective (shown in Table 1 as “Not assessed”) was not relevant to the scope defined for this audit.

11. OIOS conducted this audit from October 2015 to January 2016. The audit covered the period from January 2014 to December 2015.

12. OIOS conducted an activity-level risk assessment to identify and assess specific risk exposures, and to confirm the relevance of the selected key controls in mitigating associated risks. Through interviews, analytical reviews and tests of controls, OIOS assessed the existence and adequacy of internal controls and conducted necessary tests to determine their effectiveness.

III. AUDIT RESULTS

13. The DESA governance, risk management and control processes examined were initially assessed as **partially satisfactory**¹ in providing reasonable assurance regarding the **effective management of the statistics subprogramme and related technical cooperation projects in DESA**. OIOS made six recommendations to address issues identified in the audit.

14. The objectives and strategy of the Statistics Division for the biennium 2014-2015 were articulated in the strategic framework for DESA. As of December 2015, 98 per cent of the outputs for the biennium were completed and this significantly contributed to the production of high quality, easily accessible comparable national statistics and geospatial information for policy makers and other users at the national and international levels. However, the management of the subprogramme could be improved by: (i) updating the Secretary-General’s bulletin on the organization of DESA in relation to the mandate and functions of the Statistics Division; (ii) reviewing the continued relevance of the Statistical Yearbook; and (iii) exploring the possibility of designating a senior official as United Nations Chief Statistician. With regard to the regulatory framework, DESA needed to: (i) comply with donor reporting requirements; and (ii) monitor the performance of a service provider against the information technology (IT) service level agreement.

15. The initial overall rating was based on the assessment of key controls presented in Table 1 below. The final overall rating is **partially satisfactory** as implementation of six important recommendations remains in progress.

¹ A rating of “**partially satisfactory**” means that important (but not critical or pervasive) deficiencies exist 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.

Table 1: Assessment of key controls

Business objective	Key controls	Control objectives			
		Efficient and effective operations	Accurate financial and operational reporting	Safeguarding of assets	Compliance with mandates, regulations and rules
Effective management of the statistics subprogramme and related technical cooperation projects in DESA	(a) Subprogramme management	Partially satisfactory	Partially satisfactory	Not assessed	Partially satisfactory
	(b) Regulatory framework	Partially satisfactory	Partially satisfactory	Not assessed	Partially satisfactory

A. Subprogramme management

The Statistics Division largely achieved its objective for the biennium 2014-2015

16. The Secretary-General's bulletin on planning, programming, budgeting, monitoring and evaluation states that the Secretary-General shall monitor accomplishments, as measured by the delivery of outputs scheduled in the approved programme budget.

17. The strategy to achieve the objective, expected accomplishments, and indicators of achievement of the Statistics Division for the biennium 2014-2015 were outlined in the strategic framework for DESA. The expected accomplishments and indicators of achievement were recorded and monitored in the Integrated Management and Document Information System, as per the advisory notes from the Department of Management, after 12 months, 18 months, and two years. A total of 498 outputs were expected to be accomplished. In addition, there were 88 outputs which were not included in the approved programme of work but were executed. The Division's outputs included: substantive servicing of meetings; parliamentary documentation, expert groups, rapporteurs, and depository services; recurrent and non-recurrent publications; training courses, seminars and workshops; and fellowships and grants.

18. OIOS reviewed a sample of 30 planned outputs of which 29 were completed and one was carried forward. The performance of the Division was corroborated through a survey of members of the Statistical Commission conducted by OIOS. On a scale of 1 to 5 (5 being the best), members of the Statistical Commission gave the Division an average score of 4 when asked to rate the substantive support they received from the Division.

19. OIOS therefore concluded that the Division had implemented adequate and effective procedures to ensure its objectives for the biennium 2014-2015 were achieved.

