# INTERNAL AUDIT DIVISION

# REPORT 2019/013

Audit of statistical services at the United Nations Conference on Trade and Development

Governance and operational arrangements for statistical services needed to be strengthened

15 March 2019
Assignment No. AE2018/340/02

# Audit of statistical services at the United Nations Conference on Trade and Development

## EXECUTIVE SUMMARY

The Office of Internal Oversight Services (OIOS) conducted an audit of statistical services at the United Nations Conference on Trade and Development (UNCTAD). The objective of the audit was to assess the adequacy and effectiveness of the arrangements for provision of statistical services in UNCTAD. The audit covered the period from January 2017 to December 2018 and included a review of risk areas in the provision of statistical services which included: (a) governance and organizational arrangements; (b) systems and tools used for collection, production and management of statistics; (c) dissemination and feedback mechanisms; and (d) technical cooperation and capacity building.

To enhance coordination, UNCTAD had established the Statistics Coordination Task Force in 2018 headed by its Deputy Secretary-General. UNCTAD had also drafted a statistical quality assurance framework and expected to have it finalized and approved by early 2019. However, there was need to strengthen various aspects of the governance and operational arrangements for statistical services.

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

- Clarify the long-term mandate envisioned for the Statistical Coordination Task Force, its authority and scope, and ensure that the Task Force develops a mid/long-term work plan with measurable targets;

- Develop and circulate terms of reference for the Development Statistical and Information Branch which address: (a) its responsibilities for coordinating and supporting all UNCTAD statistical activities; (b) the authority and accountability of its Chief; and (c) the mechanisms for collecting and prioritizing the substantive divisions' needs for statistical support;

- Take stock and document all systems used in the collection, curation, storage and dissemination of statistical data and use the results to develop policies, rules and standards to streamline the acquisition and maintenance of statistical data management systems as appropriate;

- Develop appropriate guidance for dissemination of statistical data which addresses the need for a single repository for all statistics and standardizes the nomenclature of UNCTAD's statistical products; and

- Take stock of its technical cooperation activities in the area of statistics, assess gaps, and develop a strategy to address its mandate on technical assistance and capacity building on statistics.

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

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# Audit of statistical services at the United Nations Conference on Trade and Development

## I.    BACKGROUND

1.      The Office of Internal Oversight Services (OIOS) conducted an audit of statistical services at the United Nations Conference on Trade and Development (UNCTAD).

2.      The work of UNCTAD is focused around three complementing pillars: (a) intergovernmental machinery and consensus-building; (b) research and analysis; and (c) technical cooperation.  Statistical research and analysis is a key component for each of the three pillars.  The Secretary-General's Bulletin ST/SGB/1998/1 on the Organization of the Secretariat of UNCTAD requires the Development Statistical and Information Branch (DSIB) of the Division on Globalization and Development Strategies to act as a central statistical service and provide an on-line information system containing time-series data related to trade and development.

3.      DSIB provides general support services to all substantive divisions including statistical methodology; information and technology support; analysis; and dissemination.  It maintains more than 150 indicators and statistical time series essential for the analysis of international trade; economic trends; foreign direct investment; external financial resources; population and labor force; commodities; information economy; and maritime transport.  The substantive divisions manage other indicators related to their areas of work and maintain varying degrees of statistical capacity in line with their needs.  To enhance coordination on statistics, UNCTAD established the Statistics Coordination Task Force (hereafter referred to as "Task Force") in 2018 headed by the Deputy Secretary-General.

4.      The relevance of statistics was reiterated in the outcome of the fourteenth UNCTAD quadrennial conference held in September 2016 (Nairobi Maafikiano) which requires UNCTAD to continue developing relevant statistics and assisting developing countries to measure the impact of national policy efforts towards achieving sustainable development.

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 the arrangements for provision of statistical services in UNCTAD.

7.      This audit was included in the 2018 risk-based work plan of OIOS due to the risk that potential weaknesses in the provision of statistical services by UNCTAD could adversely affect the achievement of its objectives.

