

## **Terms of reference for the audit of the management of the Transport International Routier trust fund at the Economic Commission for Europe**

### **Introduction**

Internal Audit Division (IAD) is conducting an audit of the management of the Transport International Routier (TIR) trust fund at the Economic Commission for Europe (ECE) as per the notification letter issued 6 June 2018. This document provides the approach to be adopted by IAD in undertaking this audit assignment and serves to establish a written understanding about its objective, scope, evaluation criteria, timing, staffing and respective responsibilities.

### **Objective, Scope and methodology**

The objective of the audit is to assess the adequacy and effectiveness of internal controls in ensuring effective management of the Transport International Routier trust fund at ECE.

The audit will take place during July and August 2018 and will be carried out in Geneva and New York. The audit will cover the period 1 January 2016 to 7 July 2018. Based on an activity-level risk assessment, the audit will cover higher and medium risk areas in the management of TIR trust fund, which includes: (i) governance arrangements; (ii) financial management; and (iii) regulatory framework.

The audit methodology will include: (a) interviews with key personnel from ECE, International Road Transport Union and the external auditor, (b) review of relevant documentation, (c) analytical review of data (d) sample testing, etc.

Results of the audit fieldwork may lead to changes in the scope of the audit and any such changes will be discussed with ECE.

A high-level summary of audit criteria against which IAD will assess the selected audit area(s) is listed in Annex I.

### **Communicating audit results**

An exit conference will be held with ECE to discuss the preliminary audit results at the end of fieldwork. Detailed audit results will be provided to ECE for written comments to ensure factual accuracy of the results and feasibility of the recommendations. These comments will be incorporated into the draft audit report addressed to ECE senior management for further comments and action plans to implement recommendations.

The final audit report will be submitted to ECE senior management including its comments on the draft report.

### **Planned exit conference and reporting dates**

The planned exit conference and reporting dates are as follows:

<b>Milestone</b>	<b>Planned date</b>
Exit conference	15/08/2018
Detailed audit results	31/08/2018
Draft report	21/09/2018
Final report	05/10/2018

### **Staffing**

The audit team comprises Florence Lubega and Venkata Bendapudi.

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**Audit area and sources of audit criteria proposed to be used**

No.	Audit area	Source of audit criteria
1	Governance arrangements	<ul style="list-style-type: none"> <li>• ST/SGB/188: Secretary-General's Bulletin on "Establishment and Management of Trust Funds"</li> <li>• ECE Governance measures for the management of extrabudgetary contributions</li> <li>• ECE Directive on establishment of agreements and management of extrabudgetary resources</li> <li>• TIR Convention 1975 body and annexes</li> <li>• Terms of reference of the TIR Administrative Committee</li> <li>• Decisions of the TIR Administrative Committee</li> <li>• Terms of Reference of the TIR Executive Board and TIR Secretariat</li> <li>• Terms of Reference for the Transport International Routier trust fund</li> <li>• Strategic framework of ECE for 2016-2017</li> <li>• Recommendations of the United Nations Board of Auditors</li> <li>• Terms of engagement with the external auditor</li> <li>• TIR Handbook</li> <li>• Conflict of interest procedures</li> </ul>
2	Financial management	<ul style="list-style-type: none"> <li>• ST/SGB/2013/4: United Nations Financial Regulations and Rules</li> <li>• Agreement between UNECE and International Road Transport Union for the period 2014 to 2016</li> <li>• Agreement between UNECE and International Road Transport Union for the period 2017 to 2019</li> <li>• Decisions of the Administrative Committee on the financing of the TIR Executive Board and TIR Secretariat</li> <li>• Annual cost plans and budget proposal of UNECE TIR Executive Board and TIR Secretariat</li> </ul>
3	Regulatory framework	<ul style="list-style-type: none"> <li>• ST/SGB/2014/1: United Nations Staff Regulations and Rules</li> <li>• ST/AI/2010/03: Staff selection system</li> <li>• ST/AI/2013/4: Consultants and individual contractors</li> <li>• ST/AI/2013/3: Official travel</li> <li>• ST/AI/286: Programme Support Costs</li> <li>• MOU with IRU in the field of computerization of TIR procedure</li> </ul>

<b>No.</b>	<b>Audit area</b>	<b>Source of audit criteria</b>
		<ul style="list-style-type: none"><li>• Project proposal for eTIR project</li><li>• Data entry procedures for the International TIR data bank</li><li>• Training activities on the application of TIR procedure</li><li>• Corporate guidance for International Public-Sector Accounting Standards</li></ul>