The Secretary-General's bulletin on the organization of DESA needed revision to update the statistics subprogramme's mandate and functions

20. The Secretary-General's bulletin on procedures for the promulgation of administrative issuances (ST/SGB/2009/4) requires officials responsible for promulgating and/or implementing administrative issuances to ensure that issuances are reviewed periodically so that the rules, instructions and procedures that they prescribe are up to date.

21. Section 17 of the Secretary-General's bulletin on the organization of DESA (ST/SGB/1997/9) described the mandate of the Statistics subprogramme as follows: collection, processing and

dissemination of statistical information; standardization of statistical methods, classifications and definitions; technical cooperation programmes; and coordination of international statistical programmes and activities. Pursuant to resolution 2011/24, ECOSOC expanded its mandated activities to include servicing UN-GGIM, a forum and coordinating mechanism among Member States and international organizations in geospatial information management. UN-GGIM had its own bureau and working methods and the Statistics Division served as its secretariat. It met once a year and its mandate is due to be reviewed by ECOSOC in 2016 after the 5-year exploratory period.

22. The bulletin also included the functions of the Division for the Advancement of Women (DAW) and the Office of the Special Adviser to the Secretary-General on Gender Issues and Advancement of Women (OSAGI). In July 2010, the General Assembly established UN Women, the United Nations entity for gender equality and empowerment of women, which merged distinct parts of the United Nations system that focused exclusively on gender equality and women's empowerment, including DAW and OSAGI. However, DESA had not revised the bulletin to reflect its additional mandate and functions, resulting in a discrepancy between the Statistics Division's original mandate as stated in the bulletin and its ongoing activities.

(1) DESA should initiate the updating of the Secretary-General's bulletin on the organization of the Department to reflect changes to the mandate and function of the Statistics Division.

DESA accepted recommendation 1 and stated that the Office of the Under-Secretary-General of DESA had initiated internal consultations to update the bulletin, and that the final approval of the changes would depend on the Executive Office of the Secretary-General. Recommendation 1 remains open pending receipt of the proposed changes to the mandate and functions of the Statistics Division submitted to the Executive Office of the Secretary-General.

The Statistics Division needed to review the continued relevance of the Statistical Yearbook

23. The Statistics Division is expected to perform ongoing and/or separate review of its mandate and functions to ascertain the relevance of activities under its mandate.

24. One of the most important outputs of the Division is the Statistical Yearbook. Since the compilation of data for the Statistical Yearbook series was initiated in 1948, it had consistently provided a wide range of internationally available statistics on social and economic conditions and activities at the national, regional, and global levels. The tables in the Yearbook covered historical periods for as many countries and statistical areas of the world as available. The Yearbook tables were based on data compiled by the Statistics Division from official national and international sources.

25. Within the Statistical Services branch, the Data Dissemination Section was responsible for producing the Yearbook and a pocket book (a high level summary of annual statistical information per country). Staff resources dedicated to this activity included the Chief of Section at P-4 level, two associate statisticians at P-2 level and seven General Service statistics assistants. Two Yearbooks, the 57th and 58th editions, were expected to be produced in the biennium 2014-2015. A printed version of the 57th edition was produced which contained data up to 31 December 2012. However, the 58th edition of the Yearbook was not completed by end of the biennium, but was published in February 2016 and contained data up to 31 December 2013. DESA attributed these delays to the fact that 60 per cent of the data for the Yearbook was compiled from external sources over which the Division had no control. The deadlines set for contributors to the Yearbook were not met and the entire compilation was delayed and the output was carried over to the 2016-2017 biennium.

26. With increased technological capabilities to obtain statistical data reflected in the Yearbook in real-time, the Yearbook contained data which had become obsolete by the time it was published. Nevertheless, there were some users who found the Yearbook useful as it was their only available source of information. The Division also faced delays in publication due to complex table layouts and rigid processing methods. These issues were being addressed by streamlining the production processes and by integrating the Yearbook with the pocketbook.