8.      OIOS conducted this audit from October 2018 to January 2019.  The audit covered the period from January 2017 to December 2018.  Based on an activity-level risk assessment, the audit covered risk areas in the provision of statistical services which included: (a) governance and organizational arrangements; (b) systems and tools used for collection, production and management of statistics; (c) dissemination and feedback mechanisms; and (d) technical cooperation and capacity building.

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.    Governance and organizational arrangements

UNCTAD was developing a statistical quality assurance framework

11.    The fourteenth UNCTAD quadrennial conference recognized the importance of publicly available, high-quality statistics that adhere to international standards as a key element of the enabling environment required for implementation of the 2030 Agenda.  OIOS' interviews with UNCTAD senior and programme managers showed that they were aware of the Organization's responsibilities and the importance of high-quality statistics.  At the time of the audit, UNCTAD had drafted a statistical quality assurance framework and expected to have it finalized and approved in early 2019.  In developing the new framework, UNCTAD used an inclusive process that involved discussions within the Task Force which had representatives from all UNCTAD substantive divisions.  The internal control mechanisms proposed in the draft UNCTAD quality assurance framework were generally in line with the United Nations Statistical Quality Assurance Framework.  The only exception was with regard to the role and authority of the Chief Statistician which was not incorporated in the draft quality assurance framework because the organizational structure for UNCTAD did not include an independent/standalone unit for statistics with a chief statistician; proposals to establish such an independent unit had not been approved.  The establishment of the Task Force in 2018 and the role played by DSIB in supporting all UNCTAD statistical activities mitigated the absence of a statistical unit and chief statistician.

Need to clarify the long-term mandate of the Task Force and develop a mid/long term work plan

12.    The Task Force is mandated to improve coordination of statistical activities, promote a quality assurance framework, capacity development and technical training.  The Task Force is headed by the UNCTAD Deputy Secretary-General which helps to ensure it has visibility and authority.  In its first meeting held in March 2018, the Task Force approved its terms of reference and identified some of the issues to be discussed in future meetings including: (a) presentation of best and international statistical practices including quality, conceptual and methodological issues; (b) Sustainable Development Goals (SDG) related outputs; (c) enhanced and improved coordination; and (d) design of a capacity development inventory.  At the time of the audit, the Task Force was still new and had only met four times.  The main focus of discussions in the meetings was the development of a statistical quality assurance framework and coordination of SDG custodian indicators.  Minutes of the Task Force's meetings were posted in the UNCTAD intranet and were therefore assessable to all staff.

13.    OIOS' interviews with statistical focal points and senior managers showed that they generally appreciated the Task Force's role.  However, some managers considered the Task Force as a temporary/ad-hoc body and therefore a sub-optimal solution to coordination needs.  The Task Force had also not prepared a formal mid/long-term work plan with timelines and expected outcomes.  Such a work plan would help to clarify the long-term role and vision of the Task Force and help ensure that important issues that it is mandated to address (such as the need for enhanced coordination and synergy) are identified and adequately addressed.  Further, only one of the ten members of the Task Force that OIOS surveyed had included the responsibilities relating to the Task Force in their annual performance evaluation work plans.  Since the Task Force is a key control in the quality assurance framework and in the coordination of statistical activities, it is essential that the gaps noted above are addressed.

> **(1) UNCTAD should: (a) clarify the long-term mandate envisioned for the Statistical Coordination Task Force, its authority and scope; and (b) ensure that the Task Force develops a mid/long-term work plan with measurable targets which its members should incorporate in their individual performance work plans.**
>
> *UNCTAD accepted recommendation 1.* Recommendation 1 remains open pending receipt of evidence that UNCTAD has clarified the authority, scope and long-term mandate of the Statistical Coordination Task Force and the Task Force has developed a mid/long-term work plan with measurable targets.