27. The Division last conducted a user satisfaction survey on the usage and the continued relevance of this flagship publication five years ago. Rapid changes in technology and other online data sources such as the United Nations Data (a web-based portal providing access to a broad range of official statistics) could diminish the relevance of the Yearbook. Consequently, there was a need to analyze whether the publication should continue to be produced in the same format. A survey of members of the Statistical Commission carried out by OIOS revealed that 50 per cent of the respondents were satisfied with the flagship publication, while the rest were neutral or had no basis for judgement. Therefore, any decision on the way forward with the publication of the Statistical Yearbook would need the full support of the Statistical Commission, and ultimately the General Assembly, which mandated its production.

(2) DESA should conduct a customer satisfaction survey to obtain feedback on the usage and continued relevance of the Statistical Yearbook given the availability of other online sources of similar data.

DESA accepted recommendation 2 and stated that conducting a comprehensive and meaningful customer satisfaction survey would require resources and DESA would inform the Statistical Commission to seek a “political” mandate to require inputs and cooperation from the United Nations partner agencies, which provided statistical data. Recommendation 2 remains open pending confirmation that a customer satisfaction survey for the Statistical Yearbook has been conducted.

DESA needed to designate a senior official as United Nations Chief Statistician to strengthen coordination on statistical matters

28. According to the Secretary-General’s bulletin on the organization of Secretariat of the United Nations (ST/SGB/2015/3), heads of departments and offices are responsible for ensuring coordination of activities of the department/office with those of other organizational units performing related tasks.

29. The Statistics Division performed the substantive work of the Statistical Commission and served as secretariat to the Commission. A core function of the Division was the coordination of international statistical programmes and activities. Coordination of Statistics was attained at different levels as follows:

- a) Coordination with the five Regional Commissions was facilitated through meetings that were held every other month and biannual meetings of the Committee for the Coordination of Statistical Activities.
- b) The second level of coordination was through the Cluster Statistics, which included the Statistics Division, all five Regional Commissions and selected funds and programmes and specialized agencies.
- c) The third level was the meeting of the Chief Statisticians of the United Nations System which included all Cluster Statistics and all other United Nations funds and programmes.

- d) The fourth level of coordination occurred through the Committee for the Coordination of Statistical Activities and included all United Nations entities and other international and regional organizations.

30. The large number of players in the field of statistics presented coordination challenges. For example, the regional commissions, even though they shared budgets and programmes of work, reported to their Executive Secretaries, both administratively and substantively. As long as individual United Nations entities retained the right to release data independently, overall accountability for statistical matters would remain undefined. Whereas coordination risk was being mitigated through informal and ad-hoc arrangements, a more structured arrangement could increase accountability.

31. The United Nations Secretariat did not have a position of Chief Statistician who could be accountable for the statistics produced by the United Nations and its entities. DESA had also not designated any official in the Department to serve as the Secretariat's focal point or Chief Statistician to effectively service the Statistical Commission on statistics matters globally, as the issue was not given priority. The need for a central focal point had become more critical following General Assembly resolution 70/1 (Transforming our World: The 2030 Agenda for Sustainable Development), which mandated the Secretary-General to prepare an annual progress report on Sustainable Development Goals in cooperation with the United Nations system based on the global indicator framework and data produced by national statistical systems and information collected at the regional level.

(3) DESA should, in consultation with the Statistical Commission, explore the possibility of designating a senior official as United Nations Chief Statistician to coordinate statistical matters across United Nations entities.

DESA accepted recommendation 3 and stated that it would be brought to the attention of the Statistical Commission as well as United Nations senior management. Recommendation 3 remains open pending confirmation that DESA has explored the possibility of designating a senior official as United Nations Chief Statistician.

B. Regulatory framework

The Statistics Division needed to comply with donor reporting requirements

32. DESA signed a Memorandum of Understanding (MOU) with donors for each donor funded project outlining specific requirements for use of the funds and execution of the project. The MOUs outlined requirements for reporting to the donor and for monitoring and evaluating the project. A project document outlined the logical framework including expected accomplishments, project budget and cost plans.