<u>Need to develop terms of reference for DSIB</u>

14.    DSIB is designated as the statistical coordinator of UNCTAD in several documents including the Secretary-General's Bulletin on the organization of the Secretariat of UNCTAD (ST/SGB/1998/1), the job description of the Chief of DSIB, the UNCTAD budget (A/72/84), and the draft quality assurance framework. Substantive divisions regularly relied on DSIB for statistical support and were generally satisfied with the support they received. However, the absence of a formal planning framework that would enable DSIB to collect the substantive divisions' needs for statistical support generated concerns about lack of transparency and accountability in the area of statistics support. DSIB provided support depending on its availability, goodwill and other priorities. Programme managers indicated that this resulted in delays or un-synchronized production of statistical series while DSIB indicated that some requests for support were unplanned and were submitted last minute thus creating conflicting priorities. In addition, although DSIB was in charge of coordination and support in the area of statistics, it had not been formally granted the authority to speak for all UNCTAD products during technical symposiums or bilateral meetings with stakeholders, which generated a perception and risk of lack of coordination/fragmentation. UNCTAD needs to clarify and document DSIB responsibilities, authority and accountability in supporting and coordinating all UNCTAD statistical activities and the arrangements for coordinating work-planning for statistical support needs.

> **(2) UNCTAD should develop and circulate terms of reference for the Development Statistical and Information Branch which address: (a) its responsibilities for coordinating and supporting all UNCTAD statistical activities; (b) the authority and accountability of its Chief; and (c) the mechanisms for collecting and prioritizing the substantive divisions' needs for statistical support.**
>
> *UNCTAD accepted recommendation 2.* Recommendation 2 remains open pending receipt of evidence that UNCTAD has developed and circulated the terms of reference for DSIB that address: its responsibilities for coordinating and supporting all UNCTAD statistical activities; the authority and accountability of its Chief; and mechanisms for collecting and prioritizing substantive divisions' needs for statistical support.

## B.    Statistical systems and tools

<u>Need to streamline the use of database management systems for statistical work</u>

15.    The Information and Technology Services Section (ITSS) of UNCTAD provides information technology (IT) solutions to substantive divisions, primarily in the area of infrastructure support and application hosting services. Substantive divisions develop or purchase statistical data management systems to: (a) acquire datasets from third parties; (b) curate and store data; (c) compute indicators; and (d) disseminate statistical datasets. The main statistical data management system in use at UNCTAD was

UNCTADstat, which was developed and managed by DSIB. Aside from UNCTADstat, several other data management systems were in use that had statistical components, some of which provided data feeds to UNCTADstat. However, ITSS did not have a complete functional overview of all statistical data management systems and UNCTAD had also not established formal policies, rules and standards (enterprise data model or architecture) for statistical data management. As a result, there was a risk of suboptimal use of resources for acquiring and maintaining statistical data management systems and there could also be difficulties in identifying data quality problems. UNCTAD needs to take stock and document all statistical data management systems. Based on the information collected, ITSS in consultation with substantive divisions, needs to identify solutions that would gradually improve and streamline the data architecture for statistics at UNCTAD as considered appropriate.

> **(3) UNCTAD should take stock and document all systems used in the collection, curation, storage and dissemination of statistical data and use the results to develop policies, rules and standards to streamline the acquisition and maintenance of statistical data management systems as appropriate.**
>
> *UNCTAD accepted recommendation 3.* Recommendation 3 remains open pending receipt of evidence that UNCTAD has taken stock of all systems used to collect, curate, store and disseminate statistical data and developed policies, rules and standards to streamline the acquisition and maintenance of statistical data management systems.

## C.    Dissemination and feedback mechanisms

Need to develop guidance for dissemination of statistical data

16.    The consolidated 2018-2019 budget document (A/72/84) requires UNCTAD to facilitate the exchange of information on key development issues through free dissemination of a range of statistical products tailored to different audiences in order to make key information accessible to everyone irrespective of statistical expertise. UNCTADstat, which is managed by DSIB, provides the largest number of statistical indicators and can be accessed under the statistical tab of the UNCTAD corporate webpage. Substantive divisions had adopted various other approaches for distributing statistical products beyond UNCTADstat including: (a) developing separate webpages with applications for downloading and manipulating results; (b) generating stand-alone annexes and indexes as by-product of the analysis publication; and (c) distributing statistical data solely based on ad-hoc requests. OIOS observed the following weaknesses in the current distribution practices which showed that UNCTAD needs to provide appropriate guidance for dissemination of statistical products:

- UNCTAD did not have information on the number of statistical products that were distributed, and their format, timing and nomenclature used.