33. The Statistics Division was implementing eight projects which were either annual or multi-year grants funded by five donors. OIOS reviewed three projects whose total budget as per the MOUs was \$14,679,890. They were as follows:

- a) Improving the Collation, Availability and Dissemination of National Development Indicators, including the Millennium Development Goals Indicators (Project A) - \$7,016,870;
- b) Evidence and Data for Gender Equality Joint Programme (Project B) - \$3,663,020; and

- c) Statistical Capacity Development in China and other Developing Countries in Asia (Project C) - \$4,000,000.

34. The project documents included the expected accomplishments, project budget and cost plans. However, two of the projects reviewed did not conform to donor reporting requirements. For instance, the MOU for Project A required a final financial statement to be issued six months after completion of the project. The project was completed at the end of March 2015 but as of December 2015, the final financial report had not been issued to the donor. The MOU for Project B required an annual narrative progress report to be submitted no later than three months after the end of 2014 and financial statements to be submitted no later than April 2015. However, both the annual narrative report and the financial statements were submitted in September 2015, which were well past the due dates. While the MOU for Project C required a final narrative report and an evaluation to be conducted at the conclusion of the project, the donor stipulated via email that these were not necessary.

35. The Statistics Division explained that the delays occurred because donor reporting requirements in most cases were not synchronized with the United Nations financial reporting timeframes. Similarly, trust funds that were disbursed through financial authorizations to other United Nations entities took over a year to reconcile inter-office vouchers. This made it impossible to prepare financial statements within a month after project completion. For the biennium 2014-2015, implementation of the Organization's new enterprise resource planning solution (Umoja) exacerbated the delays. For instance, the financial statements for the year ended 31 March 2014 were still awaited from the Office of Programme Planning Budget and Accounts as of 31 January 2016.

(4) DESA should take action to ensure that the Statistics Division synchronizes reporting dates in donor agreements with United Nations financial reporting timeframes to facilitate meeting related deadlines.

DESA accepted recommendation 4 and stated that it would try to ensure that reporting dates were synchronized in donor agreements by facilitating direct communication between donors and relevant United Nations administrative units. Recommendation 4 remains open pending notification of the action taken to synchronize donor reporting timeframes with those of the United Nations.

Controls over the management of capacity development projects were adequate, but project implementation rate could be improved

36. The Development Account project management guidelines outline the responsibilities of the implementing entity and the Capacity Development Office for preparation and finalization of project documents, issuance of allotments, submission of annual progress reports, operational and financial closing of projects and external evaluation/final report.

37. The Statistics Division implemented five multi-year projects valued at \$3.3 million funded from the Development Account. OIOS reviewed two of these projects valued at \$1.2 million. These were:

- a) Strengthening the geospatial information management capacities of developing countries for better policy making at the national, regional, and international level (Project D); and
- b) Helping developing countries measure progress towards achieving a Green Economy (Project E).

38. At the completion of Project D on 31 December 2015, the implementation rate was 89 per cent of the total budget with a balance of \$54,414 in unspent funds. No extension of the project was requested to utilize the unspent funds. Similarly, the implementation rate for Project E was 75 per cent, with an

unspent balance of \$175,297 as at 31 December 2015, when the project was scheduled to be completed. In this case, as two regional workshops were yet to be completed, the project was extended to 30 June 2016. The Statistics Division explained that recruitment of consultants was one of the main causes affecting implementation rates of projects which resulted in unspent funds or requests for extension of project duration.

(5) DESA should take action to ensure that the Statistics Division includes realistic completion dates in donor agreements by incorporating all activities needed to implement capacity development projects, including the period required to recruit consultants.

DESA accepted recommendation 5 and stated that it would strive to facilitate comprehensive communications with all relevant parties involved at the planning stage to ensure realistic project implementation timeframes. Recommendation 5 remains open pending receipt of the action taken to include realistic completion dates in donor agreements.

DESA was taking action to develop a risk register and risk response action plan at the subprogramme level

39. The United Nations Secretariat implemented a policy and framework of enterprise-wide risk management, which defined a consistent methodology for assessing, monitoring and managing risks.

40. As DESA had not implemented the enterprise risk management framework, the Statistics Division did not establish a documented risk assessment process. While no formal risk assessment was conducted at the operational level, managers were aware of the risks and opportunities facing the Division and took them into account when preparing annual work plans. The last risk assessment exercise at DESA was conducted by the Capacity Development Office (CDO) in conjunction with the Department of Management in 2013 but this exercise was limited to CDO. The risks were classified into four major categories: strategic, governance, operational, and financial. Six risks were rated as significant, 13 were moderate, and 4 were lower risks. Four of the six significant risks identified appeared to be generic to the whole Department. In April 2014, CDO conducted a workshop to share the final assessment and the proposed risk responses/treatments, update existing controls and identify and prioritize relevant actions. Even though the risks identified were generic to the whole Department, other divisions of DESA, including the Statistics Division, did not take part in the process.

41. OIOS observed that there was a lack of policy guidelines within the Department regarding the implementation of enterprise risk management. The Division had no formal risk assessment process to develop a divisional risk register and risk response action plan. Without a documented risk assessment methodology, the Division may not be mitigating its risks adequately which could impact the achievement of objectives.

42. *DESA advised that it was participating in several working groups related to the Secretariat-wide enterprise risk assessment. Before considering developing risk assessments at subprogramme level, DESA was eager to learn lessons from the exercises conducted by other departments. In view of the explanation provided and action being taken by the Department, no recommendation was made.*

The Statistics Division needed to obtain IT performance reports

43. IT controls require that a service level agreement (SLA) be prepared that defined all critical IT services based on customer requirements and IT capabilities. The SLA should cover customer commitments, service support requirements, and quantitative and qualitative metrics for measuring the services, duly signed off by the stakeholders.

44. The Statistics Division had two major databases: (a) the United Nations Data, which was a web-based portal providing access to a broad range of official statistics compiled by the Division and other United Nations entities, and organized in 16 different datasets; and (b) the Commodity Trade Statistics Database, which was a global compilation of commodity trade statistics. In addition, there were several other minor databases such as the millennium development goals indicator database. Recently the 2030 agenda for sustainable development outcome document (GA70/1) mandated the Division with the responsibility for monitoring the progress and development of sustainable development goal indicator framework and other relevant databases.

45. All databases were originally hosted locally and supported by the Office of Information and Communications Technology (OICT); however, OICT was unable to provide adequate storage space and support to the Division. The Commodity Trade Statistics database had over 4 billion records with downloads of over 70 billion records per year. It had over 300 annual subscribers and generated revenues of approximately \$1.5 million in the biennium 2014-2015. Any failure of the database could be detrimental to the business objectives of the Division. In view of the critical importance of IT to support the business processes of the Division, the function was outsourced to a service centre through a SLA for the provision of hosting services and support.

46. The SLA had been operational since 9 May 2013 and was renewed annually. The service centre performed proactive monitoring of the hosted systems. However, the Statistics Division did not obtain performance reports at regular intervals to monitor the operation of the centre and ensure that it operated within the terms of the SLA. This particular task was not included in the annual work plan activities of the Department's Information and Communications Technology Section. Although no instances of downtime occurred during the reporting period, without performance monitoring, the Division could not assure that it was obtaining value for money for the services provided by the service centre.

(6) DESA should obtain performance reports at regular intervals to ensure that information technology services outsourced by the Statistics Division are being provided within the terms of the service level agreement.

DESA accepted recommendation 6 and stated that the Statistics Division would contact the United Nations Global Service Centre in Valencia and based on the terms of the signed SLA, will require performance reports on services provided to the Division. Recommendation 6 remains open pending receipt of performance reports from the IT service centre.