- Divisions in charge of statistical products that were not centrally managed in UNCTADstat used various formats such as Excel or PDF and these products were not referenced under the statistical tab of the webpage of UNCTAD. A common repository for statistical data that is well organized and easy to use would improve accessibility and visibility of UNCTAD statistical products and help to reinforce the UNCTAD brand.

- There was no guidance on nomenclature of statistical products that were distributed based on ad hoc requests and each substantive division was free to distribute their data without a corporate title. This raised concerns about protection of intellectual property and standardization of nomenclature.

> **(4) UNCTAD should develop appropriate guidance for dissemination of statistical data which addresses the need for a single repository for all statistics and standardizes the nomenclature of UNCTAD's statistical products.**
>
> *UNCTAD accepted recommendation 4.* Recommendation 4 remains open pending receipt of evidence that UNCTAD has developed and promulgated guidelines for dissemination of statistical data which addresses the need for a single repository for all statistics and nomenclature of statistical products.

# D.    Technical cooperation and capacity building

Need to develop a strategy for technical cooperation and capacity building on statistics

17.    To ensure success of the 2030 agenda for sustainable development, the SDG indicators requires measurements and use of international comparable statistical indexes.  UNCTAD is responsible for providing technical assistance and capacity building to support developing countries in their efforts to develop national statistical systems and improve statistical literacy relating to its areas of work.  However, UNCTAD had not assessed gaps and had not developed a formal strategy for this aspect of its mandate. UNCTAD had neither a comprehensive knowledge nor records of all the technical cooperation activities planned, on-going or completed in the area of statistics.  The statistics website and the statistics section of the report of the Secretary-General of UNCTAD on technical cooperation, only included capacity building activities and inter-agency initiatives on statistics implemented or co-led by Subprogramme 1 (Globalization Interdependence and Development) and therefore did not provide a complete picture of UNCTAD's efforts in this area of work.  There was also no clear vision of what UNCTAD intended to promote and how to measure its efforts in strengthening statistical capacity for developing countries.

> **(5) UNCTAD should take stock of its technical cooperation activities in the area of statistics, assess gaps, and develop a strategy to address its mandate on technical assistance and capacity building on statistics.**
>
> *UNCTAD accepted recommendation 5.* Recommendation 5 remains open pending receipt of evidence that UNCTAD has taken stock of its technical cooperation activities in the area of statistics and developed a strategy to address its mandate on technical assistance and capacity building on statistics.

# IV.    ACKNOWLEDGEMENT

18.    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.


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

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# STATUS OF AUDIT RECOMMENDATIONS