IV. ACKNOWLEDGEMENT

47. 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 statistics subprogramme and related technical cooperation projects in the
Department of Economic and Social Affairs**

Recom. no.	Recommendation	Critical ² / Important ³	C/ O ⁴	Actions needed to close recommendation	Implementation date ⁵
1	DESA should initiate the updating of the Secretary-General's bulletin on the organization of the Department to reflect changes to the mandate and function of the Statistics Division.	Important	O	Notification of the proposed changes to the mandate and functions of the Statistics Division submitted to the Executive Office of the Secretary-General.	31 December 2016
2	DESA should conduct a customer satisfaction survey to obtain feedback on the usage and continued relevance of the Statistical Yearbook given the availability of other online sources of similar data.	Important	O	Confirmation that a customer satisfaction survey for the Statistical Yearbook has been conducted.	31 March 2017
3	DESA should, in consultation with the Statistical Commission, explore the possibility of designating a senior official as United Nations Chief Statistician to coordinate statistical matters across United Nations entities.	Important	O	Confirmation that DESA has explored the possibility of designating a senior official as United Nations Chief Statistician.	31 March 2017
4	DESA should take action to ensure that the Statistics Division synchronizes reporting dates in donor agreements with United Nations financial reporting timeframes to facilitate meeting related deadlines.	Important	O	Notification of action taken to synchronize donor reporting timeframes with those of the United Nations.	31 December 2016
5	DESA should take action to ensure that the Statistics Division includes realistic completion dates in donor agreements by incorporating all activities needed to implement capacity development projects, including the period required to recruit consultants.	Important	O	Notification of action taken to include realistic completion dates in donor agreements.	31 March 2017

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

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

⁴ C = closed, O = open

⁵ Date provided by DESA in response to recommendations.

STATUS OF AUDIT RECOMMENDATIONS

**Audit of the management of the statistics subprogramme and related technical cooperation projects in the
Department of Economic and Social Affairs**

Recom. no.	Recommendation	Critical ² / Important ³	C/ O ⁴	Actions needed to close recommendation	Implementation date ⁵
6	DESA should obtain performance reports at regular intervals to ensure that information technology services outsourced by the Statistics Division are being provided within the terms of the service level agreement.	Important	O	Submission of performance reports from the IT service centre.	30 June 2016

APPENDIX I

Management Response

United Nations  Nations Unies

INTEROFFICE MEMORANDUM

MEMORANDUM INTERIEUR

TO: Ms. Muriette Lawrence-Hume, New York Audit Service
A: Internal Audit Division, OIOS

DATE: 7 April 2016

REFERENCE: DESA-16/00417

FROM: Haitian Lu, Chief of Office
DE: Office of the Under-Secretary-General
Department of Economic and Social Affairs



SUBJECT: **Draft report on an audit of the management of the statistics**
OBJET: **subprogramme and related technical cooperation projects in the**
Department of Economic and Social Affairs
Assignment no. AN2015/540/02

With reference to your memo dated 14 March 2016, we are pleased to submit DESA's comments below:

#6 DESA should implement the organizational enterprise risk management framework requiring the Statistics Division, amongst others, to develop a divisional risk register and risk response action plan.

DESA is not in agreement with the recommendation to develop a divisional risk register at the moment. The Department is participating in several working group in the secretariat wide enterprise risk assessment. While different departments and offices have developed their own risk register, the framework for such departmental risk assessments should be established before replicated such risk assessments in all departments and offices. We are also eager for the lessons learned from the exercises in other departments before considering requiring risk assessments at the subprogramme level.

7 DESA should document the process of selecting roster candidates for consultancy contracts by sharing the terms of reference with all eligible roster candidates and requesting them to submit an expression of interest including their proposed consultancy rates, for competitive evaluation.

DESA does not accept this recommendation. The Department's recruitment of consultants is undertaken in accordance with the Organization's current policies and administrative instructions. Any changes to the administrative policies and practices regarding the recruitment of consultants should be addressed at the Secretariat level through OHRM and not at the individual Department level.