## Audit of statistical services 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: (a) clarify the long-term mandate envisioned for the Statistical Coordination Task Force, its authority and scope; and (b) ensure that the Task Force develops a mid/long-term work plan with measurable targets which its members should incorporate in their individual performance work plans. | Important | O | Receipt of evidence that UNCTAD has clarified the authority, scope and long-term mandate of the Statistical Coordination Task Force and the Task Force has developed a mid/long-term work plan with measurable targets. | 30 September 2019 |
| 2 | UNCTAD should develop and circulate terms of reference for the Development Statistical and Information Branch which address: (a) its responsibilities for coordinating and supporting all UNCTAD statistical activities; (b) the authority and accountability of its Chief; and (c) the mechanisms for collecting and prioritizing the substantive divisions' needs for statistical support. | Important | O | Receipt of evidence that UNCTAD has developed and circulated the terms of reference for the Development Statistical and Information Branch that address its responsibilities for coordinating and supporting all UNCTAD statistical activities; the authority and accountability of its Chief; and mechanisms for collecting and prioritizing substantive divisions' needs for statistical support. | 30 June 2020 |
| 3 | UNCTAD should take stock and document all systems used in the collection, curation, storage and dissemination of statistical data and use the results to develop policies, rules and standards to streamline the acquisition and maintenance of statistical data management systems as appropriate. | Important | O | Receipt of evidence that UNCTAD has taken stock of all systems used to collect, curate, store and disseminate statistical data and developed policies, rules and standards to streamline the acquisition and maintenance of statistical data management systems. | 30 June 2020 |
| 4 | UNCTAD should develop appropriate guidance for dissemination of statistical data which addresses the need for a single repository for all statistics and standardizes the nomenclature of UNCTAD's statistical products. | Important | O | Receipt of evidence that UNCTAD has developed and promulgated guidelines for dissemination of statistical data which addresses the need for a single repository for all statistics and nomenclature of statistical products. | 30 September 2020 |

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

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

[3] C = closed, O = open

[4] Date provided by UNCTAD in response to recommendations.

## STATUS OF AUDIT RECOMMENDATIONS

## Audit of statistical services 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] |
|---|---|---|---|---|---|
| 5 | UNCTAD should take stock of its technical cooperation activities in the area of statistics, assess gaps, and develop a strategy to address its mandate on technical assistance and capacity building on statistics. | Important | O | Receipt of evidence that UNCTAD has taken stock of its technical cooperation activities in the area of statistics and developed a strategy to address its mandate on technical assistance and capacity building on statistics. | 30 September 2020 |

# APPENDIX I


# Management Response

**Management Response**

**Audit of statistical services at the United Nations Conference on Trade and Development**

| . | Recommendation | Critical[1]/ Important[2] | Accepted? (Yes/No) | Title of responsible individual | Implementation date | Client comments |
|---|---|---|---|---|---|---|
| 1 | UNCTAD should: (a) clarify the long-term mandate envisioned for the Statistical Coordination Task Force, its authority and scope; and (b) ensure that the Task Force develops a mid/long-term work plan with measurable targets which its members should incorporate in their individual performance work plans. | Important | YES | UNCTAD Deputy Secretary-General and Head of Development Statistics and Information Branch | September 2019 | |
| 2 | UNCTAD should develop and circulate terms of reference for the Development Statistical and Information Branch which address: (a) its responsibilities for coordinating and supporting all UNCTAD statistical activities; (b) the authority and accountability of its Chief; and (c) the mechanisms for collecting and prioritizing the substantive divisions' needs for statistical support. | Important | YES | UNCTAD Deputy Secretary-General and Head of Development Statistics and Information Branch | June 2020 | |
| 3 | UNCTAD should take stock and document all systems used in the collection, curation, storage and dissemination of statistical data and use the results to develop policies, rules and standards to streamline the acquisition and maintenance of statistical data management systems as appropriate. | Important | YES | UNCTAD Deputy Secretary-General and Head of Development Statistics and Information Branch | June 2020 | |
| 4 | UNCTAD should develop appropriate guidance for dissemination of statistical | Important | YES | UNCTAD Deputy Secretary-General | September 2020 | |

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

**Management Response**

**Audit of statistical services at the United Nations Conference on Trade and Development**

| . | Recommendation | Critical[1]/ Important[2] | Accepted? (Yes/No) | Title of responsible individual | Implementation date | Client comments |
|---|---|---|---|---|---|---|
| | data which addresses the need for a single repository for all statistics and standardizes the nomenclature of UNCTAD's statistical products. | | | and Head of Development Statistics and Information Branch | | |
| 5 | UNCTAD should take stock of its technical cooperation activities in the area of statistics, assess gaps, and develop a strategy to address its mandate on technical assistance and capacity building on statistics. | Important | YES | UNCTAD Deputy Secretary-General and Head of Development Statistics and Information Branch | September 2020 | |