Best regards

Cc: Executive Office/DESA

Management Response

Audit of the management of the statistics subprogramme and related technical cooperation projects in DESA

Rec. no.	Recommendation	Critical ¹ / Important ²	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
1	DESA should initiate the updating of the Secretary-General's bulletin on the organization of the Department to reflect changes to the mandate and function of the Statistics Division	Important	Y	OUSG	December 2016 (tbc)	The Office of the Under-Secretary-General of DESA has already initiated internal consultations to update the bulletin. Final approval depends on the Executive Office of the Secretary General.
2	DESA should conduct a customer satisfaction survey to obtain feedback on the usage and continued relevance of the Statistical Yearbook given the availability of other online sources of similar data.	Important	Y	Chief, Statistical Services Branch Chief, Statistical Dissemination Section	March 2017	Conducting a comprehensive and meaningful customer satisfaction survey will require resources. UNSD will also inform the Statistical Commission to seek the 'political' mandate. Inputs and cooperation from UN System partner agencies, which provide data will be required. This recommendation is related to those contained in paras. (36) and (60)
3	DESA should, in consultation with the Statistical Commission, explore the possibility of designating a senior official as United Nations Chief Statistician to coordinate statistical matters across United Nations entities.	Important	Y	Director, Statistics Division	March 2017	This recommendation will be brought to the attention of the Statistical Commission as well as UN Senior management.
4	DESA should take action to ensure that the Statistics Division synchronizes reporting dates in donor agreements with United Nations financial reporting timeframes to facilitate meeting related	Important	Y	Chief, Capacity Development Section	December 2016	Institutional donor reporting requirements and the ability of the UN administrative system timeframes are both outside the control of the Department. We shall certainly try to

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

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

Management Response

Audit of the management of the statistics subprogramme and related technical cooperation projects in DESA

Rec. no.	Recommendation	Critical ¹ / Important ²	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
	deadlines.					ensure they are synchronized in the agreements, by facilitating direct communication between donors and relevant UN administrative units.
5	DESA should take action to ensure that the Statistics Division includes realistic completion dates in donor agreements by incorporating all activities needed to implement capacity development projects, including the period required to recruit consultants.	Important	Y	Chief, Capacity Development Section	March 2017	We observe frequently a tension between expectations of donors who have sometimes provided significant financial support and the ability of the UN system to deliver program action in line with the high expectations. UNSD shall certainly strive to facilitate comprehensive communications with all relevant parties involved at the planning stage to ensure realistic project implementation time frames.
6	DESA should implement the organizational enterprise risk management framework requiring the Statistics Division, amongst others, to develop a divisional risk register and risk response action plan.	Important				DESA is not in agreement with the recommendation to develop a divisional risk register at the moment. The Department is participating in several working group in the secretariat wide enterprise risk assessment. While different departments and offices have developed their own risk register, the framework for such departmental risk assessments should be established before replicated such risk assessments in all departments and offices. We are also eager for the lessons learned from the exercises in other departments before considering requiring risk assessments at the

Management Response

Audit of the management of the statistics subprogramme and related technical cooperation projects in DESA

Rec. no.	Recommendation	Critical ¹ / Important ²	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
						subprogramme level.
7	DESA should document the process of selecting roster candidates for consultancy contracts by sharing the terms of reference with all eligible roster candidates and requesting them to submit an expression of interest including their proposed consultancy rates, for competitive evaluation.	Important				DESA does not accept this recommendation. The Department's recruitment of consultants is undertaken in accordance with the Organization's current policies and administrative instructions. Any changes to the administrative policies and practices regarding the recruitment of consultants should be addressed at the Secretariat level through OHRM and not at the individual Department level.
8	DESA should obtain performance reports at regular intervals to ensure that information technology services outsourced by the Statistics Division are being provided within the terms of the service level agreement.	Important	Y	Chief, Office and Technology Management Section	June 2016	Statistics Division will contact the United Nations Global Service Centre in Valencia and based on the terms of the signed Service Level Agreement will require performance reports on provided services to the Division.